

**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 SEARS CANADA INC., 9370-2751
QUÉBEC INC., 191020 CANADA INC., THE CUT INC., SEARS
CONTACT SERVICES INC., INITIUM LOGISTICS SERVICES
INC., 9845488 CANADA INC., INITIUM TRADING AND
SOURCING CORP., SEARS FLOOR COVERING CENTRES
INC., 173470 CANADA INC., 2497089 ONTARIO INC., 6988741
CANADA INC., 10011711 CANADA INC., 1592580 ONTARIO
LIMITED, 955041 ALBERTA LTD., 4201531 CANADA INC.,
168886 CANADA INC., AND 3339611 CANADA INC.

(the "**Applicants**")

**MOTION RECORD
(Stay Extension and Fee Approval)
(returnable July 30, 2021)**

July 20, 2021

NORTON ROSE FULBRIGHT CANADA LLP
222 Bay Street, Suite 3000
P.O. Box 53
Toronto, Ontario M5K 1E7 CANADA

Orestes Pasparakis, LSO#: 36851T

Tel: +1 416.216.4815

Alan Merskey LSO#: 41377I

Tel: +1 416.216.4805

Evan Cobb LSO#: 55787N

Tel: +1 416.216.1929

Fax: +1 416.216.3930

orestes.pasparakis@nortonrosefulbright.com

alan.merskey@nortonrosefulbright.com

evan.cobb@nortonrosefulbright.com

Lawyers for the Monitor, FTI Consulting
Canada Inc.

TO: **THE SERVICE LIST**

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

IN THE MATTER OF THE *COMPANIES' CREDITORS
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TAB 1

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

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

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(each an “**Applicant**”, and collectively, the “**Applicants**”)

**NOTICE OF MOTION
(returnable July 30, 2021)**

FTI Consulting Canada Inc., in its capacity as Court-appointed monitor (the “**Monitor**”) in the proceedings of the Applicants pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. c-36, as amended, (the “**CCAA**”) will make a motion to a Judge of the Ontario Superior Court of Justice (Commercial List), on Friday, July 30, 2021, at 10:00 a.m. or as soon after that time as the motion can be heard, by judicial videoconference via Zoom at Toronto, Ontario. Please refer to the conference details attached as Schedule “A” hereto in order to attend the motion and advise if you intend to join the motion by emailing Peter Choi at peter.choi@nortonrosefulbright.com.

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

THE MOTION IS FOR:

- 1 An Order, substantially in the form attached as Schedule “B” hereto:

- (a) abridging the time for service of this Notice of Motion and the forty-sixth report of the Monitor dated July 20, 2021 (the “**Forty-Sixth Report**”), and dispensing with service on any person other than those served;
- (b) extending the Stay Period (defined below) from July 31, 2021 until and including October 30, 2021;
- (c) approving the fees and disbursements of the Monitor and its counsel, Norton Rose Fulbright Canada LLP, for the period between January 1, 2021 and May 31, 2021 (the “**Approval Period**”); and
- (d) such further and other relief as this Court may deem just.

THE GROUNDS FOR THE MOTION ARE:

1 On June 22, 2017, the Applicants in these proceedings sought and obtained an initial order (as amended and restated on July 13, 2017, the “**Initial Order**”) under the CCAA;

2 The Initial Order, among other things, appointed FTI Consulting Canada Inc. as Monitor of the Applicants;

Stay Extension

3 The Initial Order granted a stay of proceedings until July 22, 2017, or such later date as this Court may order (the “**Stay Period**”);

4 The Court has since extended the Stay Period until and including July 31, 2021;

5 The Applicants have proceeded in good faith and with due diligence under the supervision of the Monitor in accordance with the Court-approved Governance Protocol since the date of the last extension of the Stay Period;

6 Additional time is required to complete necessary matters including resolving remaining claims against the Applicants through the court-approved claims process and administering the Plan;

7 The Applicants have sufficient liquidity to fund these proceedings during the proposed extension of the Stay Period;

Fee Approval

8 The Initial Order directed the Monitor and its counsel to pass their accounts from time to time for approval;

9 The Forty-Sixth Report and the fee affidavits appended thereto in connection with this motion include detailed information about the fees and disbursements of the Monitor and its counsel during the Approval Period;

10 The Monitor believes that the Monitor's and its counsel's fees and disbursements are reasonable in the circumstances and have been validly incurred in accordance with the provisions of the Orders in these CCAA proceedings;

Other Grounds

11 The provisions of the CCAA, including section 11 and 11.02 thereof, and the inherent and equitable jurisdiction of this Court;

12 Rules 1.04, 1.05, 2.03, 3.02, 16 and 37 of the *Rules of Civil Procedure*, R.R.O 1990, Reg. 194, as amended; and

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

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

- 1 The Forty-Sixth Report of the Monitor; and
- 2 Such further and other evidence as counsel may advise and this Court may permit.

July 20, 2021

NORTON ROSE FULBRIGHT CANADA LLP
222 Bay Street, Suite 3000,
P.O. Box 53
Toronto, Ontario M5K 1E7 CANADA

Orestes Pasparakis, LSO#: 36851T

Tel: +1 416.216.4815

Alan Merskey, LSO#: 41377I

Tel: +1 416.216.4805

Evan Cobb, LSO#: 55787N

Tel: +1 416.216.1929

orestes.pasparakis@nortonrosefulbright.com

alan.merskey@nortonrosefulbright.com

evan.cobb@nortonrosefulbright.com

Lawyers for the Monitor

TO: **THE SERVICE LIST**

SCHEDULE "A"
VIDEOCONFERENCE DETAILS

Join Zoom Meeting

<https://nortonrosefulbright.zoom.us/j/94435012448?pwd=TjFLclorQnBKMzUyS0hjd1Q0ZDB5Zz09>

Meeting ID: 944 3501 2448

Password: 068964

One tap mobile

+16475580588,,94435012448#,1#,068964# Canada

+17789072071,,94435012448#,1#,068964# Canada

Dial by your location:

+1 647 558 0588 Canada

+1 778 907 2071 Canada

+1 204 272 7920 Canada

+1 438 809 7799 Canada

+1 587 328 1099 Canada

+1 647 374 4685 Canada

855 703 8985 Canada Toll-free

Meeting ID: 944 3501 2448

Password: 068964

Find your local number: <https://nortonrosefulbright.zoom.us/j/94435012448?pwd=TjFLclorQnBKMzUyS0hjd1Q0ZDB5Zz09>

SCHEDULE "B"
FORM OF DRAFT ORDER

[Remainder of page intentionally left blank.]

Court File No. CV-17-11846-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE)	FRIDAY, THE 30TH
)	
JUSTICE)	DAY OF JULY, 2021

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 SEARS CANADA INC., 9370-2751
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LIMITED, 955041 ALBERTA LTD., 4201531 CANADA INC.,
168886 CANADA INC., AND 3339611 CANADA INC.

Applicants

**ORDER
(Stay Extension and Fee Approval)**

THIS MOTION, made by FTI Consulting Canada Inc., in its capacity as Court-appointed Monitor (the "**Monitor**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), proceeded by way of videoconference due to the COVID-19 pandemic.

ON READING the Notice of Motion of the Monitor and the Forty-Sixth Report of the Monitor dated July 20, 2021 (the "**Forty-Sixth Report**"), filed, including the Affidavit of Steven Bissell, sworn July 15, 2021, and the Affidavit of Alan Merskey, sworn July 15, 2021 (collectively, the "**Fee Affidavits**"), and on hearing the submissions of counsel for the Monitor and such other counsel as were present, no one else appearing although duly served as evidenced by the Affidavit of Service of ● sworn ●, 2021, filed;

SERVICE

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

STAY EXTENSION

2. **THIS COURT ORDERS** that the Stay Period (as defined in the Amended and Restated Initial Order of this Court dated June 22, 2017) be and is hereby extended to and including October 30, 2021.

APPROVAL OF FEES

3. **THIS COURT ORDERS** that (i) the fees and disbursements of the Monitor for the period from January 1, 2021 to and including May 31, 2021 totalling \$914,561.62 (including applicable taxes); and (ii) the fees and disbursements of Norton Rose Fulbright Canada LLP, in its capacity as legal counsel to the Monitor for the period January 1, 2021 to and including May 31, 2021 totalling \$392,630.86 (including applicable taxes), be and are hereby approved.

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

Court File No. CV-17-11846-00CL

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SEARS CANADA INC., *et al.*

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

**ORDER
(Stay Extension and Fee Approval)**

NORTON ROSE FULBRIGHT CANADA LLP
222 Bay Street, P.O. Box 53
Toronto, Ontario M5K 1E7 CANADA

Orestes Pasparakis, LSO#: 36851T

Tel: +1 416.216.4815

Alan Merskey, LSO#: 41377I

Tel: +1 416.216.4805

Evan Cobb, LSO#: 55787N

Tel: +1 416.216.1929

Fax: +1 416.216.3930

orestes.pasparakis@nortonrosefulbright.com

alan.merskey@nortonrosefulbright.com

evan.cobb@nortonrosefulbright.com

Lawyers for FTI Consulting Canada Inc., in its capacity
as Monitor

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

Court File No.: CV-17-11846-00CL

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SEARS
CANADA INC., et al.

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

Proceeding commenced at TORONTO

**NOTICE OF MOTION
(Stay Extension and Fee Approval)
(returnable July 30, 2021)**

NORTON ROSE FULBRIGHT CANADA LLP
222 Bay Street, Suite 3000,
P.O. Box 53
Toronto, Ontario M5K 1E7 CANADA

Orestes Pasparakis, LSO#: 36851T

Tel: +1 416.216.4815

Alan Merskey, LSO#: 41377I

Tel: +1 416.216.4805

Evan Cobb, LSO#: 55787N

Tel: +1 416.216.1929

Fax: +1 416.216.3930

orestes.pasparakis@nortonrosefulbright.com

alan.merskey@nortonrosefulbright.com

evan.cobb@nortonrosefulbright.com

Lawyers to the Monitor, FTI Consulting Canada Inc.

TAB 2

Court File No. CV-17-11846-00CL

**SEARS CANADA INC.,
AND RELATED APPLICANTS**

FORTY-SIXTH REPORT OF FTI CONSULTING CANADA INC., AS MONITOR

July 20, 2021

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Court File No. CV-17-11846-00CL

**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
SEARS CANADA INC., 9370-2751 QUÉBEC INC., 191020 CANADA INC., THE CUT INC.,
SEARS CONTACT SERVICES INC., INITIUM LOGISTICS SERVICES INC., 9845488
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ALBERTA LTD., 4201531 CANADA INC., 168886 CANADA INC. AND
3339611 CANADA INC.

APPLICANTS

**FORTY-SIXTH REPORT TO THE COURT
SUBMITTED BY FTI CONSULTING CANADA INC.,
IN ITS CAPACITY AS MONITOR**

A. INTRODUCTION

1. On June 22, 2017, Sears Canada Inc. ("**Sears Canada**") and a number of its operating subsidiaries (collectively, with Sears Canada, the "**Applicants**") sought and obtained an initial order (as amended and restated on July 13, 2017, the "**Initial Order**"), under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"). The relief granted pursuant to the Initial Order was also extended to Sears Connect, a partnership forming part of the operations of the Applicants (and together with the Applicants, the "**Sears Canada Entities**"). The proceedings commenced under the CCAA by the Applicants are referred to herein as the "**CCAA Proceedings**".

2. The Initial Order, among other things:
 - (a) appointed FTI Consulting Canada Inc. as monitor of the Sears Canada Entities (the “**Monitor**”) in the CCAA Proceedings;
 - (b) granted an initial stay of proceedings against the Sears Canada Entities until July 22, 2017 (the “**Stay Period**”), which has subsequently been extended from time to time, most recently to July 31, 2021.

A copy of the Amended and Restated Initial Order, dated June 22, 2017, is attached hereto as Appendix “A”.

3. On July 18, 2017, the Court issued an order approving an agreement and a process for the liquidation of inventory and FF&E at certain initial closing Sears Canada locations.
4. On October 13, 2017, the Court issued, among other orders, an order approving an agreement and a process for the liquidation of the inventory and FF&E at all remaining Sears Canada retail locations. The liquidation of all inventory and FF&E was completed and all Sears Canada retail locations were closed.
5. On December 8, 2017, the Court issued an Order (the “**Claims Procedure Order**”) approving a claims process for the identification, determination, and adjudication of claims of creditors against the Sears Canada Entities and their Officers and Directors.
6. On February 22, 2018, the Court issued an Employee and Retiree Claims Procedure Order (the “**E&R Claims Procedure Order**” and, together with the Claims Procedure Order, the “**Claims Procedure Orders**”) approving a process for the identification, determination, and adjudication of claims of employees and retirees of the Sears Canada Entities.
7. On December 3, 2018, the Monitor and the Honourable J. Douglas Cunningham, Q.C., as Court-appointed litigation trustee (the “**Litigation Trustee**”), were authorized by the Court to pursue litigation against certain third parties on behalf of Sears Canada and its creditors, in connection with the payment of certain dividends (the “**2013 Dividend**”) by Sears Canada to its shareholders in 2013 (the “**Estate 2013 Dividend Litigation**”).

The Court also lifted the stay of proceedings in the Initial Order to allow the Estate 2013 Dividend Litigation, as well as a claim by Morneau Shepell Ltd., as pension plan administrator (the “**Pension Plan Administrator**”), and class action claims (collectively, the “**Dealer Class Action**”) by certain “Sears Hometown” store dealers, each also arising from the 2013 Dividend, to be commenced or continued.

8. All claims in the Estate 2013 Dividend Litigation, as well as the claim by the Pension Plan Administrator and the Dealer Class Action are now the subject of settlement agreements that have been implemented.
9. On October 27, 2020, the Court issued an Order (the “**A&R Meetings Order**”) authorizing the Monitor to file an amended and restated joint plan of compromise and arrangement in respect of the Sears Canada Entities (the “**Plan**”) and to convene meetings of Affected Unsecured Creditors (the “**Meetings**”) for the purpose of considering and voting on the Plan. The Plan was approved by the requisite majorities of creditors voting at the Meetings held on November 16, 2020. The Plan was approved by the Court pursuant to a Plan Sanction Order granted on November 23, 2020 and the Plan Implementation Date (as defined in the Plan) occurred on December 14, 2020. A copy of the Plan Sanction Order and the Monitor’s certificate confirming the Plan Implementation Date are attached hereto as Appendices “**B**” and “**C**”.
10. In connection with the CCAA Proceedings, the Monitor has provided forty-five reports and twenty-five supplemental reports (collectively, the “**Prior Reports**”), and prior to its appointment as Monitor, FTI also provided to this Court a pre-filing report of the proposed Monitor dated June 22, 2017 (the “**Pre-Filing Report**”). The Pre-Filing Report, the Prior Reports, and other Court-filed documents and notices in these CCAA Proceedings are, or will be made, available on the Monitor’s website at cfcanada.fticonsulting.com/searscanada.

B. PURPOSE

11. The purpose of this forty-sixth report of the Monitor (the “**Forty-Sixth Report**”) is to provide the Court with information regarding:

- (a) the status of the CCAA Proceedings, including the claims process established pursuant to the Claims Procedure Orders and implementation of the Plan and distributions thereunder;
- (b) the Monitor’s motion for Orders (the “**Stay Extension and Fee Approval Order**”):
 - (i) extending the Stay Period (as defined in the Initial Order) until October 30, 2021; and
 - (ii) approving the fees and disbursements of the Monitor and its counsel, Norton Rose Fulbright Canada LLP, for the period from January 1, 2021 until May 31, 2021.

C. TERMS OF REFERENCE

- 12. In preparing this Forty-Sixth Report, the Monitor has relied upon audited and unaudited financial information of the Sears Canada Entities, the Sears Canada Entities’ books and records, and discussions and correspondence with, among others, advisors to the Sears Canada Entities’ stakeholders (collectively, the “**Information**”).
- 13. Except as otherwise described in this Forty-Sixth Report:
 - (a) the Monitor has not audited, reviewed, or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the *Chartered Professional Accountants of Canada Handbook*; and
 - (b) the Monitor has not examined or reviewed the financial forecasts or projections referred to in this Forty-Sixth Report in a manner that would comply with the procedures described in the *Chartered Professional Accountants of Canada Handbook*.

14. Future-oriented financial information reported in or relied on in preparing this Forty-Sixth Report is based on assumptions regarding future events. Actual results will vary from these forecasts and such variations may be material.
15. The Monitor has prepared this Forty-Sixth Report in connection with its request for the Stay Extension and Fee Approval Order. The Forty-Sixth Report should not be relied on for any other purpose.
16. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars.
17. Capitalized terms not otherwise defined herein have the meanings ascribed to them in the following documents filed as part of the CCAA Proceedings: (i) the affidavits of Mr. Billy Wong, the former Chief Financial Officer of Sears Canada; (ii) the affidavit of Ms. Becky Penrice, the former Executive Vice-President and Chief Operating Officer of Sears Canada; (iii) the affidavits of Mr. Philip Mohtadi, the former General Counsel and Corporate Secretary of Sears Canada; (iv) the Plan; and (v) the Prior Reports.

D. UPDATE ON THE CCAA PROCEEDINGS AND ACTIVITIES OF THE SEARS CANADA ENTITIES AND THE MONITOR

The Plan

18. In order to distribute the proceeds from the liquidation of the assets of the Sears Canada Entities to their creditors in accordance with their legal entitlements, and to distribute the proceeds of settlements in respect of the Estate 2013 Dividend Litigation, the Monitor developed the Plan.
19. A detailed description of the Plan is included in the Twenty-Ninth Report of the Monitor dated February 6, 2019 and the Supplements thereto.
20. As noted above, the Plan, as amended and restated, was voted upon and approved by the requisite majorities of creditors at Meetings held on November 16, 2020 and was approved by the Court pursuant to a Plan Sanction Order granted on November 23, 2020.
21. The Plan Implementation Date (as defined in the Plan) occurred on December 14, 2020.

22. Initial Plan Distributions to substantially all unsecured creditors with proven claims against the Sears Canada Entities have been made pursuant to the Plan. As of the date of this Forty-Sixth Report, there are approximately 115 unsecured creditors with allowed claims that have not received an initial Plan Distribution including 88 retirees for whom the Monitor does not have information required to make a Plan Distribution including social insurance number, mailing address and/or banking information. With respect to the pending distributions to retirees, the Monitor is working with the Pension Plan Administrator and Pension Representative Counsel to obtain the missing information. Initial Plan Distributions in respect of Federal and Provincial tax authorities are pending resolution of certain tax-related matters.
23. In total, \$179.0 million has been distributed to unsecured creditors of the Sears Parties; \$9.9 million has been distributed to unsecured creditors of the SLH Parties and \$41,867 has been distributed to unsecured creditors of 9370-2751 Québec Inc. (formerly Corbeil Électrique Inc.). These initial Plan Distribution amounts include approximately \$3.3 million in distributions to former employees and retirees that have been returned to the Monitor due to outdated banking information or mailing addresses. As of the date of this report, the Monitor has successfully re-issued approximately \$1.2 million of such payments. In addition to the amounts that were distributed directly to creditors, the Monitor holds approximately \$16.5 million for payment to the Government of Canada in respect of its subrogated claim under the Wage Earner Protection Program and Employment Insurance overpayments resulting from the initial Plan Distributions.
24. Set out below is a summary of the percentage recovery of each unsecured creditor of the Sears Canada Entities who has received a distribution on account of their proven unsecured claims against the Sears Canada Entities as of the date of this Report:
- (a) unsecured creditors of 9370-2751 Québec Inc. (formerly Corbeil Électrique Inc.): 100%;
 - (b) unsecured creditors of 191020 Canada Inc. (formerly S.L.H. Transport Inc.) and 168886 Canada Inc.: 23.06%; and

- (c) unsecured creditors of all other Sears Canada Entities: 8.97% for those unsecured creditors who opted out of participation in the Estate 2013 Dividend Litigation; and 10.38% for those unsecured creditors who did not opt out of participation in the Estate 2013 Dividend Litigation.
25. The Monitor estimates that a final distribution will be made to the unsecured creditors of the Sears Canada Entities, other than the creditors of 9370-2751 Québec Inc., in the near future. The remaining distributions are not expected to materially increase recoveries to those unsecured creditors. The timing and amount of such distributions will depend upon: (i) the resolution of remaining disputed claims in the claims process, as discussed in greater detail below; and (ii) the estimated costs of the remaining administrative steps to complete the CCAA Proceedings.

Claims Process

26. As noted in Prior Reports, in connection with the Claims Procedure Orders, the Monitor has received nearly 3,000 Proofs of Claim and D&O Proofs of Claim.
27. To the extent that disputes in respect of Claims and D&O Claims could not be resolved consensually and expeditiously, the Monitor has referred those claims to the Honourable James Farley (the “**Claims Officer**”), one of the two claims officers appointed pursuant to the Claims Procedure Orders, for adjudication.
28. In total, eight disputed claims have been referred to the Claims Officer so far, all of which have now been finally determined by the Claims Officer, or consensually resolved.
29. There are 22 claims against the Sears Canada Entities that have not yet been resolved. Unresolved claims against the Sears Canada Entities are comprised mostly of (i) vendor claims; and (ii) insurance claims, the resolution of which is being led by the Sears Canada Entities’ insurance adjuster. These claims are asserted in a maximum aggregate amount of \$16,140,953.

30. The Monitor is not aware of any unresolved D&O Proof of Claim that now advances a claim in a specified amount against any current or former directors or officers of the Sears Canada Entities.¹
31. The Monitor previously reported that certain landlord claims remained unresolved. One of the issues in connection with those claims was the treatment of claims by co-tenants against the landlords. Certain landlords took the position that the potential claims by co-tenants for the reduction of rent and or other remedies available under their respective leases with the landlords, constituted a provable claim against Sears Canada. The settlement reached with the landlords of Sears Canada did not provide a dollar amount compensating the landlords for co-tenancy claims but recognized that this was a category of damage that was accounted for, allowed, and given value, in reaching a global resolution. All landlord claims are now resolved.
32. Under the Plan, holders of claims asserted on account of product warranty entitlements under warranties purchased during the period prior to the CCAA Proceedings were entitled to assert their claims against a pool of funds in an aggregate amount of \$9 million established exclusively to satisfy such claims and the costs of administering the warranty claim process (the “**Warranty Reimbursement Pool**”). The deadline to file such warranty claims with the appointed warranty claims administrator was 5:00 p.m. (Eastern time) on June 12, 2021 (the “**Warranty Claims Bar Date**”). The Monitor took the following steps to provide notice to potential claimants of the process to file pre-filing warranty claims and the Warranty Claims Bar Date:
- (a) Following the Plan Implementation Date, published in The Globe and Mail (National Edition) and the electronic edition of La Presse notice of the establishment of the Warranty Reimbursement Pool and the opportunity to submit an application for recovery on a Reimbursable Warranty Claim;

¹ The Monitor notes that certain ‘marker’ proofs of claim were filed against the current and former directors and officers of the Sears Canada Entities. However, these proofs of claim do not claim a specific amount against any particular current or former director or officer.

- (b) Issued press releases, both in English and French, to over 80 media outlets representing a potential audience of 19 million consumers advising and reminding potential claimants of the warranty claims process and the deadline to file warranty claims; and
- (c) Launched a bi-lingual Facebook noticing campaign that is estimated to have reached between 6 and 9 million Canadians.

In total, 490 claims have been submitted for consideration to the Warranty Claims Administrator of which approximately 280 claims totalling approximately \$145,000 have been allowed, in whole or in part, in accordance with the Plan. As a result, all allowed pre-filing warranty claims will be satisfied in full from the cash in the Warranty Reimbursement Pool and the residual balance of the Warranty Reimbursement Pool, after costs, estimated at \$8.4 million will be available for distribution to the unsecured creditors of the Sears Parties under the Plan.

Other Activities of the Monitor

- 33. The Monitor, in addition to assisting in the matters detailed above, has also undertaken the following activities:
 - (a) Continued to review and monitor disbursements;
 - (b) Updated the claims database for changes in creditor status and contact details;
 - (c) Issued Notices of Revision or Disallowance in connection with claims filed;
 - (d) Participated on multiple calls and corresponded with representatives from Canada Revenue Agency to discuss and coordinate tax related matters in respect of Plan distributions;
 - (e) Developed a detailed distribution model in support of Plan Distributions in accordance with the Plan;

- (f) Held numerous calls and worked closely with Service Canada to confirm and coordinate initial Plan Distributions, including applicable adjustments, in respect of former employees and retirees;
- (g) Participated in webinars organized by Employee Representative Counsel and Pension Representative Counsel to explain how the initial Plan Distributions were determined;
- (h) Coordinated and managed initial Plan Distributions with the Sears Canada Entities' payroll administrator in respect of approximately 22,200 former employees and retirees;
- (i) Responded to over 3,500 calls and emails from former employees and retirees inquiring as to the status of, and other matters related to, their initial Plan Distributions;
- (j) Coordinated reissuing approximately 450 initial Plan Distributions to former employee and retiree creditors, the majority of which had been rejected due to outdated mailing or banking information; and
- (k) Corresponded with Pension Representative Counsel and the Financial Services Tribunal regarding certain matters involving the Sears Canada Inc. Registered Retirement Plan (the "**Pension Plan**") and the application of the Pension Benefit Guarantee Fund to certain members of the Pension Plan.

E. RECEIPTS AND DISBURSEMENTS FOR THE 25 WEEK PERIOD ENDING JULY 10, 2021

34. The Sears Canada Entities' actual net operating cash flows, before Plan Distributions, for the twenty-five week period ending July 10, 2021 totalled approximately \$6.1 million resulting in a positive variance of \$9.6 million compared to forecast net operating cash out flows of \$3.6 million. During the period, the Monitor, on behalf of the Sears Canada Entities, administered Plan Distributions totaling \$182.9 million. A comparison of the actual versus forecast cash flows for the period ending July 10, 2021 is presented in the table below:

VARIANCE REPORT	Actual	Forecast	Variance
(CAD in Millions)			
Receipts	7.8	-	7.8
Operating Disbursements			
Payroll and Employee Related Costs	(0.0)	(0.1)	0.1
Owned Real Property - Carrying Costs	-	-	-
Non-Merchandise Vendors	(1.7)	(3.5)	1.7
IT and Data Storage Costs	(0.0)	(0.0)	0.0
Total Operating Disbursements	(1.8)	(3.6)	1.8
Net Operating Cash Inflows / (Outflows)	6.1	(3.6)	9.6
Professional Fees	(2.2)	(2.1)	(0.1)
CCAA Plan Distributions	(182.9)	-	(182.9)
Net Cash Inflows / (Outflows)	(179.0)	(5.7)	(173.3)

35. Explanations for the key variances in actual cash flows are as follows:

- (a) The positive variance in Receipts of \$7.8 million is a permanent difference compared to the forecast and consists primarily of:
 - (i) The return of unclaimed dividend funds held by AST Trust Company (Canada) in the amount of \$3.4 million;
 - (ii) The receipt of settlement proceeds totaling \$1.0 million;
 - (iii) Net sales tax refunds totalling approximately \$2.9 million; and
 - (iv) Interest on cash balances held in bank accounts.
- (b) The positive variance in non-merchandise vendors of \$1.7 million consists primarily of differences between actual and forecast disbursements in respect of post-filing obligations including primarily, physical data storage fees.
- (c) As noted above, actual cash flow results include initial Plan Distributions to creditors with proven unsecured claims in accordance with the Plan.

F. SUMMARY OF RECEIPTS AND DISBURSEMENTS

36. The Sears Canada Entities' cumulative receipts and disbursements since the commencement of the CCAA Proceedings through the week ended July 10, 2021 are reflected in the table below:

CUMULATIVE RECEIPTS AND DISBURSEMENTS	
(CAD in Millions)	
For the Period Ending July 10, 2021	
Receipts	1,426.4
Operating Disbursements	
Payroll and Employee Related Costs	(268.3)
Merchandise Vendors	(289.4)
Owned Real Property - Carrying Costs	(4.5)
Non-Merchandise Vendors	(186.5)
Rent and Property Taxes	(91.3)
Sales Taxes	(65.3)
Pension	(14.7)
IT Costs	(27.3)
Recovery of Expenses from Agent	83.6
Capital Expenditures	(0.8)
Total Operating Disbursements	(864.5)
Net Operating Cash Inflows / (Outflows)	561.9
Professional Fees	(112.8)
Repayments of Existing Credit Facilities	(283.3)
DIP Fees and Interest Paid	(19.7)
CCAA Plan Distributions	(183.3)
Net Cash Inflows / (Outflows)	(37.2)
Cash	
Beginning Balance	126.5
Net Cash Inflows / (Outflows)	(37.2)
DIP Draws / (Repayments)	(32.0)
Others incl. FX Valuation	(3.0)
Ending Balance	54.2

37. The Initial Order allowed the Sears Canada Entities to continue to use their existing Cash Management System as described in the First Wong Affidavit and the Pre-Filing Report. After the commencement of the CCAA Proceedings, the Sears Canada Entities continued to use their Cash Management System in a manner consistent with past practice. Sears Canada, in consultation with the Monitor, continues to close bank accounts that are no longer needed and consolidate funds in the remaining operating accounts. Substantially all of these amounts will be transferred to the Monitor’s trust account. The Monitor continues to permit these funds to be made available to Sears Canada to the extent necessary to fund remaining ordinary course costs.

G. REVISED CASH FLOW FORECAST FOR THE PERIOD ENDING OCTOBER 30, 2021

38. A revised cash flow forecast for the period July 11, 2021 to October 30, 2021 has been prepared and is presented in the table below (the “**Revised Cash Flow Forecast**”):

Revised Cash Flow Forecast	Jul 11, 2021 - Oct 30, 2021
(CAD in thousands)	
Receipts	-
Operating Disbursements	
Payroll and Employee Related Costs ^[2]	(40)
Non-Merchandise Vendors ^[3]	(780)
IT and Data Storage Costs ^[4]	(10)
Total Operating Disbursements	<u>(830)</u>
Net Operating Cash Inflows / (Outflows)	<u>(830)</u>
Professional Fees ^[5]	(660)
Net Cash Inflows / (Outflows)	<u>(1,490)</u>
Cash	
Beginning Balance	54,214
Net Cash Inflows / (Outflows)	<u>(1,490)</u>
Ending Cash Balance	<u>52,724</u>

Notes:

[1] The purpose of this cash flow forecast is to estimate the liquidity requirements of the Sears Canada Entities during the forecast period.

[2] Forecast Payroll and Employee Related Costs are based on recent payroll amounts.

[3] Forecast Non-Merchandise Vendor disbursements primarily relate to the payment of post-filing obligations and potential amounts owing to provincial workers' compensation bodies.

[4] Forecast IT and Data Storage Costs reflect disbursements made to certain IT-related vendors for usage of IT services and storage of data based on existing terms and conditions of the contract.

[5] Forecast Professional Fees include legal and financial advisor fees associated with the CCAA proceedings payable by the Applicants including fees of Employee Representative Counsel, Pension Representative counsel and their advisors.

39. Pursuant to section 23(1)(b) of the CCAA, the Monitor hereby reports to the Court as follows:
- (a) the Revised Cash Flow Forecast was prepared for the purpose described in the notes to the Revised Cash Flow Forecast (the “**Forecast Notes**”), using the Probable Assumptions and Hypothetical Assumptions set out therein;
 - (b) since Hypothetical Assumptions need not be supported, the Monitor’s procedures with respect to the Hypothetical Assumptions were limited to evaluating whether the Hypothetical Assumptions were consistent with the purpose of the Revised Cash Flow Forecast. The Monitor has also reviewed the support for the Probable Assumptions;
 - (c) based on that review, and as at the date of this Forty-Sixth Report, nothing has come to the attention of the Monitor that causes it to believe that:
 - (i) the Hypothetical Assumptions are inconsistent with the purpose of the Revised Cash Flow Forecast;
 - (ii) the Probable Assumptions are not suitably supported or consistent with the plans of the Sears Canada Entities or do not provide a reasonable basis for the Revised Cash Flow Forecast, given the Hypothetical Assumptions; or
 - (iii) the Revised Cash Flow Forecast does not reflect the Probable and Hypothetical Assumptions; and
 - (d) since the Revised Cash Flow Forecast is based on assumptions regarding future events, actual results will vary from the forecast even if the Hypothetical Assumptions occur. Those variations may be material. Accordingly, the Monitor expresses no assurance as to whether the Revised Cash Flow Forecast will be achieved. The Monitor also expresses no opinion or other form of assurance with respect to the accuracy of any financial information presented in this Forty-Sixth Report, or relied upon by the Monitor in preparing this Forty-Sixth Report.

40. The Revised Cash Flow Forecast assumes that the remaining steps in the CCAA Proceedings will include primarily implementation of the Plan. If it appears to the Monitor that this assumption ceases to be reasonable, the Monitor will report to the Court regarding any adjustments to the Revised Cash Flow Forecast that may be required to reflect an alternative path to completion of these proceedings.
41. The Revised Cash Flow Forecast may be updated if developments occur that have a material impact on the forecasted cash flows of the Sears Canada Entities.
42. The Revised Cash Flow Forecast has been prepared solely for the purpose described in the Forecast Notes. The Revised Cash Flow Forecast should not be relied upon for any other purpose.
43. The Revised Cash Flow Forecast shows total net operating cash outflows of approximately \$0.8 million, before professional fees of approximately \$0.7 million, such that net cash outflows for the period are forecasted to be approximately \$1.5 million.
44. Aside from professional fees, forecast disbursements consist primarily of disbursements in respect of post-Filing services and amounts owing to provincial workers' compensation bodies.
45. The professional fee forecast has been prepared based on observed run rates and expected milestones and other activities associated with the administration of the Sears Canada Entities' estates. The total forecast professional fee disbursements of \$0.7 million is primarily comprised of forecast future (and not currently accrued) fees to the end of the forecast period.
46. Notwithstanding the Monitor's intention to issue further Plan Distributions in the near term, due to the uncertainty in respect of the timing of these distributions, they have not been included in the Revised Cash Flow Forecast.

H. STAY EXTENSION AND FEE APPROVAL ORDER

Stay Extension

47. The Stay Period currently expires on July 31, 2021.
48. The Monitor believes that additional time will be required to complete the following matters:
 - (a) Resolve all remaining disputed claims;
 - (b) Administer final Plan Distributions to unsecured creditors with Allowed Claims;
 - (c) Resolve all Pre-Filing Warranty Claims and administer distributions from the Warranty Reimbursement Pool in respect of Reimbursable Warranty Claims;
 - (d) Continue to respond to information requests from former employees, retirees, and other creditors and stakeholders with respect to the CCAA Proceedings and Plan Distribution matters; and
 - (e) Coordinate the preparation, distribution and filing of tax-related information slips and information returns pursuant to applicable tax legislation.
49. The Monitor is seeking an extension of the Stay Period under the Initial Order to October 30, 2021.
50. The Applicants have proceeded in good faith and with due diligence under the supervision of the Monitor in accordance with the Governance Protocol since the date of the last extension of the Stay Period.
51. The Applicants have sufficient liquidity to fund these proceedings during the extended Stay Period.
52. The Monitor does not believe any creditor would be materially prejudiced by the extension of the Stay Period.

Fee Approvals

53. The Monitor and its counsel, Norton Rose Fulbright Canada LLP (“**NRFC**”) have each maintained detailed records of their time and disbursements with respect to the CCAA Proceedings.
54. The fees and disbursements of the Monitor and NRFC in connection with the CCAA Proceedings were most recently approved for the period up to and including December 31, 2020.
55. Attached as Exhibit “A” to the Affidavit of Steven Bissell sworn July 15, 2021 that is attached as Appendix “D” to this Forty-Sixth Report (the “**Bissell Affidavit**”) are copies of the invoices rendered by the Monitor in respect of the CCAA Proceedings. The Monitor’s accounts for the period from January 1, 2021 to May 31, 2021 total \$807,702.50 in fees, \$1,644.06 in disbursements, and \$105,215.06 in HST for a total amount of \$914,561.62. Exhibit “C” to the Bissell Affidavit contains a summary of the personnel, hours and hourly rates charged by the Monitor in respect of the CCAA Proceedings during the applicable period.
56. Attached as Appendix “E” to this Forty-Sixth Report is the Affidavit of Alan Merskey, sworn July 15, 2021 (the “**Merskey Affidavit**” and, together with the Bissell Affidavit, the “**Fee Affidavits**”). NRFC’s accounts in connection with the CCAA Proceedings for the period from January 1, 2021 to May 31, 2021 total \$345,741.50 in fees, \$1,859.41 in disbursements and \$45,029.95 in HST for a total amount of \$392,630.86. At Exhibit “C” to the Merskey Affidavit are copies of the invoices rendered by NRFC as counsel to the Monitor for such amounts, while Exhibits “A” and “B” to the Merskey Affidavit contain a summary of the personnel, hours, and hourly rates charged by NRFC in respect of the CCAA Proceedings during the applicable period.
57. As indicated in the invoices included in the Fee Affidavits and the description of activities contained in this Forty-Sixth Report and the Prior Reports, the Monitor has played a central role in these proceedings, including in connection with the Plan, distributions to creditors, monetizing remaining assets, the Governance Protocol, the

Wage Earner Protection Program, tax matters and leading the claims processes contemplated by the Claims Procedure Orders.

58. The Monitor respectfully submits that the respective fees and disbursements of the Monitor and NRFC are reasonable in the circumstances and have been validly incurred in accordance with the provisions of the Orders issued in these CCAA Proceedings. Accordingly, the Monitor respectfully seeks the approval of its fees and disbursements and the fees and disbursements of NRFC.

The Monitor respectfully submits to the Court this, its Forty-Sixth Report.

Dated this 20th day of July, 2021.

FTI Consulting Canada Inc.
in its capacity as Monitor of
the Sears Canada Entities



Steven Bissell
Managing Director

Appendix A

Court File No. CV-17-11846-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST



THE HONOURABLE MR.)

THURSDAY, THE 22ND

JUSTICE HAINEY)

DAY OF JUNE, 2017

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF SEARS CANADA INC., CORBEIL
ÉLECTRIQUE INC., S.L.H. TRANSPORT INC., THE CUT INC.,
SEARS CONTACT SERVICES INC., INITIUM LOGISTICS
SERVICES INC., INITIUM COMMERCE LABS INC., INITIUM
TRADING AND SOURCING CORP., SEARS FLOOR
COVERING CENTRES INC., 173470 CANADA INC., 2497089
ONTARIO INC., 6988741 CANADA INC., 10011711 CANADA
INC., 1592580 ONTARIO LIMITED, 955041 ALBERTA LTD.,
4201531 CANADA INC., 168886 CANADA INC., AND 3339611
CANADA INC.

(each, an "**Applicant**", and collectively, the "**Applicants**")

AMENDED AND RESTATED INITIAL ORDER

THIS APPLICATION, made by the Applicants, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Billy Wong sworn June 22, 2017, and the Exhibits thereto (collectively, the "**Wong Affidavit**"), and the pre-filing report dated June 22, 2017 of FTI Consulting Canada Inc. ("**FTI**"), in its capacity as the proposed Monitor of the Applicants (the "**Pre-Filing Report**"), and on hearing the submissions of counsel to the Applicants and SearsConnect (the "**Partnership**", and collectively with the Applicants, the "**Sears Canada**

Entities”), counsel to the Board of Directors (the “**Board of Directors**”) of Sears Canada Inc. (“**SCI**”) and the Special Committee of the Board of Directors (the “**Special Committee**”) of SCI, counsel to FTI, counsel to Wells Fargo Capital Finance Corporation Canada (the “**DIP ABL Agent**”), as administrative agent under the DIP ABL Credit Agreement (as defined herein), and counsel to GACP Finance Co., LLC (the “**DIP Term Agent**”), as administrative agent under the DIP Term Credit Agreement (as defined herein), Koskie Minsky LLP as counsel for Store Catalogue Retiree Group, counsel for the Financial Services Commission of Ontario, and on reading the consent of FTI to act as the Monitor.

SERVICE

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

APPLICATION

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

PLAN OF ARRANGEMENT

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

POSSESSION OF PROPERTY AND OPERATIONS

4. **THIS COURT ORDERS** that the Sears Canada Entities shall remain in possession and control of their respective current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the “**Property**”). For greater certainty, the “**Property**” includes all inventory, assets, undertakings and property of the Sears Canada Entities in the possession or control of the Hometown Dealers (as defined in the Wong Affidavit) and all inventory, assets, undertakings and property of the Sears Canada

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Entities in the possession or control of the Corbeil Franchisees (as defined in the Wong Affidavit). Subject to further Order of this Court, the Sears Canada Entities shall continue to carry on business in a manner consistent with the preservation of the value of their business (the “**Business**”) and Property. The Sears Canada Entities shall each be authorized and empowered to continue to retain and employ the employees, independent contractors, advisors, consultants, agents, experts, accountants, counsel and such other persons (collectively, “**Assistants**”) currently retained or employed by them, with liberty, subject to the terms of the Definitive Documents (as defined herein) to retain such further Assistants, as they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

5. **THIS COURT ORDERS** that the Sears Canada Entities shall be entitled to continue to utilize the central cash management services currently in place as described in the Wong Affidavit, or, with the consent of the Monitor, the DIP ABL Agent on behalf of the DIP ABL Lenders (as defined herein) and the DIP Term Agent on behalf of the DIP Term Lenders (as defined herein), replace it with another substantially similar central cash management services (the “**Cash Management System**”) and that any present or future bank or other institution providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Sears Canada Entities of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Sears Canada Entities, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under the Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System; provided, however, that no bank or other institution providing such Cash Management System shall be obliged to extend any overdraft credit, on an aggregate net basis, directly or indirectly in connection therewith and further provided that, to the extent any overdraft occurs, on an aggregate net basis, the Sears Canada Entities shall make arrangements to repay such overdraft forthwith.

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6. **THIS COURT ORDERS** that the Sears Canada Entities, subject to availability under, and in accordance with the terms of the DIP Facilities (as defined herein) and the Definitive Documents, and subject to further Order of this Court, shall be entitled but not required to pay the following expenses whether incurred prior to, on or after this Order to the extent that such expenses are incurred and payable by the Sears Canada Entities:

- (a) all outstanding and future wages, salaries, commissions, employee and retiree benefits (including, without limitation, medical, dental, life insurance and similar benefit plans or arrangements), pension benefits or contributions, vacation pay, expenses, and director fees and expenses, payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements (but not including termination or severance payments), and all other payroll, pension and benefits processing and servicing expenses;
- (b) all outstanding and future amounts owing to or in respect of Persons working as independent contractors in connection with the Business;
- (c) all outstanding or future amounts owing in respect of customer rebates, refunds, discounts or other amounts on account of similar customer programs or obligations;
- (d) all outstanding or future amounts related to honouring customer obligations, whether existing before or after the date of this Order, including customer financing, product warranties, pre-payments, deposits, gift cards, Sears Club programs (including redemptions of Sears Club points) and other customer loyalty programs, offers and benefits, in each case incurred in the ordinary course of business and consistent with existing policies and procedures;
- (e) the fees and disbursements of any Assistants retained or employed by the Sears Canada Entities at their standard rates and charges; and
- (f) with the consent of the Monitor, amounts owing for goods or services actually supplied to the Sears Canada Entities prior to the date of this Order by:

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- (i) logistics or supply chain providers, including customs brokers and freight forwarders, fuel providers, repair, maintenance and parts providers, and security and armoured truck carriers, and including amounts payable in respect of customs and duties for goods;
- (ii) providers of information, internet, and other technology, including e-commerce providers and related services;
- (iii) providers of credit, debit and gift card processing related services; and
- (iv) other third party suppliers up to a maximum aggregate amount of \$25 million, if, in the opinion of the Sears Canada Entities, the supplier is critical to the business and ongoing operations of the Sears Canada Entities.

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

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

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

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from the Sears Canada Entities' employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes;

- (b) all goods and services taxes, harmonized sales taxes or other applicable sales taxes (collectively, “**Sales Taxes**”) required to be remitted by the Sears Canada Entities in connection with the sale of goods and services by the Sears Canada Entities, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order;
- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business, workers’ compensation or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Sears Canada Entities; and
- (d) taxes under the *Income Tax Act* (Canada) or other relevant taxing statutes to the extent that such taxing statutes give rise to statutory deemed trust amounts in favour of the Crown in right of Canada or any Province thereof or any political subdivision thereof or any other taxation authority.

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

RESTRUCTURING

10. **THIS COURT ORDERS** that the Sears Canada Entities shall, subject to such requirements as are imposed by the CCAA, and subject to the terms of the Definitive Documents, have the right to:

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- (a) permanently or temporarily cease, downsize or shut down any of their Business or operations, and to dispose of redundant or non-material assets not exceeding \$2 million in any one transaction or \$5 million in the aggregate in any series of related transactions, provided that, with respect to leased premises, the Sears Canada Entities may, subject to the requirements of the CCAA and paragraphs 11 to 13 herein, vacate, abandon or quit the whole (but not part of) and may permanently (but not temporarily) cease, downsize or shut down any of their Business or operations in respect of any leased premises;
- (b) terminate the employment of such of its employees or temporarily lay off such of its employees as the relevant Sears Canada Entity deems appropriate; and
- (c) pursue all avenues of refinancing, restructuring, selling and reorganizing the Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing, restructuring, sale or reorganization,

all of the foregoing to permit the Sears Canada Entities to proceed with an orderly restructuring of the Sears Canada Entities and/or the Business (the “**Restructuring**”).

REAL PROPERTY LEASES

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

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12. **THIS COURT ORDERS** that the Sears Canada Entities shall provide each of the relevant landlords with notice of the relevant Sears Canada Entity's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the entitlement of a Sears Canada Entity to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the relevant Sears Canada Entity, or by further Order of this Court upon application by the Sears Canada Entities on at least two (2) days' notice to such landlord and any such secured creditors. If any of the Sears Canada Entities disclaims or resiliates the lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer or resiliation of the lease shall be without prejudice to the relevant Sears Canada Entity's claim to the fixtures in dispute.

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

NO PROCEEDINGS AGAINST THE SEARS CANADA ENTITIES, THE BUSINESS OR THE PROPERTY

14. **THIS COURT ORDERS** that until and including July 22, 2017, or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**") shall be commenced or continued against or in respect of the

Sears Canada Entities or the Monitor or their respective employees and representatives acting in such capacities, or affecting the Business or the Property, except with the written consent of the Sears Canada Entities and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Sears Canada Entities or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

15. **THIS COURT ORDERS** that during the Stay Period, no Person having any agreements or arrangements with the owners, operators, managers or landlords of commercial shopping centres or other commercial properties (including retail, office and industrial (warehouse) properties) in which there is located a store, office or warehouse owned or operated by the Sears Canada Entities shall take any Proceedings or exercise any rights or remedies under such agreements or arrangements that may arise upon and/or as a result of the making of this Order, the insolvency of, or declarations of insolvency by, any or all of the Sears Canada Entities, or as a result of any steps taken by the Sears Canada Entities pursuant to this Order and, without limiting the generality of the foregoing, no Person shall terminate, accelerate, suspend, modify, determine or cancel any such arrangement or agreement or be entitled to exercise any rights or remedies in connection therewith.

16. **THIS COURT ORDERS** that during the Stay Period, no Person having any agreements or arrangements with the Hometown Dealers or the Corbeil Franchisees shall take any Proceedings or exercise any rights or remedies under such agreements or arrangements that may arise upon and/or as a result of the making of this Order, the insolvency of, or declarations of insolvency by, any or all of the Sears Canada Entities, or as a result of any steps taken by the Sears Canada Entities pursuant to this Order and, without limiting the generality of the foregoing, no Person shall terminate, accelerate, suspend, modify, determine or cancel any such arrangement or agreement or be entitled to exercise any rights or remedies in connection therewith.

17. **THIS COURT ORDERS** that during the Stay Period all rights and remedies, of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being “**Persons**” and each being a “**Person**”) against or in respect of the Sears Canada Entities or the Monitor or their respective employees and representatives acting in

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such capacities, or affecting the Business or the Property, are hereby stayed and suspended, except with the written consent of the Sears Canada Entities and the Monitor, or leave of this Court, provided that nothing in this Order shall: (a) empower the Sears Canada Entities to carry on any business that the Sears Canada Entities are not lawfully entitled to carry on; (b) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA; (c) prevent the filing of any registration to preserve or perfect a security interest; (d) prevent the registration of a claim for lien; (e) prevent any holder of a valid and enforceable right of first refusal, option to purchase or other similar right in respect of any real property from being entitled to exercise all such rights; or (f) empower the Sears Canada Entities to fail to comply with their obligations under leases (other than the payment of rent on a twice-monthly basis, in accordance with paragraph 11 herein), operating agreements or similar agreements for the period from and after the commencement of this proceeding.

NO INTERFERENCE WITH RIGHTS

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

CONTINUATION OF SERVICES

19. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the Sears Canada Entities or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all trademark license and other intellectual property, computer software, communication and other data services, centralized banking services, payroll and benefit services, insurance, warranty services, transportation services, freight services, security and armoured truck carrier services, utility, customs clearing, warehouse and logistics services or other services to the Business or the Sears Canada Entities are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply or license of such goods, services, trademarks and other

intellectual property as may be required by the Sears Canada Entities, and that the Sears Canada Entities shall be entitled to the continued use of the trademarks and other intellectual property currently licensed to, used or owned by the Sears Canada Entities, premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Sears Canada Entities in accordance with normal payment practices of the Sears Canada Entities or such other practices as may be agreed upon by the supplier or service provider and each of the Sears Canada Entities and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

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

KEY EMPLOYEE RETENTION PLAN

21. **THIS COURT ORDERS** that the Key Employee Retention Plan (the “**KERP**”), as described in the Wong Affidavit, is hereby approved and the Sears Canada Entities are authorized to make payments contemplated thereunder in accordance with the terms and conditions of the KERP.

22. **THIS COURT ORDERS** that the key employees referred to in the KERP (the “**Key Employees**”) shall be entitled to the benefit of and are hereby granted the following charges on the Property, which charges shall not exceed: (a) an aggregate amount of \$4.6 million (the “**KERP Priority Charge**”) to secure the first \$4.6 million payable to the Key Employees under the KERP; and (b) an aggregate amount of \$4.6 million (the “**KERP Subordinated Charge**”) to secure any other payments to the Key Employees under the KERP. The KERP Priority Charge and the KERP Subordinated Charge shall have the priority set out in paragraphs 47, 48 and 50 hereof.

APPROVAL OF FINANCIAL ADVISOR AGREEMENT

23. **THIS COURT ORDERS** that the agreement dated May 15, 2017 engaging BMO Nesbitt Burns Inc. (the “**Financial Advisor**”) as financial advisor to SCI and attached as Confidential Appendix C to the Pre-Filing Report (the “**Financial Advisor Agreement**”), and the retention of the Financial Advisor under the terms thereof, is hereby ratified and approved and SCI is authorized and directed *nunc pro tunc* to make the payments contemplated thereunder in accordance with the terms and conditions of the Financial Advisor Agreement.

24. **THIS COURT ORDERS** that the Financial Advisor shall be entitled to the benefit of and is hereby granted a charge (the “**FA Charge**”) on the Property, which charge shall not exceed an aggregate amount of \$3.3 million, as security for the fees and disbursements payable under the Financial Advisor Agreement, both before and after the making of this Order in respect of these proceedings. The FA Charge shall have the priority set out in paragraphs 47, 48 and 50 hereof.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

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

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

26. **THIS COURT ORDERS** that the Sears Canada Entities shall jointly and severally indemnify their directors and officers against obligations and liabilities that they may incur as directors or officers of the Sears Canada Entities after the commencement of the within proceedings, except to the extent that, with respect to any officer or director, the obligation or

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liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

27. **THIS COURT ORDERS** that the directors and officers of the Sears Canada Entities shall be entitled to the benefit of and are hereby granted the following charges on the Property, which charges shall not exceed: (a) an aggregate amount of \$44 million (the "**Directors' Priority Charge**"); and (b) an aggregate amount of \$19.5 million (the "**Directors' Subordinated Charge**"), respectively, and in each case, as security for the indemnity provided in paragraph 26 of this Order. The Directors' Priority Charge and the Directors' Subordinated Charge shall have the priority set out in paragraphs 47, 48 and 50 hereof.

28. **THIS COURT ORDERS** that, notwithstanding any language in any applicable insurance policy to the contrary: (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Priority Charge and the Directors' Subordinated Charge; and (b) the Sears Canada Entities' directors and officers shall only be entitled to the benefit of the Directors' Priority Charge and the Directors' Subordinated Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 26 of this Order.

APPOINTMENT OF MONITOR

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

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

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

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- (b) liaise with the Sears Canada Entities and the Assistants and, if determined by the Monitor to be necessary, the Hometown Dealers and Corbeil Franchisees, with respect to all matters relating to the Property, the Business, the Restructuring and such other matters as may be relevant to the proceedings herein;
- (c) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, the Restructuring and such other matters as may be relevant to the proceedings herein;
- (d) assist the Sears Canada Entities, to the extent required by the Sears Canada Entities, in their dissemination of financial and other information to the DIP ABL Agent, the DIP ABL Lenders, the DIP Term Agent, the DIP Term Lenders and each of their respective counsel and financial advisors, pursuant to and in accordance with the Definitive Documents;
- (e) advise the Sears Canada Entities in their preparation of the Sears Canada Entities' cash flow statements and any reporting required by the Definitive Documents, which information shall be reviewed with the Monitor and delivered to the DIP ABL Agent, the DIP ABL Lenders, the DIP Term Agent, the DIP Term Lenders and each of their respective counsel and financial advisors, pursuant to and in accordance with the Definitive Documents;
- (f) advise the Sears Canada Entities in their development of the Plan and any amendments to the Plan;
- (g) assist the Sears Canada Entities, to the extent required by the Sears Canada Entities, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
- (h) have full and complete access to the Property (including any Property in the possession of the Hometown Dealers and the Corbeil Franchisees), including the premises, books, records, data, including data in electronic form, and other financial documents of the Sears Canada Entities, to the extent that is necessary to adequately

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assess the Business and the Sears Canada Entities' financial affairs or to perform its duties arising under this Order;

- (i) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order;
- (j) assist the Sears Canada Entities, to the extent required by the Sears Canada Entities, with any matters relating to any foreign proceeding commenced in relation to any of the Sears Canada Entities, including retaining independent legal counsel, agents, experts, accountants, or such other persons as the Monitor deems necessary or desirable respecting the exercise of this power; and
- (k) perform such other duties as are required by this Order or by this Court from time to time.

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

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

any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

33. **THIS COURT ORDERS** that the Monitor shall provide any creditor of the Sears Canada Entities, the DIP ABL Agent, the DIP ABL Lenders, the DIP Term Agent and the DIP Term Lenders with information provided by the Sears Canada Entities in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Sears Canada Entities is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Sears Canada Entities may agree.

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

35. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, counsel to the Sears Canada Entities and counsel to the Board of Directors and the Special Committee shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, whether incurred prior to or subsequent to the date of this Order, by the Sears Canada Entities as part of the costs of these proceedings. The Sears Canada Entities are hereby authorized and directed to pay the accounts of the Monitor, counsel to the Monitor, counsel to the Sears Canada Entities and counsel to the Board of Directors and the Special Committee on a weekly basis and, in addition, the Sears Canada Entities are hereby authorized to pay to the Monitor, counsel to the Monitor, counsel to the Sears Canada Entities and counsel to the Board of Directors and the Special Committee, retainers in the aggregate amount of \$700,000, to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

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

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37. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, counsel to the Sears Canada Entities and counsel to the Board of Directors and the Special Committee shall be entitled to the benefit of and are hereby granted a charge (the “**Administration Charge**”) on the Property, which charge shall not exceed an aggregate amount of \$5 million, as security for their professional fees and disbursements incurred at their respective standard rates and charges, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 47, 48 and 50 hereof.

DIP FINANCING

38. **THIS COURT ORDERS** that the Sears Canada Entities are hereby authorized and empowered to obtain and borrow or guarantee, as applicable, on a joint and several basis, under:

- (a) the Senior Secured Superpriority Debtor-in-Possession Amended and Restated Credit Agreement dated as of June 22, 2017 and attached to the Wong Affidavit as Exhibit K, among the Sears Canada Entities, the DIP ABL Agent and the lenders from time to time party thereto (the “**DIP ABL Lenders**”) (as may be amended, restated, supplemented and/or modified, subject to approval of this Court in respect of any amendment that the Monitor determines to be material, the “**DIP ABL Credit Agreement**”), in order to finance the Sears Canada Entities’ working capital requirements and other general corporate purposes and capital expenditures, all in accordance with the Definitive Documents, provided that borrowings under DIP ABL Credit Agreement shall not exceed \$300 million unless permitted by further Order of this Court (the “**DIP ABL Credit Facility**”); and
- (b) the Senior Secured Superpriority Credit Agreement dated as of June 22, 2017 and attached to the Wong Affidavit as Exhibit K, among the Sears Canada Entities, the DIP Term Agent and the lenders from time to time party thereto (the “**DIP Term Lenders**”) (as may be amended, restated, supplemented and/or modified, subject to approval of this Court in respect of any amendment that the Monitor determines to be material, the “**DIP Term Credit Agreement**”), in order to finance the Sears Canada Entities’ working capital requirements and other general corporate purposes and capital expenditures, all in accordance with the Definitive Documents, provided that borrowings under the DIP Term Credit Agreement shall not exceed \$150 million

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unless permitted by further Order of this Court (the “**DIP Term Credit Facility**”, and together with the DIP ABL Credit Facility, the “**DIP Facilities**”).

39. **THIS COURT ORDERS** that the DIP Facilities shall be on the terms and subject to the conditions set forth in the DIP ABL Credit Agreement, the DIP Term Credit Agreement and the other Definitive Documents.

40. **THIS COURT ORDERS** that the Sears Canada Entities are hereby authorized and empowered to execute and deliver the DIP ABL Credit Agreement, the DIP Term Credit Agreement and such mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, and including any schedules (as amended and updated from time to time) thereto, the “**Definitive Documents**”), as are contemplated by the DIP ABL Credit Agreement and the DIP Term Credit Agreement or as may be reasonably required by the DIP ABL Agent on behalf of the DIP ABL Lenders and the DIP Term Agent on behalf of the DIP Term Lenders pursuant to the terms thereof, as applicable, and the Sears Canada Entities are hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities and obligations to the DIP ABL Agent, the DIP ABL Lenders, the DIP Term Agent and the DIP Term Lenders under and pursuant to the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

41. **THIS COURT ORDERS** that the DIP ABL Agent and the DIP ABL Lenders shall be entitled to the benefit of and are hereby granted a charge (the “**DIP ABL Lenders’ Charge**”) on the Property as security for any and all Obligations (as defined in the DIP ABL Credit Agreement) other than the Prepetition Obligations (as defined in the DIP ABL Credit Agreement) (including on account of principal, interest, fees, expenses and other liabilities, and the aggregate of all such obligations, the “**DIP ABL Obligations**”), which DIP ABL Lenders’ Charge shall be in the aggregate amount of the DIP ABL Obligations outstanding at any given time under the DIP ABL Credit Agreement. The DIP ABL Lenders’ Charge shall not secure an obligation that exists before this Order is made. The DIP ABL Lenders’ Charge shall have the priority set out in paragraphs 47, 48 and 50 hereof.

42. **THIS COURT ORDERS** that the DIP Term Agent and the DIP Term Lenders shall be entitled to the benefit of and are hereby granted a charge (the “**DIP Term Lenders’ Charge**”) on the Property as security for any and all Obligations (as defined in DIP Term Credit Agreement)

(including on account of principal, interest, fees, expenses and other liabilities, and the aggregate of all such obligations, the “**DIP Term Obligations**”), which DIP Term Lenders’ Charge shall be in the aggregate amount of the DIP Term Obligations outstanding at any given time under the DIP Term Credit Agreement. The DIP Term Lenders’ Charge shall not secure an obligation that exists before this Order is made. The DIP Term Lenders’ Charge shall have the priority set out in paragraphs 47, 48 and 50 hereof.

43. [Intentionally deleted.]

44. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order:

- (a) the DIP ABL Agent on behalf of the DIP ABL Lenders, as applicable, may take such steps from time to time as they may deem necessary or appropriate to file, register, record or perfect the DIP ABL Lenders’ Charge, the DIP ABL Credit Agreement or any of the other Definitive Documents;
- (b) the DIP Term Agent on behalf of the DIP Term Lenders, as applicable, may take such steps from time to time as they may deem necessary or appropriate to file, register, record or perfect the DIP Term Lenders’ Charge, the DIP Term Credit Agreement or any of the other Definitive Documents;
- (c) upon the occurrence of an event of default under the DIP ABL Credit Agreement, the other related Definitive Documents or the DIP ABL Lenders’ Charge, the DIP ABL Agent and the DIP ABL Lenders, as applicable, may, subject to the provisions of the DIP ABL Credit Agreement with respect to the giving of notice or otherwise, and in accordance with the DIP ABL Credit Agreement, the other related Definitive Documents and the DIP ABL Lenders’ Charge, as applicable, cease making advances to the Sears Canada Entities, make demand, accelerate payment and give other notices; provided that, the DIP ABL Agent and the DIP ABL Lenders must apply to this Court on seven (7) days’ prior written notice (which may include the service of materials in connection with such an application to this Court) to the Sears Canada Entities, the DIP Term Agent, the DIP Term Lenders and the Monitor, to enforce against or exercise any other rights and remedies with respect to the Sears Canada Entities or any of the Property (including to set off and/or consolidate any amounts

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owing by the DIP ABL Agent and the DIP ABL Lenders to the Sears Canada Entities against the obligations of the Sears Canada Entities to the DIP ABL Agent and the DIP ABL Lenders under the DIP ABL Credit Agreement, the other related Definitive Documents or the DIP ABL Lenders' Charge), to appoint a receiver, receiver and manager or interim receiver, or to seek a bankruptcy order against the Sears Canada Entities and to appoint a trustee in bankruptcy of the Sears Canada Entities;

- (d) upon the occurrence of an event of default under the DIP Term Credit Agreement, the other related Definitive Documents or the DIP Term Lenders' Charge, the DIP Term Agent and the DIP Term Lenders, as applicable, may, subject to the provisions of the DIP Term Credit Agreement with respect to the giving of notice or otherwise, and in accordance with the DIP Term Credit Agreement, the other related Definitive Documents and the DIP Term Lenders' Charge, as applicable, cease making advances to the Sears Canada Entities, make demand, accelerate payment and give other notices; provided that, the DIP Term Agent and the DIP Term Lenders must apply to this Court on seven (7) days' prior written notice (which may include the service of materials in connection with such an application to this Court) to the Sears Canada Entities, the DIP ABL Agent, the DIP ABL Lenders and the Monitor, to enforce against or exercise any other rights and remedies with respect to the Sears Canada Entities or any of the Property (including to set off and/or consolidate any amounts owing by the DIP Term Agent and the DIP Term Lenders to the Sears Canada Entities against the obligations of the Sears Canada Entities to the DIP Term Agent and the DIP Term Lenders under the DIP Term Credit Agreement, the other related Definitive Documents or the DIP Term Lenders' Charge), to appoint a receiver, receiver and manager or interim receiver, or to seek a bankruptcy order against the Sears Canada Entities and to appoint a trustee in bankruptcy of the Sears Canada Entities; and
- (e) the foregoing rights and remedies of the DIP ABL Agent, the DIP ABL Lenders, the DIP Term Agent and the DIP Term Lenders shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Sears Canada Entities or the Property.

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45. **THIS COURT ORDERS AND DECLARES** that the DIP ABL Agent, the DIP ABL Lenders, the DIP Term Agent and the DIP Term Lenders shall be treated as unaffected in any plan of arrangement or compromise filed by the Sears Canada Entities or any of them under the CCAA, or any proposal filed by the Sears Canada Entities or any of them under the *Bankruptcy and Insolvency Act* of Canada (the “**BIA**”), with respect to any advances made under the DIP ABL Credit Agreement, the DIP Term Credit Agreement and the other Definitive Documents.

46. **THIS COURT ORDERS AND DECLARES** that this Order is subject to provisional execution and that if any of the provisions of this Order in connection with the DIP ABL Credit Agreement, the DIP Term Credit Agreement, the other Definitive Documents, the DIP ABL Lenders’ Charge or the DIP Term Lenders’ Charge shall subsequently be stayed, modified, varied, amended, reversed or vacated in whole or in part (collectively, a “**Variation**”) whether by subsequent order of this Court on or pending an appeal from this Order, such Variation shall not in any way impair, limit or lessen the priority, protections, rights or remedies of the DIP ABL Agent, the DIP ABL Lenders, the DIP Term Agent and the DIP Term Lenders whether under this Order (as made prior to the Variation), under the DIP ABL Credit Agreement, the DIP Term Credit Agreement and the other Definitive Documents, with respect to any advances made prior to the DIP ABL Agent, the DIP ABL Lenders, the DIP Term Agent or the DIP Term Lenders being given notice of the Variation and the DIP ABL Agent, the DIP ABL Lenders, the DIP Term Agent and the DIP Term Lenders shall be entitled to rely on this Order as issued (including, without limitation, the DIP ABL Lenders’ Charge and the DIP Term Lenders’ Charge) for all advances so made.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

47. **THIS COURT ORDERS** that the priorities of the Administration Charge, the FA Charge, the DIP ABL Lenders’ Charge, the DIP Term Lenders’ Charge, the Directors’ Priority Charge, the Directors’ Subordinated Charge, the KERP Priority Charge and the KERP Subordinated Charge (collectively, the “**Charges**”), as among them, with respect to ABL Priority Collateral (as defined in the Intercreditor Agreement dated March 20, 2017 and attached as Exhibit J to the Wong Affidavit) shall be as follows:

First – Administration Charge, to the maximum amount of \$5 million, and the FA Charge, to the maximum amount of \$3.3 million, on a *pari passu* basis;

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Second – KERP Priority Charge, to the maximum amount of \$4.6 million;

Third – Directors' Priority Charge, to the maximum amount of \$44 million;

Fourth – DIP ABL Lenders' Charge, to the maximum amount of the quantum of the DIP ABL Obligations at the relevant time;

Fifth – the DIP Term Lenders' Charge, to the maximum amount of the quantum of the DIP Term Obligations at the relevant time;

Sixth – KERP Subordinated Charge, to the maximum amount of \$4.6 million; and

Seventh – the Directors' Subordinated Charge, to the maximum amount of \$19.5 million.

48. **THIS COURT ORDERS** that the priorities of the Charges as among them, with respect to all Property other than the ABL Priority Collateral shall be as follows:

First – Administration Charge, to the maximum amount of \$5 million, and the FA Charge, to the maximum amount of \$3.3 million, on a *pari passu* basis;

Second – KERP Priority Charge, to the maximum amount of \$4.6 million;

Third – Directors' Priority Charge, to the maximum amount of \$44 million;

Fourth – DIP Term Lenders' Charge, to the maximum amount of the quantum of the DIP Term Obligations at the relevant time;

Fifth – DIP ABL Lenders' Charge, to the maximum amount of the quantum of the DIP ABL Obligations at the relevant time;

Sixth – KERP Subordinated Charge, to the maximum amount of \$4.6 million; and

Seventh – the Directors' Subordinated Charge, to the maximum amount of \$19.5 million.

49. **THIS COURT ORDERS** that the filing, registration or perfection of the Charges shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as

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against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

50. **THIS COURT ORDERS** that each of the Charges shall constitute a charge on the Property, and such Charges shall rank in priority to all other security interests, trusts (including constructive trusts), liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (including without limitation any deemed trust that may be created under the Ontario *Pension Benefits Act*) (collectively, “**Encumbrances**”) other than (a) any Person with a properly perfected purchase money security interest under the *Personal Property Security Act* (Ontario) or such other applicable provincial legislation that has not been served with notice of this Order; and (b) statutory super-priority deemed trusts and liens for unpaid employee source deductions.

51. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Sears Canada Entities shall not grant any Encumbrances over any of the Property that rank in priority to, or *pari passu* with, any of the Charges, unless the Sears Canada Entities also obtain the prior written consent of the Monitor, the DIP ABL Agent on behalf of the DIP ABL Lenders, the DIP Term Agent on behalf of the DIP Term Lenders and the other beneficiaries of affected Charges, or further Order of this Court.

52. **THIS COURT ORDERS** that the Charges, the DIP ABL Credit Agreement, the DIP Term Credit Agreement, and the other Definitive Documents shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the “**Chargees**”) thereunder shall not otherwise be limited or impaired in any way by: (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an “**Agreement**”) that binds the Sears Canada Entities, and notwithstanding any provision to the contrary in any Agreement:

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- (i) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the DIP ABL Credit Agreement, the DIP Term Credit Agreement or the other Definitive Documents shall create or be deemed to constitute a breach by the Sears Canada Entities of any Agreement to which it is a party;
- (ii) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Sears Canada Entities entering into the DIP ABL Credit Agreement and the DIP Term Credit Agreement, the creation of the Charges, or the execution, delivery or performance of the other Definitive Documents; and
- (iii) the payments made by the Sears Canada Entities pursuant to this Order, the DIP ABL Credit Agreement, the DIP Term Credit Agreement or the other Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

53. **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the relevant Sears Canada Entity's interest in such real property leases.

54. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order, the L/C Collateral Account (as defined in the DIP ABL Credit Agreement) shall be deemed to be subject to a lien, security, charge and security interest in favour of the DIP ABL Agent solely for the reimbursement obligation of SCI related to the letters of credit issued under the Wells Fargo Credit Agreement which remain undrawn from and after the Comeback Motion (as defined herein). The Charges as they may attach to the L/C Collateral Account, including by operation of law or otherwise: (a) shall rank junior in priority to the lien, security, charge and security interest in favour of the DIP ABL Agent in respect of the L/C Collateral Account; and (b) shall attach to the L/C Collateral Account only to the extent of the rights, if any, of any Sears Canada Entity to the return of any cash from the L/C Collateral Account in accordance with the DIP ABL Credit Agreement.

CORPORATE MATTERS

55. **THIS COURT ORDERS** that SCI be and is hereby relieved of any obligation to call and hold an annual meeting of its shareholders until further Order of this Court.

56. **THIS COURT ORDERS** that SCI be and is hereby relieved of any obligation to appoint any new directors until further Order of this Court.

SERVICE AND NOTICE

57. **THIS COURT ORDERS** that the Monitor shall: (a) without delay, publish in The Globe and Mail (National Edition) and La Presse a notice containing the information prescribed under the CCAA; and (b) within five days after the date of this Order, (i) make this Order publicly available in the manner prescribed under the CCAA, (ii) send or cause to be sent, in the prescribed manner, a notice to every known creditor who has a claim against the Sears Canada Entities of more than \$1,000 (excluding individual employees, former employees with pension and/or retirement savings plan entitlements, and retirees and other beneficiaries who have entitlements under any pension or retirement savings plans), and (iii) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder, provided that the Monitor shall not make the claims, names and addresses of the individuals who are creditors publicly available.

58. **THIS COURT ORDERS** that the Monitor shall create, maintain and update as necessary a list of all Persons appearing in person or by counsel in this proceeding (the “**Service List**”). The Monitor shall post the Service List, as may be updated from time to time, on the Monitor’s Website (as defined herein) as part of the public materials to be made available thereon in relation to this proceeding. Notwithstanding the foregoing, the Monitor shall have no liability in respect of the accuracy of or the timeliness of making any changes to the Service List.

59. **THIS COURT ORDERS** that any employee of any of the Sears Canada Entities that receives a notice of termination from any of the Sears Canada Entities shall be deemed to have received such notice of termination by no more than the seventh day following the date such notice of termination is delivered, if such notice of termination is sent by ordinary mail, courier or registered mail.

60. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the “**Protocol**”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List

website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/eservice-commercial/>) shall be valid and effective service. Subject to Rule 17.05, this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: cfcanada.fticonsulting.com/searscanada (the “**Monitor’s Website**”).

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

62. **THIS COURT ORDERS** that the Applicants, the Monitor, the Financial Advisor, the DIP Term Agent on behalf of the DIP Term Lenders and the DIP ABL Agent on behalf of the DIP ABL Lenders, and their respective counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the Applicants’ creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of clause 3(c) of the Electronic Commerce Protection Regulations, Reg. 81000-2-175 (SOR/DORS).

COMEBACK MOTION

63. **THIS COURT ORDERS** that the comeback motion shall be heard on July 13, 2017 (the “**Comeback Motion**”).

GENERAL

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

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

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

67. **THIS COURT ORDERS** that each of the Applicants and the Monitor be at liberty and are hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada, including acting as the foreign representative of the Applicants to apply to the United States Bankruptcy Court for relief pursuant to Chapter 15 of the *United States Bankruptcy Code*, 11 U.S.C. §§ 101-1515, as amended, and to act as foreign representative in respect of any such proceedings and any ancillary relief in respect thereto, and to take such other steps as may be authorized by the Court.

68. **THIS COURT ORDERS** that any interested party (including the Sears Canada Entities and the Monitor) may apply to this Court to vary or amend this Order at the Comeback Motion

- 28 -

on not less than seven (7) calendar days' notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

69. **THIS COURT ORDERS** that Confidential Appendix B and Confidential Appendix C to the Pre-Filing Report shall be and are hereby sealed, kept confidential and shall not form part of the public record pending further Order of this Court.

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

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

JUL 13 2017

PER / PAR:

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SEARS CANADA INC., CORBEIL ÉLECTRIQUE INC., S.L.H. TRANSPORT INC., THE CUT INC., SEARS CONTACT SERVICES INC., INITIUM LOGISTICS SERVICES INC., INITIUM COMMERCE LABS INC., INITIUM TRADING AND SOURCING CORP., SEARS FLOOR COVERING CENTRES INC., 173470 CANADA INC., 2497089 ONTARIO INC., 6988741 CANADA INC., 10011711 CANADA INC., 1592580 ONTARIO LIMITED, 955041 ALBERTA LTD., 4201531 CANADA INC., 168886 CANADA INC., AND 3339611 CANADA INC. (collectively, the "Applicants")

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

Proceeding commenced at Toronto

AMENDED AND RESTATED INITIAL ORDER

OSLER, HOSKIN & HARCOURT LLP

Box 50, 1 First Canadian Place
Toronto, Canada M5X 1B8

Marc Wasserman (LSUC #: 44066M)
Tel: 416.862.4908

Jeremy Dacks (LSUC #: 41851R)
Tel: 416.862.4923

Michael De Lellis (LSUC #: 48038U)
Tel: 416.862.5997

Lawyers for the Applicants

Appendix B

Court File No. CV-17-11846-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.

)

MONDAY, THE 23rd

JUSTICE HAINEY

)

DAY OF NOVEMBER, 2020

)



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 SEARS CANADA INC., 9370-2751 QUÉBEC
INC., 191020 CANADA INC., THE CUT INC., SEARS CONTACT
SERVICES INC., INITIUM LOGISTICS SERVICES INC., 9845488
CANADA INC., INITIUM TRADING AND SOURCING CORP.,
SEARS FLOOR COVERING CENTRES INC., 173470 CANADA
INC., 2497089 ONTARIO INC., 6988741 CANADA INC., 10011711
CANADA INC., 1592580 ONTARIO LIMITED, 955041 ALBERTA
LTD., 4201531 CANADA INC., 168886 CANADA INC., AND
3339611 CANADA INC.

Applicants

PLAN SANCTION ORDER

THIS MOTION, made by FTI Consulting Canada Inc., in its capacity as monitor (the "**Monitor**"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") for an order, *inter alia*, sanctioning the Amended and Restated Joint Plan of Compromise and Arrangement of the Applicants and SearsConnect (collectively, the "**Sears Canada Entities**") amended and restated as of November 17, 2020 (as it may be further amended, restated, and/or supplemented from time to time in accordance with its terms, the "**Plan**") was heard this day at Toronto, Ontario by video conference via Zoom due to the COVID-19 crisis.

ON READING the Motion Record of the Monitor, the Twenty-Ninth Report of the Monitor dated February 6, 2019 (the "**Plan Report**"), the Second Supplement to the Plan Report dated October 16, 2020 (the "**Second Supplementary Plan Report**"), and the Forty-Second Report of the Monitor dated November 17, 2020 (collectively with the Plan Report and the Second Supplementary Plan Report, the "**Plan Reports**"), and on hearing the submissions of counsel for the Monitor, the Employee Representatives, each of the Pension Parties, the Settling Defendants and such other counsel as were present, no one else appearing although duly served as appears from the Affidavit of Service of Gianni Bianchi sworn November 18, 2020, filed:

DEFINITIONS

1. **THIS COURT ORDERS** that each capitalized term used and not defined herein shall be as defined in the Plan, a copy of which is attached as **Schedule "A"** hereto.

SERVICE

2. **THIS COURT ORDERS** that the time for service of the Notice of Motion, the Motion Record in support of this Motion, and the Plan Reports, is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

3. **THIS COURT ORDERS AND DECLARES** that there has been good and sufficient service, delivery and notice of the Plan, the Meetings Order granted in this proceeding on February 15, 2019, as amended and restated on October 27, 2020 (the "**Meetings Order**"), and the Meeting Materials (as defined in the Meetings Order) to the extent required to be delivered to all persons upon which notice, service and delivery were required, and that the Meetings were each duly called, convened and conducted in conformity with the CCAA and all other Orders of this Court in these CCAA Proceedings.

SANCTION OF THE PLAN

4. **THIS COURT ORDERS AND DECLARES** that:
- (a) the Plan has been approved by the Required Majority in each Unsecured Creditor Class voting in conformity with the CCAA and the Meetings Order;
 - (b) the Court is satisfied that the Sears Canada Entities have acted, and are acting, in good faith and with due diligence, and have complied with the provisions of the CCAA and the Orders of this Court made in the CCAA Proceedings;
 - (c) the Court is satisfied that the Sears Canada Entities have not done nor purported to do anything that is not authorized by the CCAA; and
 - (d) the Plan, all terms and conditions thereof, and the matters, implementation steps and transactions contemplated thereby, are fair and reasonable to the parties affected.
5. **THIS COURT ORDERS AND DECLARES** that the Plan is hereby sanctioned and approved pursuant to Section 6 of the CCAA.

PLAN IMPLEMENTATION

6. **THIS COURT ORDERS** that the Plan and all associated steps, compromises, transactions, arrangements, releases, permanent injunctions, and cancellations effected thereby will become binding and effective at the Effective Time or at such other time, times or manner as contemplated by the Plan, in the sequence provided therein, and shall be final and binding for all purposes and enure to the benefit of the Sears Canada Entities, all Affected Creditors, the Released Parties, all Persons holding a Released Claim (including a Settled Litigation Claim),

and all other Persons named or referred to in, or subject to, the Plan and their respective heirs, executors, administrators and other legal representatives, successors and assigns.

7. **THIS COURT ORDERS** that each of the Monitor, the Sears Canada Entities (directly or through the Monitor), the Warranty Claims Administrator, the Pension Parties, and any other Person required to make any distributions, payments, deliveries or allocations or take any steps or actions related thereto pursuant to the Plan are hereby each authorized and directed to take all steps and actions necessary or appropriate to implement the Plan in accordance with and subject to its terms and conditions, and enter into, execute, deliver, complete, implement and consummate all of the steps, transactions, distributions, payments, deliveries, allocations, and agreements contemplated by, and subject to the terms and conditions of, the Plan, and all such steps and actions are hereby approved. None of the Monitor, the Sears Canada Entities, the Warranty Claims Administrator, the Pension Parties, or any other Person required to make any distributions, payments, deliveries or allocations or to take any steps or actions related thereto pursuant to the Plan shall incur any liability as a result of acting in accordance with the terms of the Plan and this Plan Sanction Order, other than any liability arising out of or in connection with the gross negligence or wilful misconduct of such parties.

8. **THIS COURT ORDERS** that, upon the satisfaction of the Monitor as to the fulfillment or waiver of the conditions set out in Sections 10.3(a) through (f), the Monitor is authorized and directed to issue and serve upon the Service List forthwith a certificate substantially in the form attached as **Schedule "B"** hereto (the "**Plan Implementation Date Certificate**") signed by the Monitor confirming that all conditions precedent set out in Section 10.3 have been satisfied or waived and that the Plan Implementation Date has occurred and the Plan is effective in accordance with its terms and the terms of this Order. The Monitor shall file the Plan Implementation Date Certificate with this Court as soon as reasonably practicable following the issuance thereof.

COMPROMISE OF CLAIMS AND EFFECT OF PLAN

9. **THIS COURT ORDERS** that on the Plan Implementation Date, (a) all Affected Claims shall be and shall be deemed to be fully, finally irrevocably and forever compromised, settled, and barred and (b) all Released Claims shall be and be deemed to be fully and finally irrevocably released, discharged, cancelled and barred, in each case with prejudice in the manner and to the extent provided for under the Plan, provided that:

- (a) none of the Sears Canada Entities or any other Person shall be released from their obligations to make distributions in the manner and to the extent provided for in the Plan;
- (b) the foregoing shall be without prejudice to the right of an Affected Creditor to prove an Unresolved Affected Unsecured Claim it may hold in accordance with the Claims Procedure Orders so that such Unresolved Affected Unsecured Claim may become a Proven Claim entitled to receive consideration under the Plan; and
- (c) for greater certainty, the foregoing shall not release, affect or prejudice any Non-Released Claims, nor shall it provide any defence to any Non-Released Claims.

10. **THIS COURT ORDERS** that, upon issuance of the Plan Implementation Date Certificate, the Deemed Trust Motions and the motion of Employee Representative Counsel to lift the stay of proceedings established in these CCAA Proceedings to file bankruptcy applications against Sears Canada Entities shall be deemed to be withdrawn and discontinued without costs.

11. **THIS COURT ORDERS** that the determination of Proven Claims in accordance with the Claims Procedure Orders shall be final and binding on the Sears Canada Entities and all Affected Creditors.

12. **THIS COURT ORDERS** that nothing in the Plan extends to or shall be interpreted as extending or amending any of the bar dates or deadlines set out in the Claims Procedure Orders or gives or shall be interpreted as giving any rights to any Person in respect of Claims that have been barred or extinguished pursuant to the Claims Procedure Orders. Without limiting the Claims Procedure Orders, any Claim for which a proof of claim or other applicable claim form has not been filed by the applicable bar date or other deadline in accordance with the applicable Claims Procedure Order shall be and are hereby forever barred, extinguished and released with prejudice.

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

DISTRIBUTIONS AND PAYMENTS ADMINISTERED BY THE MONITOR

14. **THIS COURT ORDERS** that the Monitor is hereby authorized and directed to administer all distributions and payments from the Cash Pools and the Reserves from and after the Plan Implementation Date, in accordance with the Plan.

15. **THIS COURT ORDERS** that the Warranty Claims Administrator is hereby authorized and directed to administer all distributions and payments from the Warranty Reimbursement Pool from and after the Plan Implementation Date, in accordance with the Plan and Warranty Claims Protocol.

16. **THIS COURT ORDERS AND DECLARES** that all distributions and payments administered by the Monitor and Warranty Claims Administrator and made in accordance with the Plan are for the account of the Sears Canada Entities and the fulfillment of their obligations under the Plan, including distributions from the Cash Pools to Affected Unsecured Creditors with Proven Claims and distributions from the Warranty Reimbursement Pool in accordance with the Plan.

17. **THIS COURT ORDERS AND DECLARES** that all amounts distributed or paid under or pursuant to the Plan shall be distributed or paid and applied against Proven Claims in the manner, order and sequence as set out in Article 7 of the Plan, including Section 7.3 of the Plan, and shall enure to the benefit of and be binding upon the Sears Canada Entities, all Affected Creditors, each Released Party and all Persons named or referred to in, affected by, or subject to, the Plan and their respective administrators, legal representatives, successors and assigns.

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

- (a) the pendency of these proceedings and the declarations of insolvency made therein;
- (b) any application for a bankruptcy order now or hereafter issued pursuant to the BIA in respect of any of the Sears Canada Entities and any bankruptcy order issued pursuant to any such application; and
- (c) any assignment in bankruptcy made in respect of any of the Sears Canada Entities,

the transactions, payments and distributions contemplated by or made pursuant to the Plan, whether before or after the Plan Implementation Date, and any action taken in connection therewith, including under this Order, shall not be void or voidable and do not constitute nor shall they be deemed to be a preference, fraudulent conveyance, transfer

at undervalue or other challengeable transaction under the BIA (including sections 95 to 101 thereof) or any other federal or provincial law relating to preferences, fraudulent conveyances or transfers at undervalue, and shall be binding on an interim receiver, receiver, liquidator or licensed insolvency trustee (including a trustee in bankruptcy) appointed in respect of the Sears Canada Entities, or any of them.

19. **THIS COURT ORDERS AND DECLARES** that the distributions, payments and disbursements delivered pursuant to the Plan are not delivered by the Monitor in its personal or corporate capacity or as legal representative of the Sears Canada Entities and shall be without personal or corporate liability of the Monitor, and without limiting the foregoing, the Monitor shall have no, and is released from any, obligation or liability in connection with any Taxes owing by the Sears Canada Entities, or any withholdings or deductions that any Person may assert should or should not have been paid or made in connection with such distributions, disbursements or payments.

20. **THIS COURT ORDERS** that the Monitor, on behalf of the Sears Canada Entities, shall be and is hereby authorized and directed to pay over to the applicable Taxing Authority any amounts deducted or withheld pursuant to any Withholding Obligation under the Plan.

21. **THIS COURT ORDERS** that the Sears Canada Entities (directly or through the Monitor) are authorized to take any and all such actions as may be necessary or appropriate to comply with applicable Tax withholding and reporting requirements in respect of the transactions, payments and distributions under the Plan. All amounts withheld on account of Taxes shall be treated for purposes of the Plan as having been paid to the Person in respect of which such withholding was made, provided such withheld amounts have been remitted to the appropriate Taxing Authority.

22. **THIS COURT ORDERS** that the Monitor shall serve on the Service List, post on the Website, and file with the Court a certificate, substantially in the form attached as **Schedule "C"** hereto (the "**Final Distribution Certificate**"), at least ninety (90) days in advance of the date on which the Monitor intends to make a Final Distribution.

23. **THIS COURT ORDERS** that any Creditor seeking to recover an Undeliverable Distribution must deliver written notice to the Monitor in the manner contemplated in the Plan and in the Final Distribution Certificate by the date that is sixty (60) days following the date on which the Monitor serves on the Service List and posts on the Website a copy of the Final Distribution Certificate (the "**Final Distribution Bar Date**"), and if such notice is not so delivered, the Affected Unsecured Claims, Priority Claims or Secured Claims underlying any Undeliverable Distribution shall be forever barred as against the Sears Canada Entities without any compensation therefor, and notwithstanding any Applicable Law to the contrary. Nothing in the Plan or this Order shall require the Monitor or the Sears Canada Entities to attempt to locate any Creditor with respect to an Undeliverable Distribution.

NOTICE OF TRANSFER

24. **THIS COURT ORDERS** that for purposes of distributions to be effected pursuant to the Plan and notwithstanding any prior Order of this Court, if a Creditor transfers or assigns the whole of its Affected Unsecured Claim, Priority Claim or Secured Claim to another Person, neither the Sears Canada Entities nor the Monitor shall be obligated to deal with the transferee or assignee of the Affected Unsecured Claim, Priority Claim or Secured Claim as the Creditor in respect of any distribution unless and until written notice of the transfer or assignment from either the transferor, assignor, transferee or assignee (together with satisfactory evidence of such transfer or assignment) in accordance with the Claims Procedure Orders and the Meetings Order, has been received by the Monitor at least seven (7) days prior to the Initial Distribution Date.

Thereafter, such transferee and assignee shall, for all purposes constitute a Creditor and shall be bound by any and all notices previously given to the transferor and assignor and by any and all steps taken in respect of such Affected Unsecured Claim, Priority Claim or Secured Claim.

ESTABLISHMENT OF RESERVES

25. **THIS COURT ORDERS** that, in accordance with the Plan, the Monitor, on behalf of the Sears Canada Entities, shall be and is hereby authorized and directed to establish each of the Reserves and Cash Pools required under the Plan, and may do so in each case on an accounting basis only. The Monitor may, but is not required to, establish separate bank accounts for any of the Reserves or in connection with any of the Cash Pools or the Warranty Reimbursement Pool. The Monitor is authorized to delegate authority to the Warranty Claims Administrator to administer any separate bank account established for the Warranty Reimbursement Pool.

PLAN RELEASES AND INJUNCTIONS

26. **THIS COURT ORDERS** that at the Effective Time (a) the releases provided for in Section 9.1 of the Plan shall be effective and binding on all Persons, (b) the Released Parties shall be released and discharged from any and all Released Claims in accordance with the Plan, and (c) all Released Claims shall be full, finally, irrevocably and forever waived, discharged, released cancelled and barred as against the Released Parties, all to the fullest extent permitted by Applicable Law.

27. **THIS COURT ORDERS** that all Persons (regardless of whether or not such Persons are Affected Creditors) are permanently and forever barred, estopped, stayed and enjoined, on and from the Effective Time, but solely with respect to any and all Released Claims, from (a) commencing, conducting or continuing in any manner, directly or indirectly, any action, suit, claim, demand or other proceeding of any nature or kind whatsoever against the Released Parties

whether through a cross-claim, third-party claim, warranty claim, indemnification claim, subrogation claim, or otherwise; (b) enforcing, levying, attaching, collecting or otherwise recovering or enforcing by any manner or means, directly or indirectly, any judgement, award, decree, or order against the Released Parties or their property; (c) creating, perfecting, asserting or otherwise enforcing, directly or indirectly, any lien or encumbrance of any kind against the Released Parties or their property; or (d) taking any actions to interfere with the implementation or consummation of the Plan.

28. **THIS COURT ORDERS** that for greater certainty, and notwithstanding the foregoing, the releases, bar orders and injunctions as provided in this Order and Article 9 of the Plan shall not extend to and shall not be construed as extending to any Non-Released Claim.

CCAA CHARGES

29. **THIS COURT ORDERS** that, on the Plan Implementation Date, each of the CCAA Charges (other than the Administration Charge and the Litigation Trustee's Charge) shall be terminated, discharged, expunged and released.

30. **THIS COURT ORDERS** that, from and after the Plan Implementation Date, the Administration Charge and the Litigation Trustee's Charge shall each continue as first-ranking priority charges (ranking *pari passu* with each other) on the Cash Pools, the Reserves and all remaining Property (as defined in the Initial Order) and any additional proceeds realized by the Sears Canada Entities in priority to all other security interests, trusts (statutory or otherwise), liens, charges and encumbrances, claims of secured creditors, statutory or otherwise, in favour of any Person.

TERMINATION OF HARDSHIP PROCESS

31. **THIS COURT ORDERS** that, on the Plan Implementation Date, the Hardship Process shall be terminated and all remaining amounts, if any, held on account of the Employee Hardship Fund (as defined in the Employee Hardship Fund Term Sheet approved on August 18, 2017) shall become Sears Cash.

THE MONITOR

32. **THIS COURT ORDERS** that, for the avoidance of doubt: (a) in carrying out the terms of this Plan Sanction Order and the Plan, the Monitor shall continue to have all the protections given to it by the CCAA, the Plan, the Initial Order, the Governance Protocol Order, and any other Order of the Court made in the CCAA Proceedings, and as an officer of the Court, including the stay of proceedings in its favour, and (b) the Monitor shall incur no liability or obligation for any act or omission as a result of carrying out the provisions of this Plan Sanction Order and the Plan, save and except for any gross negligence or wilful misconduct on its part.

33. **THIS COURT ORDERS** that the Monitor and any Authorized Representative (as defined in the Governance Protocol Order) has been and shall be entitled to rely on the books and records of the Sears Canada Entities and any information provided by any of the Sears Canada Entities without independent investigation and shall not be liable for any claims or damages resulting from any errors or omissions in such books, records or information.

34. **THIS COURT ORDERS AND DECLARES** that the Monitor shall not, under any circumstances, be liable for any of the Sears Canada Entities' Tax liabilities regardless of how or when such liability may have arisen.

35. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Pension Plan Administrator is ordered

to disclose and transfer to the Monitor all current bank account, notice address and payment instruction details in its records pertaining to Persons currently receiving a pension under the Pension Plan, upon written request by the Monitor to the Pension Plan Administrator, which shall be made solely and to the extent necessary to enable the Monitor to make Plan Distributions to such Persons. For greater certainty, the Monitor shall be permitted to disclose such information to payment processing agents on a confidential basis to the extent reasonably necessary to complete Plan Distributions. The Monitor and any payment processing agents provided with such information shall maintain and protect the privacy of such information and shall be entitled to use such information solely for the purpose of making Plan Distributions in accordance with the Plan.

GENERAL

36. **THIS COURT ORDERS** that the Sears Canada Entities and the Monitor are hereby granted leave to apply to this Court for such further advice, directions or assistance as may be necessary to give effect to the terms of the Plan.

37. **THIS COURT ORDERS** that this Plan Sanction Order shall have full force and effect in all provinces and territories in Canada and abroad and as against all Persons against whom it may apply.

38. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States, or elsewhere to give effect to this Plan Sanction Order and to assist the Sears Canada Entities, the Monitor and their respective agents in carrying out the terms of this Plan Sanction Order and the Plan. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Sears Canada Entities and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Plan Sanction

Order, or to assist the Sears Canada Entities and the Monitor and their respective agents in carrying out the terms of this Plan Sanction Order and the Plan.

39. **THIS COURT ORDERS** that this Order shall be effective as of 12:01 a.m. Eastern Standard Time on the date of this Order.

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ON / BOOK NO:
LE / DANS LE REGISTRE NO:

NOV 24 2020

PER / PAR:

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SCHEDULE "A"
AMENDED AND RESTATED JOINT PLAN OF COMPROMISE AND ARRANGEMENT

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Court File No. CV-17-11846-00CL

**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 SEARS CANADA INC., 9370-2751 QUÉBEC INC.,
191020 CANADA INC., THE CUT INC., SEARS CONTACT SERVICES
INC., INITIUM LOGISTICS SERVICES INC., 9845488 CANADA INC.,
INITIUM TRADING AND SOURCING CORP., SEARS FLOOR
COVERING CENTRES INC., 173470 CANADA INC., 2497089 ONTARIO
INC., 6988741 CANADA INC., 10011711 CANADA INC., 1592580
ONTARIO LIMITED, 955041 ALBERTA LTD., 4201531 CANADA INC.,
168886 CANADA INC., AND 3339611 CANADA INC.

Applicants

**AMENDED AND RESTATED JOINT PLAN OF COMPROMISE AND ARRANGEMENT
PURSUANT TO THE *COMPANIES' CREDITORS ARRANGEMENT ACT***

NOVEMBER 17, 2020

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AMENDED AND RESTATED JOINT PLAN OF COMPROMISE AND ARRANGEMENT

WHEREAS:

- (A) On June 22, 2017, the Court issued an Order (as amended and restated on July 13, 2017, and as further amended, restated or supplemented from time to time, the “**Initial Order**”) commencing proceedings (the “**CCAA Proceedings**”) pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) in respect of the applicants (collectively, the “**Applicants**”), being Sears Canada Inc. (“**Sears Canada**”), The Cut Inc., Sears Contact Services Inc., Initium Logistics Services Inc., 9845488 Canada Inc. (formerly “Initium Commerce Labs Inc.”), Initium Trading and Sourcing Corp., Sears Floor Covering Centres Inc., 173470 Canada Inc., 2497089 Ontario Inc. (“**2497089**”), 6988741 Canada Inc., 10011711 Canada Inc., 1592580 Ontario Limited, 955041 Alberta Ltd., 4201531 Canada Inc., 3339611 Canada Inc., 9370-2571 Québec Inc. (“**Former Corbeil**”), 191020 Canada Inc. (“**Former SLH**”), and 168886 Canada Inc. (“**168886**”);
- (B) The Initial Order declared that, although not an Applicant, the general partnership SearsConnect shall enjoy the protections and authorizations provided by the Initial Order (together with the Applicants, the “**Sears Canada Entities**”);
- (C) Pursuant to the Initial Order, FTI Consulting Canada Inc. was appointed Monitor (in such capacity and not in its personal or corporate capacity, the “**Monitor**”) in the CCAA Proceedings;
- (D) As of the date hereof, substantially all material assets of the Sears Canada Entities have been realized upon. With the exception of certain sale proceeds distributed to parties with Proven Secured Claims or other Proven Priority Claims, amounts expended on operating costs and the fees and expenses incurred by the Sears Canada Entities in connection with the CCAA Proceedings, the Monitor and Sears Canada together currently hold the net sale proceeds from these transactions and other amounts received in these CCAA Proceedings, together with any cash on hand at the commencement of these CCAA Proceedings that has not been expended during the CCAA Proceedings and all interest on the foregoing;
- (E) There are certain material outstanding matters that remain to be completed in the CCAA Proceedings, including implementation of the settlement of the Pension Claims that are the subject of the Deemed Trust Motions, as well as the implementation of settlements of the LT Claims by the Litigation Trustee and the TUV Claim by the Monitor;
- (F) By Minutes of Settlement dated July 16, 2020 and a Settlement and Release Agreement dated July 27, 2020, the plaintiffs in the Dividend Actions fully settled the Dividend Actions as against, among others, the Director Settling Defendants (the “**Director Settlement**”), and in connection with such settlement, Sears Canada agreed to amend the Plan to include certain additional releases;
- (G) By a Settlement and Release Agreement dated September 17, 2020, the plaintiffs in the Dividend Actions fully settled the Dividend Actions against some of the ESL Parties (the “**ESL Parties Settlement**”) and released the Released Claims as against all of the ESL Parties in connection with such settlement, Sears Canada agreed to amend the Plan to include certain additional releases;
- (H) Pursuant to the ESL Parties Settlement, the plaintiffs in the Dividend Actions may be required to transfer the Allowed SHC Unsecured Claim (as defined in the Thirty-Ninth Report of the Monitor) to ESL Investments, Inc., or release the Allowed SHC Unsecured Claim in accordance with the terms of the ESL Parties Settlement.

- (I) Certain Creditors of Sears Canada have opted not to have their recoveries, if any, as unsecured creditors of Sears Canada reduced by their pro rata share of the costs of pursuing the LT Claims and the TUV Claim, and as a consequence will not receive a distribution of any portion of any recoveries of or proceeds from the LT Claims and the TUV Claim including the proceeds of the Settled Litigation Claims;
- (J) Further to a mediation process commenced before Regional Senior Justice Morawetz, the Sears Canada Entities have obtained the support of and have reached settlements with various Affected Unsecured Creditors with respect to their Claims, including the Pension Parties pursuant to the Pension Support Agreement, as well as the Dealer Representative Plaintiff, and a substantial majority of Landlords, the terms and conditions of which settlement are reflected in this Plan; and
- (K) To implement the Pension Claim Settlement and other settlements of material Claims noted above (collectively, and including the Pension Claim Settlement, the Director Settlement and the ESL Parties Settlement, the "**Mediated Claim Settlements**"), and to provide (a) a method of distribution of their available cash to Affected Unsecured Creditors with Proven Affected Unsecured Claims, (b) a mechanism by which Sears Opt-In Creditors will benefit from the additional value derived from the pursuit of the LT Claims and the TUV Claim, and (c) a framework for the completion of the orderly wind-down of the Sears Canada Entities, the Applicants, at the direction of the Monitor, hereby propose this Plan to the Affected Creditors under and pursuant to the CCAA.

Article 1 Interpretation

1.1 Definitions

In the Plan, including the Recitals herein, unless otherwise stated or unless the subject matter otherwise requires, all capitalized terms used shall have the meanings ascribed thereto in **Schedule A**.

1.2 Certain Rules of Interpretation

For the purposes of the Plan:

- (a) any reference in the Plan to a contract, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions;
- (b) any reference in the Plan to an Order of the Court or an existing document or exhibit filed or to be filed means such Order of the Court, document or exhibit as it may have been or may be amended, restated or varied from time to time;
- (c) unless otherwise specified, all references to currency and to "\$" or "Cdn\$" are to Canadian dollars and references to "US\$" are to United States dollars;
- (d) the division of the Plan into "Articles" and "Sections" and the insertion of a Table of Contents are for convenience of reference only and do not affect the construction or interpretation of the Plan, nor are the descriptive headings of "Articles" and "Sections" otherwise intended as complete or accurate descriptions of the content thereof;
- (e) references in the Plan to "Articles", "Sections", "Subsections" and "Schedules" are references to Articles, Sections, Subsections and Schedules of or to the Plan;
- (f) the use of words in the singular or plural, or with a particular gender, including a definition, shall not limit the scope or exclude the application of any provision of the Plan or a

Schedule hereto to such Person (or Persons) or circumstances as the context otherwise permits;

- (g) the words “includes” and “including” and similar terms of inclusion shall not, unless expressly modified by the words “only” or “solely”, be construed as terms of limitation, but rather shall mean “includes but is not limited to” and “including but not limited to”, so that references to included matters shall be regarded as illustrative without being either characterizing or exhaustive;
- (h) unless otherwise provided, any reference to a statute or other enactment of parliament or a legislature includes all regulations made thereunder, all amendments to or re-enactments of such statute or regulations in force from time to time, and, if applicable, any statute or regulation that supplements or supersedes such statute or regulation;
- (i) the terms “the Plan”, “hereof”, “herein”, “hereto”, “hereunder” and similar expressions shall be deemed to refer generally to this Plan and the Schedules hereto and not to any particular “Article”, “Section” or other portion of the Plan and include any documents supplemental hereto; and
- (j) the word “or” is not exclusive.

1.3 Time

For purposes of the Plan, unless otherwise specified, all references to time herein and in any document issued pursuant hereto mean prevailing local time in Toronto, Ontario, Canada.

1.4 Date and Time for any Action

For purposes of the Plan:

- (a) in the event that any date on which any action is required to be taken under the Plan by any Person is not a Business Day, that action shall be required to be taken on the next succeeding day which is a Business Day, and any reference to an event occurring on a Business Day shall mean prior to 5:00 p.m. on such Business Day; and
- (b) unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next succeeding Business Day if the last day of the period is not a Business Day.

1.5 Successors and Assigns

The Plan shall be binding upon and shall enure to the benefit of the heirs, administrators, executors, legal personal representatives, liquidators, receivers, trustees in bankruptcy, and successors and assigns of any Person or party named or referred to in the Plan.

1.6 Governing Law

The Plan shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. All questions as to the interpretation of or application of the Plan and all proceedings taken in connection with the Plan and its provisions shall be subject to the exclusive jurisdiction of the Court.

1.7 Currency

Unless specifically provided for in the Plan or the Sanction Order, for the purposes of voting or distribution under the Plan, a Claim shall be denominated in Canadian dollars and all payments and distributions to Affected Unsecured Creditors on account of their Proven Claims shall be made in Canadian dollars. In accordance with paragraph 6 of the Claims Procedure Order (General) and paragraph 7 of the Claims Procedure Order (E&R), any Claim in a currency other than Canadian dollars is to be converted to Canadian dollars, and any such amount shall be regarded as having been converted at the noon spot rate of exchange quoted by the Bank of Canada for exchanging such currency to Canadian dollars as at the Filing Date, which rate in the case of United States dollars is US\$1:Cdn\$1.3241.

1.8 Actions of the Sears Canada Entities

For greater certainty, any reference to an action of any one or more of the Sears Canada Entities in this Plan or any document contemplated hereunder shall be subject to, and read together with, the Governance Protocol Order, which provides among other things that the Monitor will: (a) cause the Sears Canada Entities to perform such functions as the Monitor considers necessary or desirable in order to facilitate or assist the Sears Canada Entities in dealing with their operations, winding down their estates or performing other activities; and (b) cause the Sears Canada Entities to administer their remaining property for the purposes of facilitating distributions to creditors of the Sears Canada Entities, including by way of a Plan. Accordingly, any steps to be performed hereunder by any one or more of the Sears Canada Entities may be performed by the Monitor, on behalf of the Sears Canada Entities, subject to the terms of and the protections provided under the Governance Protocol Order.

1.9 Schedules

The following are the Schedules to the Plan, which are incorporated by reference into the Plan and form a part of it:

Schedule A – Definitions

Schedule B – Pre-Filing Interco Claims

Schedule C – Pension Claims

Article 2 Purpose and Effect of the Plan

2.1 Purpose of Plan

The purpose of the Plan is to:

- (a) effect a compromise and settlement of all Affected Claims, in exchange for the distributions to Affected Unsecured Creditors with Proven Affected Unsecured Claims as contemplated by the Plan; provided, however, and for greater certainty that none of the compromises, settlements, releases and discharges contemplated herein shall release, affect or prejudice Non-Released Claims;
- (b) facilitate the distribution of the consideration provided for herein in respect of Proven Affected Unsecured Claims, Proven Priority Claims and Proven Secured Claims, if any;
- (c) implement the Pension Claim Settlement and other Mediated Claim Settlements; and

- (d) allow Sears Opt-In Creditors to benefit from the value derived from the pursuit of the LT Claims by the Litigation Trustee and the TUV Claim by the Monitor and from the Director Settlement and the ESL Parties Settlement;

all in the expectation that Persons with an economic interest in the Property will, collectively, derive a greater benefit from the implementation of the Plan than would result from any alternative distribution and claims resolution processes for the Sears Canada Entities, including bankruptcy.

2.2 Persons Affected

The Plan provides for a compromise and/or settlement of the Affected Claims. The Plan will become effective at the Effective Time on the Plan Implementation Date. The Plan shall be binding on and shall enure to the benefit of the Sears Canada Entities, the Affected Creditors, the Released Parties and all other Persons named or referred to herein, receiving the benefit of, or subject to, the Plan. On, from and after the Plan Implementation Date, all Affected Claims will be fully and finally compromised and settled (and in the case of the Released Parties, De Minimis Claims and Equity Claims, released and discharged) to the extent provided for under the Plan.

2.3 Persons Not Affected

The Plan does not affect Unaffected Creditors with respect to and to the extent of their Unaffected Claims. Nothing in the Plan shall affect any of the Sears Canada Entities' rights and defenses, both legal and equitable, with respect to any Unaffected Claims, including all rights with respect to entitlements to set-offs or recoupment against any and all such Unaffected Claims.

2.4 Claims Against the Sears Canada Entities

Without limiting the effect of the releases, discharges, compromises and settlements herein in favour of the Released Parties:

- (a) any Affected Claim against the Sears Canada Entities that is not, or does not become, a Proven Claim, including Affected Claims that have not been filed by the claims bar date provided under the Claims Procedure Orders, shall be deemed fully and finally released, discharged, barred and extinguished; and
- (b) any Affected Claim against the Sears Canada Entities that is a Proven Claim shall not be released but shall be entitled to recoveries against the assets of the Sears Canada Entities solely in accordance with distributions provided by this Plan and any further rights in respect of such Affected Claims against the Sears Canada Entities or their assets are compromised and settled in accordance with this Plan.

Article 3 Substantive Consolidation and Claims Valuation

3.1 Substantive Consolidation

The Sears Canada Entities, except for Former Corbeil, shall be partially substantively consolidated, into two Debtor Group estates, in the manner set out herein as follows:

- (a) Sears Canada, The Cut Inc., Sears Contact Services Inc., Initium Logistics Services Inc., 9845488 Canada Inc., Initium Trading and Sourcing Corp., Sears Floor Covering Centres Inc., 173470 Canada Inc., 2497089, 6988741 Canada Inc., 10011711 Canada Inc., 1592580 Ontario Limited, 955041 Alberta Ltd., 4201531 Canada Inc., 3339611 Canada Inc. and SearsConnect (collectively, the "**Sears Parties**"); and

- (b) Former SLH and 168886 (together, the “**SLH Parties**”),

such that the Affected Unsecured Creditors of each set of consolidated Sears Canada Entities shall (i) as provided in Article 4 below, be members of the same Unsecured Creditor Class for purposes of voting on the Plan, and (ii) as provided in Sections 5.2 and 7.1 below, receive Plan Distributions as if each of the individual members of such set of consolidated Sears Canada Entities comprised one Sears Canada Entity.

3.2 Claims Procedure and Adjustment of Pension Claims

- (a) The procedure for determining the validity and quantum of Affected Unsecured Claims for voting and distribution purposes under the Plan shall be governed by the Claims Procedure Orders, subject to the following:
- (i) Pre-Filing Interco Claims shall, subject to Section 4.2(b), be allowed for voting and distribution purposes in the amounts set out on **Schedule B** hereto and shall be treated as Proven Affected Unsecured Claims for the purposes of the Plan;
 - (ii) solely for the purpose of determining the quantum of the Warranty Reimbursement Pool pursuant to Section 5.3(a)(ii), each Pre-Filing Warranty Claim shall be allowed in the amount of the remaining unamortized value (as at October 19, 2017) of the underlying Warranty Payment Amount, as calculated by the Monitor based upon the records of Sears Canada; and
 - (iii) subject to Section 3.2(b) below and solely for the purposes of the Plan, the Pension Claims shall be allowed for voting and distribution purposes in the amounts and as against the applicable Sears Canada Entities as set out on **Schedule C** hereto and shall be treated as Proven Affected Unsecured Claims for the purposes of the Plan.
- (b) The Pension Claims for distribution purposes shall be subject to reduction immediately prior to each distribution by Cdn\$2.50 for every Cdn\$1 of recovery (if any) that any Pension Party has received at the time of such distribution (such reductions to be allocated between the Sears Parties and the SLH Parties in the proportions set out on **Schedule C** hereto) directly as a result of the Pension 2013 Dividend Claim or any litigation commenced by any Pension Parties against any other third party for payment to the Pension Plan or any of the Pension Parties on account of the Pension Claims, net of all fees, costs and disbursements incurred by the Pension Parties and not recovered by them (the “**Pension Litigation Recovery Adjustment**”).

Article 4 Classification of Creditors, Voting Claims and Related Matters

4.1 Classification

For the purposes of considering, voting on and receiving distributions under the Plan, the Affected Unsecured Creditors shall be grouped into the following classes (each an “**Unsecured Creditor Class**”, and collectively, the “**Unsecured Creditor Classes**”):

- (a) **Sears Creditor Class:** Affected Unsecured Creditors of any of the Sears Parties; and
- (b) **SLH Creditor Class:** Affected Unsecured Creditors of any of the SLH Parties.

As the Proven Affected Unsecured Claims of Creditors of Former Corbeil are to be paid in full under the Plan, no holder of an Affected Unsecured Claim against Former Corbeil shall be a member of either

Unsecured Creditor Class, be entitled to vote on or approve the Plan or attend at any Meeting in respect of such Affected Unsecured Claim.

4.2 Voting

- (a) Except as otherwise provided in the Meetings Order, and subject to the provisions of the Plan, Affected Unsecured Creditors shall be entitled to vote their Eligible Voting Claims at the applicable Meeting in respect of the Plan.
- (b) In accordance with the CCAA, the Sears Canada Entities (through the Monitor), as related parties, will only be permitted to vote their Eligible Voting Claims, if any, against, but not for, the Plan.
- (c) Employee Representative Counsel shall be deemed to be a proxy holder in respect of each Eligible Voting Claim of an ERC Employee that is an Employee Claim and shall vote such Claims at the applicable Meeting on all ERC Employees' behalf, without the requirement for any ERC Employee to submit a proxy form to the Monitor or any other Person.
- (d) Pension Representative Counsel shall be deemed to be a proxy holder in respect of each Eligible Voting Claim of a PRC Retiree (other than relating to the Pension Claims or Employee Claims) and shall vote such Claims at the applicable Meeting on such PRC Retirees' behalf, without the requirement for any PRC Retiree to submit a proxy form to the Monitor or any other Person.
- (e) For greater certainty, only the Pension Plan Administrator or its designated proxy may vote the Pension Claims.

4.3 Unaffected Claims

Unaffected Claims shall not be compromised under the Plan. No holder of an Unaffected Claim shall be:

- (a) entitled to vote on or approve the Plan or attend at any Meeting in respect of such Unaffected Claim; or
- (b) entitled to or receive any distributions pursuant to the Plan in respect of such Unaffected Claim, unless specifically provided for under and pursuant to the Plan.

4.4 Meetings

- (a) The Meetings shall be held in accordance with the Plan, the Meetings Order and any further Order of the Court. The only Persons entitled to notice of or to attend at the Meetings are the Eligible Voting Creditors (or their respective duly-appointed proxyholders), representatives of the Monitor, the Sears Canada Entities, Employee Representative Counsel, the Pension Parties, the Settling Defendants, all such parties' financial and legal advisors, the chair, and secretary and scrutineers thereof. Any other Person may be admitted to the Meetings only by invitation of the Monitor or as permitted under the Meetings Order or any further Order of the Court.
- (b) If the Plan is approved by the Required Majority in each Unsecured Creditor Class, then the Plan shall be deemed to have been agreed to, accepted and approved by the Affected Unsecured Creditors and, if sanctioned by the Court, shall be binding upon all Affected Creditors immediately upon the delivery of the Plan Implementation Date Certificate in accordance with Section 10.4.

4.5 No Double Proof or Recovery

In respect of any Claim which is compromised under the Plan (a) which is subject to a Guarantee or (b) in respect of which a Person has any right to or claim over in respect of or to be subrogated to the rights of any Person (such compromised Claim being the "**Principal Claim**"), no Person shall:

- (a) be entitled to any greater rights against the Sears Canada Entity in respect of which the Principal Claim relates than the Person holding the Principal Claim;
- (b) be entitled to vote on the Plan to the extent that the Person holding the Principal Claim votes on the Plan; or
- (c) be entitled to receive any distribution under the Plan to the extent that the Person holding the Principal Claim is receiving a distribution.

Article 5 Treatment of Claims

5.1 Treatment of Pre-Filing Interco Claims and Tax Loss Utilization Structure

- (a) In accordance with Section 7.1(a), each Debtor Group holding a Pre-Filing Interco Claim against:
 - (i) another Debtor Group (other than Former Corbeil) shall be entitled to receive an amount equal to its Pre-Filing Interco Pro Rata Share of the Debtor Cash Pool for the Debtor Group against which such Pre-Filing Interco Claim is made; and
 - (ii) Former Corbeil shall be entitled to receive an amount equal to its Pre-Filing Interco Claim.
- (b) For greater certainty with respect to the Tax Loss Utilization Structure and as a result of the substantive consolidation effected pursuant to Section 3.1 above:
 - (i) the Pre-Filing Interco Claim of 2497089 resulting from the 249 SCI Loan made by 2497089 to Sears Canada as part of the Sears Canada Entities' Tax Loss Utilization Structure shall receive no distribution under the Plan;
 - (ii) no value shall be distributable under the Plan from 2497089 to Former SLH in respect of its preferred equity interest in 2497089 as such interest only gives rise to an Equity Claim; and
 - (iii) no value shall be distributable under the Plan from Former SLH to Sears Canada on account of the Pre-Filing Interco Claim that arises as a result of its Sears Canada Subordinated Transport Loan from Sears Canada, which loan was agreed to be treated as subordinated to all other indebtedness of Former SLH, which will not be paid in full.

5.2 Treatment of Affected Third Party Unsecured Claims, Pension Litigation Recovery Adjustment and Dealer Matters

- (a) In accordance with Section 7.1(c), each:
 - (i) Affected Third Party Unsecured Creditor with a Proven Affected Unsecured Claim against Former Corbeil shall be entitled to receive a distribution from the Corbeil Cash Pool in an amount equal to its Proven Affected Unsecured Claim;

- (ii) Affected Third Party Unsecured Creditor with a Proven Affected Unsecured Claim against an SLH Party shall be entitled to receive a distribution in an amount equal to its Third Party Pro Rata Share of the SLH Cash Pool, as adjusted by the applicable Cash Pool/Holdback Adjustments;
 - (iii) Affected Third Party Unsecured Creditor with a Proven Affected Unsecured Claim against a Sears Party shall be entitled to receive a distribution in an amount equal to its Third Party Pro Rata Share of the Sears Cash Pool, as adjusted by the applicable Cash Pool/Holdback Adjustments; and
 - (iv) Sears Opt-In Creditor with a Proven Affected Unsecured Claim shall be further entitled to receive a distribution in an amount equal to its Third Party Pro Rata Share of the Litigation Recoveries Pool, subject to adjustment under any applicable Cash Pool/Holdback Adjustments.
- (b) The Pension Parties shall reimburse the Monitor, in trust for Affected Unsecured Creditors other than the Pension Parties, in the amount by which any Plan Distributions the Pension Parties have received in respect of the Pension Claims as determined pursuant to Section 3.2(a)(iii) exceed the Plan Distributions that would have been received if, at the time of such distribution, the Pension Claims for distribution purposes were equal to: (X) the value of the Pension Claims pursuant to Section 3.2(a)(iii); less (Y) the Pension Litigation Recovery Adjustment described in Section 3.2(b). For greater certainty, this section does not cause or require the Pension Parties to reimburse the Monitor in respect of any amounts received as a result of the Pension 2013 Dividend Claim.
- (c) Notwithstanding any other provisions of this Plan, the treatment of all Dealer Claims shall be as follows:
- (i) as soon as practicable following the Plan Implementation Date, the Monitor, on behalf of Sears Canada, will pay to the Dealer Representative Plaintiff, on behalf of all Dealers, out of the Sears Cash Pool, \$334,495 (the “**Upfront Dealer Payment**”);
 - (ii) the Dealers will not be entitled to receive any other amounts from any Debtor Cash Pool on account of or in respect of any Dealer Claims;
 - (iii) the Dealer Representative Plaintiff shall be further entitled to receive, on behalf of all Dealers, a distribution in an amount equal to its Third Party Pro Rata Share (based upon a Proven Affected Unsecured Claim against Sears Canada valued solely for the purposes of the Plan at \$80,000,000) of any amount in the Litigation Recoveries Pool in excess of \$10,000,000, subject to adjustment under any applicable Cash Pool/Holdback Adjustments; and
 - (iv) the first \$334,495 of distributions that may be received by the Dealer Representative Plaintiff, on behalf of the Dealers, pursuant to Section 5.2(c)(iii) shall be deemed re-contributed by the Dealer Representative Plaintiff, on behalf of the Dealers, to the Sears Cash Pool for distribution in accordance with this Plan.

Except as set out above, no Dealer shall have an entitlement to any distributions under the Plan.

5.3 Treatment of Warranty Claims

- (a) Notwithstanding any other provisions of this Plan, the treatment of all Pre-Filing Warranty Claims shall be solely as follows:

- (i) forthwith following the Plan Implementation Date, the Monitor shall publish for two days in *The Globe and Mail* (National Edition) and the electronic edition of *La Presse* (and in such other publications and with such frequency as the Monitor may deem appropriate) notice of the establishment of the Warranty Reimbursement Pool and the opportunity to submit an application for recovery on a Reimbursable Warranty Claim from the Warranty Reimbursement Pool;
- (ii) on the Initial Distribution Date, the Warranty Claims Administrator shall establish and maintain, on behalf of the Sears Parties, a Warranty Reimbursement Pool in an amount equal to the funds that would otherwise be distributable under the Plan on account of all Pre-Filing Warranty Claims (as valued for such purpose in accordance with Section 3.2(a)(ii)) if such Pre-Filing Warranty Claims were treated as Proven Affected Unsecured Claims and received distributions pursuant to Section 7.1(c)(ii), without accounting for Litigation Recoveries; provided however that the amount of the Warranty Reimbursement Pool shall in no event exceed \$9,000,000;
- (iii) in order to receive a distribution from the Warranty Reimbursement Pool, a holder's Pre-Filing Warranty Claim must be a Reimbursable Warranty Claim and such holder must submit, on or before 5:00 p.m. (Eastern Standard Time) on the date that is 180 days following the Plan Implementation Date (the "**Warranty Claims Bar Date**") and in the manner and using the documentation contemplated by the Warranty Claims Protocol, an application establishing to the satisfaction of the Warranty Claims Administrator, in consultation with the Monitor, that they have a valid Reimbursable Warranty Claim;
- (iv) any Pre-Filing Warranty Claim for which a claimant has not submitted the application required by the Warranty Claims Protocol on or before the Warranty Claims Bar Date or that has been Finally Determined not to be a Reimbursable Warranty Claim shall be forever barred as against the Sears Canada Entities without any compensation therefor; and
- (v) on or following the Initial Distribution Date, and once (i) all Reimbursable Warranty Claims have been Finally Determined to be or not to be Proven Claims in accordance with the Warranty Claims Protocol, and (ii) all Warranty Administration Costs have been paid from the Warranty Reimbursement Pool, the Monitor, on behalf of the Sears Parties, shall forthwith distribute from the Warranty Reimbursement Pool to each holder of a Proven Reimbursable Warranty Claim an amount equal to the lesser of such holder's (A) Third Party Pro Rata Share of the Warranty Reimbursement Pool; and (B) Proven Reimbursable Warranty Claim. If Proven Reimbursable Warranty Claims have been paid in full, the Monitor shall transfer the remaining balance in the Warranty Reimbursement Pool, if any, to the Sears Cash Pool for further distribution to Affected Unsecured Creditors of the Sears Parties.

Except as set out above, no Person holding a Pre-Filing Warranty Claim shall have an entitlement to any distributions under the Plan with respect to such Pre-Filing Warranty Claim.

- (b) For greater certainty, any Warranty Claim that arises under a Warranty purchased from a Sears Canada Entity on or after the Filing Date shall constitute a Post-Filing Claim. Creditors holding such Warranty Claims shall be unaffected by the Plan and to the extent not previously paid, shall receive payment out of the Administrative Reserve as soon as reasonably practicable after the Plan Implementation Date on account of such Warranty Claims, such payment to be at the remaining unamortized value (as at October 19, 2017)

of the underlying Warranty Payment Amount as determined by the Sears Canada Entities, in consultation with Monitor.

5.4 Treatment of De Minimis Claims

Notwithstanding any other provision of this Plan, no holder of an Affected Unsecured Claim (other than a Pre-Filing Warranty Claim, which shall be entitled solely to the recoveries expressly provided for Pre-Filing Warranty Claims pursuant to Section 5.3(a)) that has been Finally Determined to be less than \$80 (a “**De Minimis Claim**”) shall be entitled to or receive any distributions pursuant to the Plan in respect of such De Minimis Claim, and all such De Minimis Claims shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred, and shall be treated as such in the calculation of any Third Party Pro Rata Share under this Plan.

5.5 Unresolved Claims

- (a) No Affected Unsecured Creditors or holders of Priority Claims shall be entitled to receive any distributions or any payments under or pursuant to the Plan with respect to an Affected Unsecured Claim, or Priority Claim, or in each case, any portion thereof, unless and until, and then only to the extent that (i) such Claim is Finally Determined to be a Proven Claim, or (ii) is treated as a Proven Claim in accordance with the terms of the Plan, such that, in each case, the Claim is a Proven Affected Unsecured Claim or Proven Priority Claim and is entitled to the treatment described in the Plan. Except with respect to Reimbursable Warranty Claims, potential maximum distributions in respect of Unresolved Affected Unsecured Claims or potential maximum payments to Unresolved Priority Claims for each Debtor Group will be maintained by the Monitor in the Unresolved Claims Reserve for such Debtor Group until such Claims are Finally Determined.
- (b) An Unresolved Claims Reserve may be reduced by the Monitor from time to time to the extent the amount of such Unresolved Claims Reserve exceeds the maximum amounts distributable or payable for remaining Unresolved Affected Unsecured Claims, or Unresolved Priority Claims in respect of the applicable Debtor Group.

5.6 Equity Claims

On the Plan Implementation Date, all Equity Claims (other than those in respect of Former Corbeil), if any, shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred. Holders of Equity Claims shall not be entitled to vote on the Plan.

5.7 Employee Priority Claims and Government Priority Claims

- (a) All Employee Priority Claims and Government Priority Claims which are Proven Claims, if any, to the extent unpaid prior to the Plan Implementation Date, shall be paid in accordance with Sections 6(3) and 6(5) of the CCAA from the applicable Debtor Cash Pool for the Debtor Group(s) such Proven Claims are made against.
- (b) There are no amounts payable pursuant to Section 6(6) of the CCAA.

5.8 WEPP

Without limiting the subrogation rights available to the Government of Canada, any Employee who receives a payment from the Wage Earner Protection Program shall not receive a distribution under the Plan in respect of the portion of such Employee’s Affected Unsecured Claim satisfied by such payment

5.9 Landlord Cost Payments

Every Landlord whose Affected Unsecured Claim was settled pursuant to a Landlord Settlement Agreement shall be paid the amount of \$2,272.72 (each, a “**Landlord Cost Payment**”) per location that such Landlord leased as of the Filing Date to the Sears Canada Entities as soon as reasonably practicable after the Plan Implementation Date, such amounts to be paid (a) from the Debtor Cash Pool for the applicable Sears Canada Entity that was tenant under the lease arrangements for such location; and (b) on account of the legal costs of such Landlords incurred in connection with their negotiation of, and entrance into, the Landlord Settlement Agreements.

5.10 Duplicate Claims

Where (a) an Affected Unsecured Creditor has or would have had a Duplicate Claim, arising from a Guarantee, where the principal debtor is a Sears Canada Entity and the guarantor is a Sears Canada Entity in a different Debtor Group, or (b) there is joint and several liability of two or more Sears Canada Entities in different Debtor Groups in respect of an Affected Unsecured Claim or portion thereof, such Affected Unsecured Creditor (to the extent its Affected Unsecured Claim is found to be a Proven Claim against each applicable Sears Canada Entity) shall be entitled to receive distributions under and vote on the Plan on account of its Proven Affected Unsecured Claims in each such Sears Canada Entity’s Unsecured Creditor Class, provided that such Affected Unsecured Creditor shall not receive Plan Distributions in an aggregate amount more than the total amount of its Proven Affected Unsecured Claim.

5.11 Extinguishment of Affected Claims

On the Plan Implementation Date, in accordance with the provisions of the Plan and Sanction Order, the treatment of Affected Claims (including Proven Claims and Unresolved Affected Unsecured Claims) and all Released Claims, in each case as set forth herein, shall be final and binding on all Sears Canada Entities, all Affected Creditors (and their respective heirs, executors, administrators, legal personal representatives, successors and assigns) and any Person holding a Released Claim. All Affected Claims shall be compromised, settled, barred and shall be entitled to no further recovery from the assets of the Sears Canada Entities other than as set out herein, and all Released Claims shall be fully, finally, irrevocably and forever released, discharged, cancelled, and barred, and the Released Parties and the Sears Canada Entities shall thereupon have no further obligations whatsoever in respect of the Affected Claims and the Released Claims, as applicable; provided that:

- (a) nothing herein releases any of the Sears Canada Entities (including through the Monitor) or any other Person from their obligations to make distributions in the manner and to the extent provided for in the Plan; and
- (b) such compromise, settlement and bar in favour of the Sears Canada Entities shall be without prejudice to the right of an Affected Creditor in respect of an Unresolved Affected Unsecured Claim to prove such Unresolved Affected Unsecured Claim in accordance with the applicable Claims Procedure Order so that such Unresolved Affected Unsecured Claim may become a Proven Claim entitled to receive consideration under Section 5.2.

5.12 Section 19(2) Claims

Claims listed under Section 19(2) of the CCAA (“**Section 19(2) Claims**”) shall be Affected Claims for the purposes of this Plan; provided, however, that Section 19(2) Claims shall be deemed Unaffected Claims to the extent held by any Creditors who have not voted in favour of the Plan.

5.13 Settling Defendant Released Indemnity Claims

On the Plan Implementation Date, all Settling Defendants Released Indemnity Claims shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred.

Article 6 Establishment and Maintenance of Reserves and Cash Pools

6.1 Establishment and Maintenance on Accounting Basis

The Monitor shall establish and maintain each of the Reserves and Cash Pools required under the Plan, and may do so in each case on an accounting basis only. The Monitor, may, but is not required, to establish separate bank accounts for any of the Reserves, or in connection with any of the Cash Pools or the Warranty Reimbursement Pool. The Monitor is authorized to delegate authority to the Warranty Claims Administrator to administer any separate bank account established for the Warranty Reimbursement Pool.

6.2 Administrative Reserve

- (a) An Administrative Reserve shall be established by the Monitor, on behalf of the Sears Canada Entities, from the SLH Cash, the Corbeil Cash, and the Sears Cash in an aggregate amount sufficient to fund the Administrative Reserve Amounts, from time to time, all as allocated among the Debtor Groups in accordance with the Cost Allocation Methodology.
- (b) The Monitor shall hold and maintain the Administrative Reserve for the purposes of paying the Administrative Reserve Amounts, from time to time, in accordance with the Plan and in accordance with the Cost Allocation Methodology. The Monitor shall be entitled from time to time to transfer amounts held in the Administrative Reserve that the Monitor in its sole discretion determines are no longer needed to fund Administrative Reserve Amounts to the Debtor Cash Pools for further distribution to Affected Unsecured Creditors. After the Final Distribution and all remaining Administrative Reserve Amounts have been paid, the Monitor shall distribute the remaining balance in the Administrative Reserve, if any, in accordance with Section 7.8.

6.3 Unresolved Claims Reserves

- (a) **General:** The Monitor shall establish a separate Unresolved Claims Reserve for and on behalf of each Debtor Group from the applicable Available Cash for such Debtor Group, in an aggregate amount sufficient to fund, without duplication:
 - (i) Plan Distributions of such Debtor Group should all Unresolved Affected Unsecured Claims in respect of such Debtor Group be Finally Determined to be Proven Affected Unsecured Claims; and
 - (ii) payments on account of Unresolved Priority Claims in respect of such Debtor Group should all such Unresolved Claims be Finally Determined to be Proven Priority Claims,

and the Monitor shall hold and maintain each Unresolved Claims Reserve for the purposes of paying all such aforesaid claims if such claims are Finally Determined to be Proven Claims in accordance with Section 6.3(b).

- (b) **Unresolved Claims:** As Unresolved Affected Unsecured Claims and Unresolved Priority Claims are Finally Determined, the Monitor shall:
 - (i) if an Unresolved Affected Unsecured Claim is Finally Determined to be :
 - (A) a Proven Affected Unsecured Claim against a Sears Party or SLH Party, distribute to the Affected Unsecured Creditor holding such Claim, an amount equal to its Third Party Pro Rata Share of the applicable Cash

Pool plus or minus, if such Affected Unsecured Creditor is a Sears Opt-In Creditor, such further amounts which it is entitled to receive pursuant to Section 7.1(d); or

- (B) a Proven Affected Unsecured Claim against Former Corbeil, distribute to the Affected Unsecured Creditor holding such Claim, an amount equal to such Proven Affected Unsecured Claim;
- (ii) if the Unresolved Priority Claim is Finally Determined to be a Proven Priority Claim, pay the holder of such Proven Priority Claim in accordance with Section 5.7; or
- (iii) if the Unresolved Claim is Finally Determined not to be a Proven Claim, transfer cash, on an accounting basis, from the applicable Unresolved Claim Reserve to the applicable Cash Pool for distribution to Affected Unsecured Creditors thereof with Proven Affected Unsecured Claims, including Pre-Filing Interco Claims.

6.4 Creation of the Debtor Cash Pools and Litigation Recoveries Pool

- (a) On the Plan Implementation Date, the Monitor shall establish and maintain:
 - (i) the SLH Cash Pool from the SLH Cash, after first deducting or adding, as applicable, the Landlord Cost Payments, the Cost Allocation Amount and Ordinary Course Post-Filing Intercompany Position for the SLH Parties, and reserving for the SLH Reserves;
 - (ii) the Corbeil Cash Pool from the Corbeil Cash, after first deducting or adding, as applicable, the Landlord Cost Payments, the Cost Allocation Amount and Ordinary Course Post-Filing Intercompany Position for Former Corbeil and reserving for the Corbeil Reserves; and
 - (iii) the Sears Cash Pool from the Sears Cash, after first deducting or adding, as applicable, the Landlord Cost Payments, the Upfront Dealer Payment, the Cost Allocation Amount, the Ordinary Course Post-Filing Intercompany Position for the Sears Parties, that portion of the Litigation Cost Recovery Amount required to reimburse Litigation Costs funded by Sears Canada, and reserving for the Sears Reserves.
- (b) From and after the Plan Implementation Date, the Monitor shall further establish and maintain a Litigation Recoveries Pool from any Litigation Recoveries (net of the Litigation Cost Recovery Amount, which shall be returned to the Sears Cash Pool as a reimbursement for Litigation Costs already paid by Sears Canada), and all such Litigation Recoveries received by or on behalf of Sears Canada shall be transferred by the Monitor to the Litigation Recoveries Pool, net of the Litigation Cost Recovery Amount.
- (c) The Monitor, on behalf of the Sears Canada Entities, shall distribute the cash in the Cash Pools and make the Cash Pool/Holdback Adjustments, in each case in accordance with Section 7.1, and shall distribute any remaining balance in the Sears Cash Pool or SLH Cash Pool after the Final Distribution in accordance with Section 7.8. When all Proven Claims existing from time to time against Former Corbeil have been paid any remaining balance in the Corbeil Cash Pool, net of the Unresolved Claims Reserve for Former Corbeil shall be distributed by the Monitor in accordance with Section 7.1(b).

Article 7

Provisions Regarding Distributions, Payments, Disbursements and Contributions

7.1 Distributions, Payments and Disbursements Generally; Order and Sequencing of Distributions and Payments

Each and every Plan Distribution, payment and disbursement by or on behalf of the Sears Canada Entities, made on or after the Plan Implementation Date pursuant to or in accordance with the Plan shall, in each case, be made (A) in the manner, order and sequencing set out in Sections 7.1(a) to (d) below, (B) subject to and in accordance with Sections 7.2, 7.3, 7.4, and 7.7, and (C) shall be reflected by accounting entries and adjustments in the applicable Cash Pools:

- (a) the Monitor, on behalf of the Sears Canada Entities, shall distribute from the applicable Debtor Cash Pool to each holder of a Pre-Filing Interco Claim an amount equal to (X) their Pre-Filing Interco Pro Rata Share, or (Y) in the case of a Pre-Filing Interco Claim against Former Corbeil, an amount equal to such holder's Pre-Filing Interco Claim, as set out below:
 - (i) **Corbeil Cash Pool:** each holder of a Pre-Filing Interco Claim against Former Corbeil shall receive from the Corbeil Cash Pool an amount equal to such holder's Pre-Filing Interco Claim; and
 - (ii) **Sears Cash Pool:** each holder of a Pre-Filing Interco Claim against the Sears Parties shall receive an amount equal to such holder's Pre-Filing Interco Pro Rata Share of the Sears Cash Pool;
- (b) the Monitor, on behalf of Former Corbeil, shall distribute from the Corbeil Cash Pool to each Affected Third Party Unsecured Creditor with a Proven Affected Unsecured Claim against Former Corbeil, an amount equal to such Proven Affected Unsecured Claim, and upon the payment in full of all Proven Affected Unsecured Claims against Former Corbeil, shall transfer on behalf of Former Corbeil any balance in the Corbeil Cash Pool remaining from time to time over to the Sears Cash Pool as a corporate dividend paid to Sears Canada, which dividend shall first be subject to distribution in accordance with Section 7.1(a)(ii) above before any further distribution of the remaining portion of such dividend to Affected Third Party Unsecured Creditors in accordance with Section 7.1(c) below;
- (c) the Monitor, on behalf of the Sears Canada Entities, shall distribute to each Affected Third Party Unsecured Creditor with a Proven Affected Unsecured Claim its Third Party Pro Rata Share of the applicable Debtor Cash Pools, after adjustments for the distributions described in Sections 7.1(a) and 7.1(b) above, as set out below:
 - (i) **SLH Cash Pool:** Each Affected Third Party Unsecured Creditor of the SLH Parties with a Proven Affected Unsecured Claim against the SLH Parties shall receive an amount equal to its Third Party Pro Rata Share of the SLH Cash Pool. In the case of an Unresolved Affected Unsecured Claim that has become a Proven Affected Unsecured Claim, this distribution will include any amounts that would have been distributed on account of such Affected Unsecured Claim on prior distributions had it been a Proven Affected Unsecured Claim at the Initial Distribution Date; and
 - (ii) **Sears Cash Pool:** Each Affected Third Party Unsecured Creditor of the Sears Parties with a Proven Affected Unsecured Claim against the Sears Parties shall receive an amount equal to its Third Party Pro Rata Share of the Sears Cash Pool. In the case of an Unresolved Affected Unsecured Claim that has become a Proven Affected Unsecured Claim, this distribution will include any amounts that would have been distributed on account of such Affected Unsecured Claim on prior

distributions had it been a Proven Affected Unsecured Claim at the Initial Distribution Date;

- (d) once (i) all applicable Litigation Recoveries have been received by or on behalf of Sears Canada Entities, (ii) the Litigation Cost Recovery Amount has been returned to the Sears Cash Pool as a reimbursement of Litigation Costs already paid by Sears Canada, and (iii) all Unresolved Affected Unsecured Claims have been Finally Determined to be or not be Proven Claims, the Monitor, on behalf of the Sears Parties, shall distribute to each Sears Opt-In Creditor with a Proven Affected Third Party Unsecured Claim its Third Party Pro Rata Share of the Litigation Recoveries Pool. Notwithstanding the foregoing, interim distributions from the Litigation Recoveries Pool shall be permitted as the Monitor deems appropriate or as approved by the Court.

7.2 Tax Matters

- (a) Subject to Section 7.2(b), notwithstanding any provisions of the Plan, each Person that receives a distribution, disbursement or other payment pursuant to the Plan shall have sole and exclusive responsibility for the satisfaction and payment of any Tax obligations imposed on such Person by any Taxing Authority on account of such distribution, disbursement or payment.
- (b) Any payor shall be entitled to deduct and withhold and remit from any distribution, payment or consideration otherwise payable to any Person pursuant to the Plan such amounts as are required to be deducted and withheld with respect to such payment under the *Income Tax Act* (Canada), or any provision of federal, provincial, territorial, state, local or foreign tax law, in each case, as amended or restated (a "**Withholding Obligation**"). For greater certainty, no distribution, payment or other consideration shall be made to or on behalf of a Person until such Person has delivered to the Monitor such documentation prescribed by Applicable Law or otherwise reasonably required by the Monitor as will enable it to determine whether or not, and to what extent, such distribution, payment or consideration to such Person is subject to any Withholding Obligation imposed by any Taxing Authority.
- (c) To the extent that amounts are withheld or deducted from an amount payable to any Person and paid over to the applicable Taxing Authority, such withheld or deducted amounts shall be treated for all purposes of the Plan as having been paid to such Person, together with the remainder of the payment in respect of which such withholding and deduction were made.
- (d) For the avoidance of doubt, it is expressly acknowledged and agreed that all distributions, payments and disbursements made hereunder shall be made by, or on behalf of, the Sears Canada Entities, and no provision hereof shall be construed to have effect to the contrary.

7.3 Priority of Payments

The aggregate amount payable (the "**Payment Amount**") under this Plan to a particular Creditor (the "**Payee Party**") in respect of a particular Plan Distribution from a particular Sears Canada Entity (the "**Payor Party**") shall be applied as follows in respect of the particular Claims giving rise to the applicable distribution or payment:

- (a) first, to the repayment of the principal amount of any loans or cash advances made by the Payee Party to the Payor Party up to the total principal amount;
- (b) second, to the extent that the applicable Payment Amount exceeds the aggregate of the amounts described in paragraph (a), to interest payable on any such loans or cash advances;

- (c) third, to the extent that the applicable Payment Amount exceeds the aggregate of the amounts described in paragraphs (a) and (b), to unpaid fees in respect of services provided by or on behalf of the Payee Party to the Payor Party, other than any such unpaid fees in respect of services rendered in Canada; and
- (d) finally, to the extent that the applicable Payment Amount exceeds the aggregate of the amounts described in paragraphs (a) through (c), to any remaining Claims not described in such paragraphs.

For greater certainty, any terms or conditions of any Affected Claim that purport to deal with the ordering or granting of priority of payment of principal, interest, payments or other amounts shall be deemed void and ineffective to the extent inconsistent with the ordering provided for in this Section 7.3.

7.4 Method of Payment

All Plan Distributions to Affected Unsecured Creditors with Proven Affected Unsecured Claims (other than to Sears Canada Entities, which shall be made as set out in Sections 5.1 and 7.1, and other than Plan Distributions effected by set-off) to be made by the Monitor, on the Sears Canada Entities' behalf, under the Plan shall be made:

- (a) in the case of an Affected Unsecured Creditor that has not assigned its Affected Unsecured Claim:
 - (i) subject to subsection (ii) below, if the Affected Unsecured Creditor duly filed a Proof of Claim that set out an address for such Creditor or its agent, to the address set out in such Proof of Claim;
 - (ii) if any address was subsequently provided to the Monitor in accordance with the applicable Claims Procedure Order, to such address;
 - (iii) if no address was provided to the Monitor under subsections (i) and (ii) above, and the Affected Unsecured Creditor is an Employee in respect of whom Employee Representative Counsel has provided an address, to such address;
 - (iv) if no address was provided to the Monitor under subsections (i) and (ii) above, and the Affected Unsecured Creditor is a Retiree in respect of whom Pension Representative Counsel has provided an address, to such address; and
 - (v) in all other cases, to the address on file in the books and records of the Sears Canada Entities; and
- (b) in the case of an Affected Unsecured Creditor that is a Valid Transferee, to the address set out in such Valid Transferee's Notice of Transfer or Assignment.

7.5 Treatment of Uncashed Distributions or Payments

- (a) If any Creditor's distribution in respect of its Affected Unsecured Claim, Priority Claim or Secured Claim is not cashed and becomes stale-dated or is returned as undeliverable or a social insurance number, which is required to deliver distributions to an Employee or Retiree, is not provided by or on behalf of such Employee or Retiree to the Monitor in accordance with the terms of any Order of the Court (an "**Undeliverable Distribution**"), no distributions shall be made to such Creditor unless and until the Monitor is notified in writing by such Creditor of such Creditor's current address and (if applicable) social insurance number, at which time all such distributions shall be made to such Creditor. The Monitor (or the Warranty Claims Administrator, as applicable) shall reserve from the applicable Cash Pool (or the Warranty Reimbursement Pool, if applicable) the amount of

cash equal to the Undeliverable Distribution. The Monitor shall advise Employee Representative Counsel in writing of any Undeliverable Distributions that are payable to Employees within a reasonable time after becoming aware of same. The Monitor shall advise Pension Representative Counsel in writing of any Undeliverable Distributions that are payable to Employee Representative Counsel within a reasonable time after becoming aware of same.

- (b) All notices from Creditors seeking to recover an Undeliverable Distribution existing prior to the Final Distribution must be made in writing to the Monitor (in the manner contemplated by Section 11.8 hereof) on or before the date that is sixty (60) days following the date on which the Monitor serves on the Service List and posts a copy of the Final Distribution Certificate on the Website (the “**Final Distribution Bar Date**”), after which date any Affected Unsecured Claims, Priority Claims or Secured Claims underlying any Undeliverable Distributions shall be forever barred as against the Sears Canada Entities without any compensation therefor, notwithstanding any Applicable Law to the contrary.
- (c) The amount of any Undeliverable Distributions that remain unclaimed, undeliverable or uncashed and stale-dated sixty (60) days following the Final Distribution Bar Date shall be returned to the applicable Cash Pools for distribution to Affected Unsecured Creditors on the Final Distribution. Any Undeliverable Distributions that may arise from the Final Distribution shall be delivered to the Pension Plan Administrator for distribution to the Pension Plan if not cashed by the date that is six (6) months following the Final Distribution Bar Date.
- (d) Nothing in the Plan or Sanction Order shall (i) require the Monitor or the Sears Canada Entities to attempt to locate any Affected Unsecured Creditor, Employee, Retiree, Governmental Authority or Secured Creditor with respect to an Undeliverable Distribution, nor (ii) require the Monitor or the Sears Canada Entities to make any further distribution to any Creditor while a prior distribution in respect of such Creditor’s Affected Unsecured Claim, Priority Claim or Secured Claim constitutes an Undeliverable Distribution. No interest shall be payable in respect of an Undeliverable Distribution.

7.6 Payment and Treatment of Certain Unaffected Claims, Including Litigation Costs

- (a) The following Unaffected Claims shall be paid from the Administrative Reserve, and allocated in each case to such Debtor Group’s share of the Administrative Reserve in accordance with the Cost Allocation Methodology, all in accordance with this Article 7 and pursuant to the Sanction Order and the CCAA:
 - (i) all fees and disbursements of counsel to the Sears Canada Entities, the Monitor and counsel to the Monitor, Employee Representative Counsel, and Pension Representative Counsel (x) accrued but not yet paid prior to the Plan Implementation Date, and (y) accruing after the Plan Implementation Date; and
 - (ii) ordinary course expenses of the Sears Canada Entities.
- (b) All Litigation Costs shall be reimbursed to Sears Canada from the Litigation Cost Recovery Amount prior to the establishment of the Litigation Recoveries Pool.
- (c) From and after the Plan Implementation Date, the Administration Charge and Litigation Trustee’s Charge shall continue against the Cash Pools, the Reserves, all remaining Property of the Sears Canada Entities and any additional proceeds realized by the Sears Canada Entities (including Tax Refunds and Litigation Recoveries) until such monies are disbursed or distributed by the Monitor, on behalf of the applicable Sears Canada Entity. The Administration Charge shall be in the same amounts and priority as set out in the Initial

Order (as amended by the Litigation Approval Orders) pursuant to and in accordance with the Sanction Order, as such amounts may be reduced from time to time in the determination of the Monitor or by further Order of the Court.

- (d) On the Plan Implementation Date, the CCAA Charges (other than the Administration Charge and the Litigation Trustee's Charge) shall be terminated in accordance with the Sanction Order.
- (e) Notwithstanding anything to the contrary herein, Insured Claims shall not be compromised, released, discharged, cancelled and barred by this Plan, provided that from and after the Plan Implementation Date, any Person having an Insured Claim shall be irrevocably limited to recovery in respect of such Insured Claim solely from the applicable Insurance Policies. This Section 7.6(e) may be relied upon and raised or pleaded by the Sears Canada Entities in defence or estoppel of or to enjoin any claim, action or proceeding brought in contravention of this Section. Nothing in this Plan shall prejudice, compromise, release or otherwise affect any right or defence of any insured or insurer in respect of an Insured Claim.

7.7 Timing of Distributions

The Monitor may from time to time make Plan Distributions on account of Proven Affected Unsecured Claims and will make no distribution in respect of a Claim until it is a Proven Claim.

7.8 Remaining Cash

If the final amount in the applicable Cash Pool is an amount for which the Monitor determines the cost of such distribution relative to the amount to be distributed is not justified, no Plan Distribution of such final amount shall occur and instead such amount shall be paid to the Pension Plan Administrator for distribution to the Pension Plan.

Article 8 Plan Implementation

8.1 Corporate Authorizations

The adoption, execution, delivery, implementation and consummation of all matters contemplated under the Plan involving any corporate or other action of any of the Sears Canada Entities will occur and be effective as of the Effective Time, and will be authorized and approved under the Plan and by the Court, where appropriate, as part of the Sanction Order, in all respects and for all purposes without any requirement of further action by shareholders, partners, Directors or Officers of such Sears Canada Entity. All necessary approvals to take actions shall be deemed to have been obtained from the Directors or shareholders or partners of the Sears Canada Entities, as applicable.

Article 9 Releases

9.1 Plan Releases

- (a) To the extent not already released and discharged by the Settlement Approval Orders or any release given by any plaintiff in the Settled Litigation Claims, as at the Effective Time, each of the Directors, Officers, Employees, and Settling Defendants, as well as the Specified Advisors (being referred to individually as a "**Sears Released Party**") shall be released and discharged from any and all demands, claims, actions, applications, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, orders (including for priority, injunctive relief or specific performance and

compliance orders), expenses, executions, encumbrances and other recoveries on account of any Liability, obligation, demand or cause of action of whatever nature, which any Affected Creditor, Unaffected Creditor (except to the extent of its Unaffected Claim) or other Person may be entitled to assert, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act, omission, transaction, duty, responsibility, indebtedness, Liability, obligation, dealing or other occurrence existing or taking place on or prior to the Plan Implementation Date that are in any way relating to, arising out of or in connection with the Claims, the Business and affairs of the Sears Canada Entities whenever or however conducted, the Plan, the CCAA Proceedings or any matter or transaction involving any of the Sears Canada Entities occurring in or in connection with the CCAA Proceedings (including the Plan or the development thereof, the Deemed Trust Motions, any Claim that has been barred or extinguished by the Claims Procedure Orders, or any distributions, payments, disbursements, actions, steps or transactions, taken to implement the Plan), and in each case all claims arising out of such aforesaid matters shall be forever waived and released all to the full extent permitted by Applicable Law; with the following exceptions:

- (i) nothing herein shall release, affect, prejudice or discharge Non-Released Claims and nothing herein shall provide any defence to any Non-Released Claims; and
 - (ii) any claim that has been commenced as of the Plan Implementation Date against an Employee personally solely as a result of performing their duties as an Employee of a Sears Canada Entity shall not be released but shall be limited to recovery from any insurance proceeds payable in respect of such claim under any insurance policy of a Sears Canada Entity, and any Persons with any such claim shall have no right to, and shall not, make any claim or seek any recoveries from any Person (including any such Employee) other than enforcing such Person's rights to be paid from such insurance proceeds by the applicable insurer(s); provided further that nothing in this Plan shall prejudice, compromise, release or otherwise affect any right or defence of any insured or insurer in respect of any such claim.
- (b) As at the Effective Time, the Monitor, FTI (including in its capacity as receiver further to the Receivership Order) and their respective current and former affiliates, directors, officers and employees and all of their respective advisors, legal counsel and agents, as well as Employee Representative Counsel, Pension Representative Counsel, the Employee Representatives, and the Pension Representatives (being referred to individually as a **"Third Party Released Party"**) shall be released and discharged from any and all demands, claims, actions, applications, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, orders (including for priority, injunctive relief or specific performance and compliance orders), expenses, executions, encumbrances and other recoveries on account of any Liability, obligation, demand or cause of action of whatever nature, which any Affected Creditor, Unaffected Creditor or other Person may be entitled to assert, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act, omission, transaction, duty, responsibility, indebtedness, Liability, obligation, dealing or other occurrence existing or taking place on or prior to the Plan Implementation Date that are in any way relating to, arising out of or in connection with the Claims, the Business and affairs of the Sears Canada Entities whenever or however conducted, the Plan, the CCAA Proceedings or any matter or transaction involving any of the Sears Canada Entities occurring in or in connection with the CCAA Proceedings (including the Plan or the development thereof, the Deemed Trust Motions, any Claim that has been barred or extinguished by the Claims Procedure Orders, or any distributions, payments, disbursements, actions, steps or transactions, taken to implement the Plan), and in each case all claims arising out of such aforesaid matters shall be forever waived and released

all to the full extent permitted by Applicable Law, provided that nothing herein shall release or discharge any Non-Released Claims.

- (c) As of the Effective Time, and notwithstanding any other terms of this Plan, all Settled Litigation Claims shall be fully and finally released, discharged, barred, and extinguished to the extent not already released, discharged, barred or extinguished by (i) the Settlement Approval Orders or (ii) any release given by any plaintiff in the Settled Litigation Claims.
- (d) Without limiting the foregoing releases and discharges in favour of the Released Parties, as against any Sears Canada Entity, any
 - (i) De Minimis Claim;
 - (ii) Equity Claim; and
 - (iii) other Affected Claim that is not, or does not become, a Proven Claim, including Affected Claims that have not been filed by the claims bar date provided under the Claims Procedure Orders,

shall be deemed fully and finally released, discharged, barred and extinguished.

- (e) Any Affected Claim against the Sears Canada Entities that is a Proven Claim shall not be released but shall be entitled to recoveries against the assets of the Sears Canada Entities solely in accordance with distributions provided by this Plan and any further rights in respect of such Affected Claims against the Sears Canada Entities or their assets are compromised and settled in accordance with this Plan.

Article 10

Court Sanction, Conditions Precedent and Plan Implementation

10.1 Application for Sanction Order

If the Plan is approved by the Required Majority in each Unsecured Creditor Class at the Meetings, the Monitor shall file a motion seeking the Sanction Order to be heard on such date as the Court may order.

10.2 Sanction Order

The Sanction Order shall, among other things:

- (a) declare that (i) the Plan has been approved by the Required Majority in each Unsecured Creditor Class voting in conformity with the CCAA and the Meetings Order; (ii) the Sears Canada Entities (directly or through the Monitor) have complied with the provisions of the CCAA and the Orders of the Court; (iii) the Court is satisfied that the Sears Canada Entities (directly or through the Monitor) have not done or purported to do anything that is not authorized by the CCAA; (iv) the Sears Canada Entities (directly or through the Monitor) have each acted in good faith and with due diligence; and (v) the Plan and the implementation steps contemplated thereby are fair and reasonable;
- (b) authorize the Monitor to perform its functions under the Plan, including the establishment of the Reserves, and cause the Sears Canada Entities to perform their obligations and functions under the Plan and to perform all such other acts and execute such documents as may be required in connection with the foregoing;
- (c) declare that the Plan and all associated steps, compromises, transactions and arrangements effected thereby are approved, binding and effective on the Sears Canada

Entities, all Affected Creditors, the Released Parties and all Persons named or referred to in, affected by, or subject to the Plan as of the Effective Time;

- (d) order that, upon delivery to the Monitor of the Condition Certificate as to the fulfillment or waiver of the condition precedent to implementation of the Plan set out in Section 10.3(f) and satisfaction of the Monitor as to the fulfillment or waiver of all other conditions precedent to implementation of the Plan as set out in Sections 10.3(a) through (e) below, the Monitor shall issue forthwith the Plan Implementation Date Certificate, and file with the Court the Plan Implementation Date Certificate as soon as reasonably practicable after issuance thereof;
- (e) order that, upon issuance of the Plan Implementation Date Certificate, the Deemed Trust Motions and the motion of Employee Representative Counsel to lift the stay of proceedings to file bankruptcy applications against Sears Canada Entities shall be deemed to be withdrawn and discontinued without costs;
- (f) as of the Plan Implementation Date, declare that the ability of any Person to proceed against any one or more of the Sears Canada Entities or the Directors or Officers in respect of or relating to any Affected Claims shall be forever discharged and restrained, and all proceedings with respect to, in connection with or relating to such Affected Claims be permanently stayed, subject only to the right of Affected Creditors to receive distributions pursuant to the Plan in respect of their Affected Claims (to the extent they are or become Proven Affected Unsecured Claims); provided, however, and for greater certainty that none of the compromises, settlements, releases and discharges contemplated herein shall release, affect or prejudice Non-Released Claims;
- (g) as of the Plan Implementation Date, approve the releases set forth in Article 9 hereof and enjoin the prosecution, whether directly, derivatively or otherwise, of any Claim, obligation, suit, judgment, damage, demand, debt, right, cause of action, Liability or interest released, discharged, compromised or terminated pursuant to the Plan;
- (h) provide for discharge of the CCAA Charges (other than the Administration Charge and the Litigation Trustee's Charge) and the continuation of the Administration Charge and Litigation Trustee's Charge, which shall survive the Plan Implementation Date and attach to the Property and the Reserves, all in accordance with the Plan;
- (i) provide for the termination of the Hardship Process and that all remaining amounts shall become Sears Cash on the Plan Implementation Date; and
- (j) declare that, in carrying out the terms of the Sanction Order and the Plan, (i) the Monitor shall benefit from all the protections given to it by the CCAA, the Initial Order and any other Order in the CCAA Proceedings, and as an officer of the Court, including the stay of proceedings in its favour; (ii) the Monitor shall incur no liability or obligation as a result of carrying out the provisions of the Sanction Order and/or the Plan; and (iii) the Monitor and any Authorized Representative (as defined in the Governance Protocol Order) shall be entitled to rely on the books and records of the Sears Canada Entities and any information provided by any of the Sears Canada Entities without independent investigation and shall not be liable for any claims or damages resulting from any errors or omissions in such books, records or information.

10.3 Conditions Precedent to Implementation of the Plan

The implementation of the Plan, including distributions thereunder, shall be conditional upon the fulfilment or waiver, to the extent permitted by the CCAA, of the following conditions precedent by the date specified therefor:

- (a) each Unsecured Creditor Class shall have approved the Plan in the Required Majority;
- (b) each of the Meetings Order and the Sanction Order shall have been granted;
- (c) each of the Meetings Order and the Sanction Order shall have become Final Orders;
- (d) the Monitor shall have received such clearance certificates, or comfort letters in lieu thereof from the Canada Revenue Agency or any other applicable Taxing Authority, as the Monitor considers necessary or advisable, to make any Plan Distributions;
- (e) the Plan Implementation Date shall have occurred before December 31, 2020, or such later date as agreed to by the Pension Parties and Monitor; and
- (f) the Pension Parties shall be satisfied that:
 - (i) the Plan provides no less than \$155,000,000 available for distribution to all Affected Third Party Unsecured Creditors, net of all Reserves and excluding the funds in the Litigation Recoveries Pool; and
 - (ii) Affected Third Party Unsecured Claims shall be no more than \$1,550,000,000, excluding the Pension Claims.

The Monitor may at any time and from time to time waive the fulfillment or satisfaction, in whole or in part, of the conditions set out herein, provided however, that (i) the conditions set out in (a) and (b) above cannot be waived; and (ii) the conditions set out in (e) and (f) above may be waived by the Monitor only with the consent or agreement of the Pension Parties.

At or prior to the time of the Meetings, the Pension Parties shall deliver to the Monitor written notice confirming, as applicable, the fulfilment or waiver, to the extent available, of the condition precedent to implementation of the Plan as set out in Section 10.3(f) above (the “**Condition Certificate**”).

10.4 Plan Implementation Date Certificate

Upon receipt by the Monitor of the Condition Certificate from the Pension Parties, and upon satisfaction of the Monitor as to the fulfillment or waiver, to the extent permitted herein, of the conditions described in Sections 10.3(a) through (e), the Monitor shall (a) issue forthwith the Monitor’s Plan Implementation Date Certificate to the Sears Canada Entities and serve a copy of such Plan Implementation Date Certificate on the Service List, and (b) file as soon as reasonably practicable a copy of the Monitor’s Plan Implementation Date Certificate with the Court. With respect to the condition set out at Section 10.3(f), the Monitor will be relying exclusively on the Condition Certificate, without any obligation whatsoever to verify the satisfaction or waiver of such condition. Following the filing of the Monitor’s Plan Implementation Date Certificate with the Court, the Monitor shall post a copy of same on the Website.

Article 11 General

11.1 General

On the Plan Implementation Date, or at such other times as provided in the Plan:

- (a) the Plan will become effective at the Effective Time;
- (b) the steps set out in Article 7 will commence;

- (c) the treatment of Claims under the Plan shall be final and binding for all purposes and enure to the benefit of the Sears Canada Entities, all Affected Creditors, the Released Parties and all other Persons and parties named or referred to in, or subject to, the Plan and their respective heirs, executors, trustees in bankruptcy, administrators and other legal representatives, successors and assigns;
- (d) all releases, compromises and settlements contained in Section 9.1 shall become effective;
- (e) each Person named or referred to in, or subject to, the Plan shall be deemed to have consented and agreed to all of the provisions of the Plan, in its entirety; and
- (f) each Person named or referred to in, or subject to, the Plan shall be deemed to have executed and delivered to the Sears Canada Entities and/or Monitor all consents, releases, directions, assignments and waivers, statutory or otherwise, required to implement and carry out the Plan in its entirety.

11.2 Claims Bar Dates

Nothing in this Plan extends or shall be interpreted as extending or amending any deadline or claims bar date provided for under either Claims Procedure Order, or gives or shall be interpreted as giving any rights to any Person in respect of Claims that have been barred or extinguished pursuant to the Claims Procedure Orders.

11.3 Deeming Provisions

In the Plan, the deeming provisions are not rebuttable and are conclusive and irrevocable.

11.4 Non-Consummation

The Monitor reserves the right to revoke or withdraw the Plan at any time prior to the Plan Implementation Date with approval of the Court. If: (i) the Monitor revokes or withdraws the Plan in accordance with the foregoing, or (ii) the Plan Implementation Date does not occur before December 31, 2020 or such later date as agreed to by the Monitor and the Pension Parties, then: (a) the Plan (including all steps taken thereunder) shall be null and void in all respects, (b) any settlement or compromise embodied in the Plan, or any document or agreement executed pursuant to or in connection with the Plan shall be deemed to be null and void; and (c) nothing contained in the Plan, and no acts taken in preparation for consummation of the Plan, shall:

- (a) constitute or be deemed to constitute a waiver or release of any Claims by or against any of the Sears Canada Entities, the Pension Parties or any other Person;
- (b) prejudice in any manner the rights of the Sears Canada Entities, the Pension Parties or any other Person in any further proceedings involving any of the Sears Canada Entities; or
- (c) constitute an admission of any sort by any of the Sears Canada Entities or any other Person.

11.5 Modifications of the Plan

The Monitor may at any time prior to and after the Meetings (and both prior to and subsequent to the obtaining of the Sanction Order), file a Plan Modification (a) pursuant to an Order of the Court, or (b) without further Court or Creditor approval, where such Plan Modification concerns (i) a matter which is of an administrative nature required to better give effect to the implementation of the Plan and the Sanction Order, or (ii) cure any errors, omissions or ambiguities, and in either case of foregoing clause (i) and (ii), is not materially adverse to the financial or economic interests of the Affected Creditors.

11.6 Paramourncy

From and after the Effective Time, any conflict between:

- (a) the Plan; and
- (b) the covenants, warranties, representations, terms, conditions, provisions or obligations, expressed or implied, of any contract, mortgage, security agreement, indenture, trust indenture, loan agreement, commitment letter, agreement for sale, lease or other agreement (including the Pension Support Agreement), written or oral and any and all amendments or supplements thereto existing between any Person and the Sears Canada Entities as at the Plan Implementation Date and the articles and by-laws or other constating documents of the Sears Canada Entities

will be deemed to be governed by the terms, conditions and provisions of the Plan and the Sanction Order, which shall take precedence and priority.

11.7 Responsibilities of the Monitor

FTI is acting and will continue to act in all respects in its capacity as Monitor in the CCAA Proceedings with respect to the Sears Canada Entities and not in its personal or corporate capacity. The Monitor will not be responsible or liable in its personal or corporate capacity for carrying out its obligations under the Plan or the Sanction Order nor will the Monitor be responsible for any obligations of the Sears Canada Entities whatsoever. The Monitor will have the powers and protections granted to it by the Plan, the CCAA, the Initial Order, the Sanction Order and any other Order of the Court made in the CCAA Proceedings.

11.8 Notices

Any notice or other communication to be delivered hereunder must be in writing and reference the Plan and may, subject as hereinafter provided, be made or given by personal delivery, or by email addressed to the respective parties as follows:

- (a) If to the Sears Canada Entities:

Sears Canada Inc.
 c/o FTI Consulting Canada Inc.
 79 Wellington Street West
 TD South Tower, Suite 2010
 PO Box 104
 Toronto, ON M5K 1G8

Attention: Steve Bissell
 Email: searscanada@fticonsulting.com

with a copy to:
 Norton Rose Fulbright Canada LLP
 222 Bay Street, Suite 3000, P.O. Box 53
 Toronto, ON M5K 1E7

Attention: Orestes Pasparakis & Evan Cobb
 Email: orestes.pasparakis@nortonrosefulbright.com /
 evan.cobb@nortonrosefulbright.com

- (b) If to the Monitor:

FTI Consulting Canada Inc.
79 Wellington Street West
TD South Tower, Suite 2010
PO Box 104
Toronto, ON M5K 1G8

Attention: Steve Bissell
Email: searscanada@fticonsulting.com

with a copy to:

Norton Rose Fulbright Canada LLP
222 Bay Street, Suite 3000, P.O. Box 53
Toronto, ON M5K 1E7

Attention: Orestes Pasparakis & Evan Cobb
Email: orestes.pasparakis@nortonrosefulbright.com /
evan.cobb@nortonrosefulbright.com

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

11.9 Further Assurances

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

DATED as of the 17th day of November, 2020.

Schedule A Definitions

“**168886**” has the meaning ascribed thereto in the Recitals;

“**2497089**” has the meaning ascribed thereto in the Recitals;

“**249 SCI Loan**” means the \$160 million loan made by 2497089 to Sears Canada under the Tax Loss Utilization Structure;

“**Administration Charge**” has the meaning given to such term in the Initial Order;

“**Administrative Reserve**” means a Cash reserve from the SLH Cash, Corbeil Cash and Sears Cash, as applicable in accordance with the Cost Allocation Methodology, in an amount to be adjusted from time to time as determined by the Monitor, and to be reserved by the Monitor on an accounting basis, for the purpose of paying the Administrative Reserve Amounts, from time to time;

“**Administrative Reserve Amounts**” means:

- (a) costs incurred and in respect of: (i) the Monitor’s fees and disbursements (including of its legal counsel and other consultants and advisors) in connection with the performance of its duties under the Plan and in the CCAA Proceedings, including all costs associated with resolving Unresolved Claims; (ii) any third party fees in connection with the administration of distributions, disbursements and payments under the Plan; (iii) fees and disbursements of the Sears Canada Entities’ legal counsel, consultants and other advisors; (iv) the fees and disbursements of Employee Representative Counsel and Pension Representative Counsel; (v) the fees and disbursements of any Claims Officer appointed under the Claims Procedure Orders; (vi) ordinary course costs (including operating costs such as wages and rent) expected to be incurred following the previous Distribution Date; and (vii) any other reasonable amounts in respect of any determinable contingency as the Monitor may determine in its sole discretion; and
- (b) Post-Filing Claims and Unaffected Claims, to the extent not already resolved and paid;

“**Affected Claim**” means any Claim other than an Unaffected Claim;

“**Affected Creditor**” means any Creditor holding an Affected Claim, including a Sears Canada Entity holding an Affected Claim;

“**Affected Third Party Unsecured Claim**” means an Affected Unsecured Claim of an Affected Third Party Unsecured Creditor;

“**Affected Third Party Unsecured Creditor**” means the Pension Plan Administrator in respect of the Pension Claims or an Affected Unsecured Creditor, other than a Sears Canada Entity;

“**Affected Unsecured Claim**” means an Unsecured Claim that is an Affected Claim, which for greater certainty includes the Pension Claims;

“**Affected Unsecured Creditor**” means a Creditor who has an Affected Unsecured Claim;

“**Affiliate**” means, with respect to any Person, any other Person who directly or indirectly controls, is controlled by, or is under direct control or indirect common control with, such Person, and includes any Person in like relation to an Affiliate. A Person shall be deemed to “**control**” another Person if such Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies

of such other Person, whether through ownership of voting securities, by contract or otherwise, and the term “**controlled**” shall have a similar meaning;

“**Applicants**” has the meaning ascribed thereto in the Recitals;

“**Applicable Law**” means any law (including any principle of civil law, common law or equity), statute, order, decree, judgment, rule, regulation, ordinance, by-law or other pronouncement having the effect of law, whether in Canada or any other country or any domestic or foreign province, state, city, county or other political subdivision;

“**Assessments**” means Claims of Her Majesty the Queen in Right of Canada or of any province or territory or municipality or any other Taxing Authority in any Canadian or foreign jurisdiction, including amounts which may arise or have arisen under any notice of assessment, notice of objection, notice of reassessment, notice of appeal, audit, investigation, demand or similar request from any Taxing Authority;

“**Available Cash**” means, in respect of a Debtor Group, either the SLH Cash, the Corbeil Cash, or the Sears Cash, as applicable, for such Debtor Group;

“**BIA**” means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended;

“**Business**” means the direct and indirect business operations, activities and affairs carried on, or formerly carried on, by Sears Canada Entities both before and on and after the Filing Date;

“**Business Day**” means a day on which banks are open for business in the City of Toronto, Ontario, Canada, but does not include a Saturday, Sunday or a statutory holiday in the Province of Ontario;

“**Cash**” means cash, certificates of deposit, bank deposits, commercial paper, treasury bills and other cash equivalents;

“**Cash Pools**” means, together, the Debtor Cash Pools and the Litigation Recoveries Pool;

“**Cash Pool/Holdback Adjustments**” means, with respect to a Cash Pool, the adjustments to such Cash Pool as applied in the order set out in Sections 7.1(a) to (d);

“**CCAA**” has the meaning ascribed thereto in the Recitals;

“**CCAA Charges**” means the Administration Charge, the Litigation Trustee’s Charge, the KERP Priority Charge, the Directors’ Priority Charge, the DIP ABL Lenders’ Charge, the DIP Term Lenders’ Charge, the KERP Subordinated Charge, and the Directors’ Subordinated Charge, the FA Charge, and any other charges granted by the Court in the CCAA Proceedings;

“**CCAA Proceedings**” has the meaning ascribed thereto in the Recitals;

“**Claim**” means a Pre-Filing Claim, a Restructuring Period Claim, a Post-Filing Claim, and a D&O Claim, and for greater certainty shall include a Construction Claim, a Warranty Claim, an Employee Claim and a Retiree Claim, as well as any Claim arising through subrogation or assignment against any Sears Canada Entity or Director or Officer;

“**Claims Officer**” means any individual or individuals appointed by the Court pursuant to a Claims Procedure Order;

“**Claims Procedure Order (E&R)**” means the Employee and Retiree Claims Procedure Order of the Court dated February 22, 2018 (as such order may be amended, supplemented or restated from time to time), approving and implementing the claims procedure for the Claims of Employees and Retirees made in

respect of the Sears Canada Entities and the Directors and Officers (including all schedules and appendices thereof);

“Claims Procedure Order (General)” means the Claims Procedure Order of the Court dated December 8, 2017 (as such order may be amended, supplemented or restated from time to time), approving and implementing the claims procedure in respect of the Sears Canada Entities and the Directors and Officers (including all schedules and appendices thereof);

“Claims Procedure Orders” means together the Claims Procedure Order (General) and the Claims Procedures Order (E&R);

“Condition Certificate” has the meaning ascribed thereto in Section 10.3;

“Construction Claim” has the meaning ascribed thereto in the Claims Procedure Order (General);

“Corbeil Cash” means all Cash on hand of Former Corbeil as at the Filing Date, plus the proceeds of sale of the Corbeil Transaction, and all Cash that is received by Former Corbeil following the Filing Date, whether from the sale, disposition or monetization of any remaining assets, receipt of any Tax Refund or any other Cash received by Former Corbeil from time to time, less:

- (a) Cash actually spent or distributed by Former Corbeil since the Filing Date but prior to the Plan Implementation Date,
- (b) the amount of the Corbeil Reserves,
- (c) the amount of any Plan Distributions, payments on account of Proven Unaffected Claims, or payments made pursuant to or as contemplated by the Plan, attributable to or on behalf of Former Corbeil,

plus or minus, as applicable,

- (d) Former Corbeil’s Cost Allocation Amount and Ordinary Course Post-Filing Intercompany Position;

“Corbeil Cash Pool” means the Corbeil Cash available for distribution to (a) the Affected Unsecured Creditors of Former Corbeil with Proven Affected Unsecured Claims under the Plan, or (b) Sears Canada as the shareholder of Former Corbeil, calculated on each Distribution Date, immediately prior to any Cash Pool/Holdback Adjustment;

“Corbeil Reserves” means, collectively, the Unresolved Claims Reserve for Former Corbeil, that portion of the Administrative Reserve allocated in accordance with the Cost Allocation Methodology to Former Corbeil, and any other reserve the Monitor considers necessary or appropriate, as each of them may be adjusted from time to time in accordance with the Plan;

“Corbeil Transaction” means the sale transaction contemplated by the asset purchase agreement between Former Corbeil, as seller, and Am-Cam Electroménagers Inc. as buyer, Distinctive Appliances Inc., as guarantor, and Sears Canada, as intervenor, dated October 1, 2017 and approved by the Court on October 4, 2017;

“Cost Allocation Amount” means, in respect of a Debtor Group, an amount equal to the difference between:

- (a) the actual amounts paid out of such Debtor Group’s Available Cash on account of (i) post-filing professional fees incurred up to and including the relevant Distribution Date, (ii)

amounts repaid on account of principal, interest and fees under the DIP Loan Agreements, and (iii) any shared services overhead; and

- (b) such Debtor Group's share as determined by the Cost Allocation Methodology of all of the foregoing amounts paid by the Sears Canada Entities as a whole;

"Cost Allocation Methodology" means the methodology for the allocation of the costs of the CCAA Proceedings amongst the Sears Canada Entities as set out at paragraph 84 of the Sixteenth Report of the Monitor dated April 2, 2018;

"Court" means the Ontario Superior Court of Justice (Commercial List) or any appellate court seized with jurisdiction in the CCAA Proceedings, as the case may be;

"Creditor" means any Person having a Claim, but only with respect to and to the extent of such Claim, including the transferee or assignee of a transferred Claim that is recognized as a Creditor in accordance with the Claims Procedure Orders, the Plan and the Meetings Order, or a trustee, executor, liquidator, receiver, receiver and manager of, or other Person acting on behalf of or through, such Person;

"D&O Claim" means any right or claim of any Person against one or more of the Directors and/or Officers howsoever arising, whether or not such right or claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including any Assessments and any right or ability of any Person to advance a claim for contribution, indemnity or otherwise against any of the Directors and/or Officers with respect to any matter, action, cause or chose in action, however arising, for which any Director or Officer is alleged to be, by statute or otherwise by law or equity, liable to pay in his or her capacity as a Director or Officer;

"Dealer" means any Person carrying on business as "Sears Hometown" stores any time after July 5, 2011 pursuant to a dealer agreement with Sears Canada;

"Dealer 2013 Dividend Claim" means the claim bearing court file number 4114/15 CP and CV-19-617792-00CL, against Sears Canada, Sears Holdings Corporation, ESL Investments, Inc. and certain Directors and Officers commenced on or about October 21, 2015, for, among other things, oppression under the *Canada Business Corporations Act* (Canada);

"Dealer Claim" means any Claim of a Dealer;

"Dealer Representative Plaintiff" means 1291079 Ontario Inc., in its capacity as class representative for the following claims:

- (a) claim bearing court file number 3769/13 CP against Sears Canada and Sears Roebuck and Co. commenced on or about July 5, 2013 for, among other things, breaches under the *Arthur Wishart Act (Franchise Disclosure), 2000* (Ontario); and
- (b) claim bearing court file number 4114/15 CP and CV-19-617792-00CL, against Sears Canada, Sears Holdings Corporation, ESL Investments, Inc. and certain Directors and Officers commenced on or about October 21, 2015, for, among other things, oppression under the *Canada Business Corporations Act* (Canada);

"Debtor Cash Pools" means, collectively, the SLH Cash Pool, the Corbeil Cash Pool and the Sears Cash Pool;

"Debtor Groups" means, collectively, Former Corbeil, the Sears Parties and the SLH Parties, and **"Debtor Group"** means any one of Former Corbeil, the Sears Parties (collectively), or the SLH Parties (collectively);

“Deemed Trust Motions” means the motions in the CCAA Proceedings brought variously by Pension Representative Counsel, the FSRA CEO and the Pension Plan Administrator for orders, among other things,

- (c) that the amount of the wind-up deficit in connection with the Pension Plan is deemed to be held in trust for the beneficiaries of the Pension Plan pursuant to Section 57(4) of the *Pension Benefits Act* (Ontario) (“**PBA**”) with priority ahead of the claims of all other creditors of Sears Canada other than amounts secured by the CCAA Charges;
- (d) that the Plan Administrator, has a lien and charge under Section 57(5) of the PBA for the amount of the wind-up deficit in connection with the Pension Plan;
- (e) that the foregoing orders survive any future bankruptcy or receivership of the Applicants; and
- (f) that Former Corbeil and the SLH Parties are jointly and severally liable with Sears Canada for the obligations under the Pension Plan and that the assets of Former Corbeil and the SLH Parties may also be subject to the deemed trust and lien under the PBA as described above,

but excluding the motion for directions with respect to spousal waivers provided in connection with the Pension Plan;

“De Minimis Claim” has the meaning ascribed thereto in Section 5.4;

“DIP ABL Agent” means Wells Fargo Capital Finance Corporation Canada as administrative agent under the DIP ABL Credit Agreement;

“DIP ABL Credit Agreement” the Senior Secured Superpriority Debtor-in-Possession Credit Agreement dated as of June 22, 2017 among the Sears Canada Entities, the DIP ABL Agent and the lenders from time to time party thereto;

“DIP ABL Lenders’ Charge” has the meaning given to such term in the Initial Order;

“DIP Lenders” means the DIP ABL Agent and the DIP Term Agent and those lenders party from time to time to the DIP Loan Agreements;

“DIP Loan Agreements” means, collectively, the DIP ABL Credit Agreement and the DIP Term Credit Agreement;

“DIP Term Agent” means GACP Financing Co., LLC, as administrative agent under the DIP Term Credit Agreement;

“DIP Term Credit Agreement” the Senior Secured Superpriority Credit Agreement dated as of June 22, 2017 among the Sears Canada Entities, the DIP Term Agent and the lenders from time to time party thereto;

“DIP Term Lenders’ Charge” has the meaning given to such term in the Initial Order;

“Director” means anyone who is or was or may be deemed to be or have been, whether by statute, operation of law or otherwise, a director or *de facto* director of any of the Sears Canada Entities, in such capacity;

“Directors’ Priority Charge” has the meaning given to such term in the Initial Order;

“Director Settling Defendants” means William Harker, William Crowley, Donald Campbell Ross, Ephraim J. Bird, Deborah E. Rosati, R. Raja Khanna, James McBurney, and Douglas Campbell;

“Director Settlement” has the meaning given to such term in the Recitals;

“Directors’ Subordinated Charge” has the meaning given to such term in the Initial Order;

“Distribution Date” means the date of any Plan Distribution;

“Dividend Actions” means the LT/TUV Litigation and Pension/Dealer Litigation regarding the 2013 dividend authorized and paid by Sears Canada in the Ontario Superior Court of Justice at Toronto (Commercial List) under Court File Nos. CV-18-00611219-00CL, CV-18-00611214-00CL, CV-18-00611217-00CL, and CV-19-00617792-00CL;

“Duplicate Claim” means a Proven Affected Unsecured Claim against more than one of the Sears Canada Entities based on the same underlying obligation;

“Effective Time” means 12:01 a.m. on the Plan Implementation Date or such other time on the Plan Implementation Date as the Monitor shall determine or as otherwise ordered by the Court;

“Eligible Voting Claims” means a Voting Claim or an Unresolved Voting Claim;

“Eligible Voting Creditors” means, subject to Section 4.2(b), Affected Unsecured Creditors holding Voting Claims or Unresolved Voting Claims;

“Employee” means any (i) active or inactive union or non-union employee of any one or more of the Sears Canada Entities on or after the Filing Date, including an employee of any one or more of the Sears Canada Entities who received notice of termination of employment dated on or after the Filing Date or who resigned or otherwise ceased employment on or after the Filing Date; and (ii) former employee of any one of the Sears Canada Entities, including without limitation any former employee whose employment terminated with or without cause at any time, any former employee who received notice, on or after the Filing Date, of the cessation of his or her termination or severance payments, and any former employee who had an outstanding active action, claim or complaint as of the Filing Date;

“Employee Claim” means an “Employee Claim” as defined in the Claims Procedure Order (E&R);

“Employee Priority Claims” means, in respect of a Sears Canada Entity, the following claims of Employees of such Sears Canada Entity:

- (a) claims equal to the amounts that such Employees would have been qualified to receive under paragraph 136(1)(d) of the BIA if the Sears Canada Entity had become bankrupt on the Filing Date, which for greater certainty, excludes any OPEB, pension contribution, and termination and severance entitlements; and
- (b) claims for wages, salaries, commissions or compensation for services rendered by such Employees after the Filing Date and on or before the Plan Implementation Date together with, in the case of travelling salespersons, disbursements properly incurred by them in connection with the Business during the same period, which for greater certainty, excludes any OPEB, pension contribution, and termination and severance entitlements;

“Employee Representative Counsel” means Ursel, Phillips, Fellows, Hopkinson LLP as appointed pursuant to the Employee Representative Counsel Order made July 13, 2017, as amended;

“Employee Representatives” means Paul Webber, Nancy Demeter, Sheena Wrigglesworth, Barb Wilser, and Darrin Whitney, or such other representatives as may be duly appointed by Employee Representative Counsel;

“Equity Claim” has the meaning ascribed thereto in section 2 of the CCAA;

“ERC Employee” means any Employee other than a Non-ERC Employee;

“ESL Parties” means Edward S. Lampert, ESL Investments, Inc., ESL Partners, LP, ESL Institutional Partners, LP, SPE Master I, LP, SPE I Partners, LP, ESL Investors, LLC, RBS Partners, LP, CRK Partners, LLC, RBS Investment Management, LLC, and **“ESL Party”** means any one of them;

“ESL Parties Settlement” has the meaning ascribed thereto in the Recitals;

“FA Charge” has the meaning given to such term in the Initial Order;

“Former Corbeil” has the meaning ascribed thereto in the Recitals;

“Former SLH” has the meaning ascribed thereto in the Recitals;

“Filing Date” means June 22, 2017;

“Final Determination” and **“Finally Determined”** as pertains to a Claim, matter or issue, means either:

- (a) in respect of a Claim, such Claim has been finally determined for distribution purposes in accordance with the applicable Claims Procedure Order (or Warranty Claims Protocol, if such Claim is a Reimbursable Warranty Claim) and the Plan;
- (b) there has been a Final Order in respect of the matter or issue; or
- (c) there has been an agreed and binding settlement of the issue or matter by the relevant parties;

“Final Distribution” means the final Plan Distribution made under the Plan by the Monitor, on behalf of the Sears Canada Entities;

“Final Distribution Bar Date” has the meaning ascribed to such term in Section 7.5(b);

“Final Distribution Certificate” means a certificate of the Monitor to be posted by the Monitor on the Website indicating that the Monitor intends to make a Final Distribution on a specified date not less than ninety (90) days following the date of the certificate, and a copy of which certificate shall be served on the Service List in the CCAA Proceedings and filed with the Court;

“Final Order” means an Order of the Court, which has not been reversed, modified or vacated, and is not subject to any stay or appeal, and for which any and all applicable appeal periods have expired;

“FSRA CEO” means the Chief Executive Officer of the Financial Services Regulatory Authority of Ontario as administrator of the Pension Benefits Guarantee Fund (Ontario) in his capacity as administrator of the Pension Benefit Guarantee Fund;

“FTI” means FTI Consulting Canada Inc.;

“Governance Protocol Order” means the Governance Protocol and Stay Extension Order of the Court made December 3, 2018 (as such order may be amended, supplemented or restated from time to time) establishing a governance protocol for the Sears Canada Entities;

“Governmental Authority” means any government, including any federal, provincial, territorial or municipal government, and any government department, body, ministry, agency, tribunal, commission, board, court, bureau or other authority exercising or purporting to exercise executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, government including without limitation any Taxing Authority;

“Government Priority Claims” means all claims of Governmental Authorities that are described in section 6(3) of the CCAA;

“Guarantee” means any guarantee, indemnity, surety or similar agreement granted by a Person to guarantee, indemnify or otherwise hold harmless any other Person from or against any losses, liabilities or damages of that other Person;

“Hardship Process” means the former employee hardship application process that was established pursuant to Order of the Court dated August 18, 2017, as same has been amended and extended from time to time as approved by the Court;

“Initial Order” has the meaning given to it in the Recitals;

“Initial Distribution Date” means the first date on which Plan Distributions are made under the Plan;

“Insurance Policy” means any insurance policy pursuant to which any Sears Canada Entity is insured, and for greater certainty excludes any insurance policy pursuant to which any Director, Officer or third party is insured;

“Insured Claim” means all or that portion of a Claim against a Sears Canada Entity that is insured under an Insurance Policy, but solely to the extent that such Claim, or portion thereof, is so insured, and only as against such insurance, but does not include Settled Litigation Claims;

“KERP Priority Charge” has the meaning given to such term in the Initial Order;

“KERP Subordinated Charge” has the meaning given to such term in the Initial Order;

“Landlord” means a landlord under any real property lease or occupancy agreement for any of the Applicants' premises;

“Landlord Cost Payment” has the meaning ascribed thereto in Section 5.9;

“Landlord Settlement Agreement” means, in respect of a Landlord, either (i) the Landlord Claim Formula Term Sheet dated July 26, 2018 entered into among such Landlord and the Monitor, (ii) any joinder agreement entered into among such Landlord and the Monitor with respect to the same, or (iii) the settlement agreement dated November 30, 2018 entered into between the Monitor and Blaney McMurtry LLP on behalf of such Landlord;

“Liability” means any indebtedness, obligations and other liabilities of a Person whether absolute, accrued, contingent, fixed or otherwise, or whether due or to become due;

“Lien” means any lien, mortgage, charge, security interest, hypothec or deemed trust, arising pursuant to contract, statute or Applicable Law;

“Litigation Approval Orders” means the TUV Proceedings Approval Order and the Litigation Trustee Appointment Order;

“Litigation Costs” means costs incurred from and after December 3, 2018 in respect of: (a) the Monitor's fees and disbursements (including of its legal counsel and other consultants and advisors) in connection with the pursuit of the TUV Claim; (b) the Litigation Trustee's fees and disbursements (including of its legal

counsel and other consultants and advisors) in connection with the pursuit of the LT Claims; (c) any third party fees in connection with the pursuit of the TUV Claim and LT Claims; and (d) any adverse cost awards against Sears Canada, the Monitor or the Litigation Trustee in connection with the pursuit of the TUV Claim and LT Claims;

“Litigation Cost Recovery Amount” means a portion of the Litigation Recoveries in an amount equal to the Litigation Costs, which shall be transferred to the Sears Cash Pool as a reimbursement of Litigation Costs previously paid by Sears Canada;

“Litigation Recoveries” means any recoveries received by or on behalf of any of the Sears Canada Entities from time to time on account of the LT Claims and TUV Claim;

“Litigation Recoveries Pool” means the aggregate amount of Litigation Recoveries net of the Litigation Cost Recovery Amount;

“Litigation Trustee” means the Honourable J. Douglas Cunningham, Q.C. in his capacity as litigation trustee in respect of the LT Claims, as appointed pursuant to the Litigation Trustee Appointment Order, and any individual replacing Mr. Cunningham in such capacity pursuant to an Order of the Court;

“Litigation Trustee Appointment Order” means the Order of the Court dated December 3, 2018 (as such order may be amended, supplemented or restated from time to time), and which, among other things, appointed the Litigation Trustee and authorized and directed him to pursue the LT Claims;

“Litigation Trustee’s Charge” means the charge over the Property of Sears Canada created by paragraph 12 of the Litigation Trustee Appointment Order, and which has the priority provided by such paragraph;

“LT Claims” means any claims pursued by the Litigation Trustee pursuant to the Litigation Trustee Appointment Order;

“LT/TUV Litigation” means, collectively, the TUV Claim and the LT Claims;

“Mediated Claim Settlements” has the meaning ascribed thereto in the Recitals;

“Meetings” means the meetings of Affected Unsecured Creditors in the Unsecured Creditor Classes in respect of the SLH Parties and the Sears Parties, and called for the purposes of considering and voting in respect of the Plan, which has been set by the Meetings Order to take place at the times, dates and locations as set out in the Meetings Order;

“Meetings Order” means the Order of the Court dated February 15, 2019, as amended and restated, among other things, setting the time, date and location of the Meetings and establishing meeting procedures for the Meetings (as such order may be amended, supplemented or restated from time to time);

“Monitor” has the meaning ascribed thereto in the Recitals;

“Non-ERC Employee” means any of the following Employees (i) Unionized Employee; (ii) any Employee who is currently or was previously a member of senior management of any of the Sears Canada Entities and who was not eligible for representation by Employee Representative Counsel; and (iii) any Employee who was eligible for representation by Employee Representative Counsel and who opted out of such representation in accordance with the requirements contained in the Employee Representative Counsel Order made July 13, 2017, as amended;

“Non-Released Claim” means, collectively:

- (a) Sears Canada Entities’ obligations under the Plan (including the right of Affected Unsecured Creditors to receive distributions pursuant to the Plan);

- (b) any claim against a Released Party that is determined by a Final Order of a court of competent jurisdiction to have arisen from such Released Party's fraud or wilful misconduct and not otherwise a Settled Litigation Claim released by the Settlement Approval Orders;
- (c) any Unaffected Claims as against the Sears Released Parties;
- (d) any D&O Claim that is not permitted to be released pursuant to section 5.1 (2) of the CCAA, other than a Settled Litigation Claim released pursuant to the Settlement Approval Orders;
- (e) any obligation secured by any of the CCAA Charges; and
- (f) claims against Employees to the extent described in Section 9.1(a)(ii);

"Notice of Transfer or Assignment" means a written notice of transfer or assignment of a Claim, together with satisfactory evidence of such transfer or assignment in accordance with the applicable Claims Procedure Order and the Meetings Order;

"Officer" means any Person who is or was, or may be deemed to be or have been, whether by statute, operation of law or otherwise, an officer or *de facto* officer of any of the Sears Canada Entities;

"OPEB" means health and dental post-employment benefits and/or life insurance benefits, each as provided by any of the Sears Canada Entities as a post-employment benefit;

"Ordinary Course Post-Filing Intercompany Position" means, in respect of a Debtor Group, the net aggregate of all amounts payable by and receivable of such Debtor Group to or from the other Debtor Groups on account of transactions (which for greater certainty shall exclude all (a) post-filing professional fees, (b) amounts repaid on account of principal, interest and fees under the DIP Loan Agreements, and (c) shared services overhead) between such Debtor Groups after the Filing Date;

"Payee Party" has the meaning ascribed thereto in Section 7.3;

"Payment Amount" has the meaning ascribed thereto in Section 7.3;

"Payor Party" has the meaning ascribed thereto in Section 7.3;

"Pension 2013 Dividend Claim" means the claim bearing court file number CV-18-00611217-00CL commenced by the Pension Plan Administrator against ESL Investments, Inc., certain Affiliates of ESL Investments, Inc., Edward S. Lampert, and certain former directors and officers of Sears Canada Inc.;

"Pension Claim Settlement" means the settlement between the Sears Canada Entities, Monitor and the Pension Parties as made further to the Pension Support Agreement, and pursuant to which (a) the Pension Claims will be allowed as Proven Affected Unsecured Claims by the Monitor for the purposes of the Plan in accordance with Section 3.2(a)(iii), (b) the Pension Parties will discontinue the Deemed Trust Motions upon implementation of the Plan; and (c) the Pension Parties have agreed to adjust the value of the Pension Claims for distribution purposes, and reimburse the Sears Canada Parties, as applicable, in accordance with Sections 3.2(b) and 5.2(b);

"Pension Claims" means Claims with respect to the administration, funding or termination of the Pension Plan, including any Claim for unpaid normal cost payments, or special/amortization payments or any wind up deficiency, and further including any subrogated claim, and **"Pension Claim"** means any one of them;

"Pension/Dealer Litigation" means together the Dealer 2013 Dividend Claim and the Pension 2013 Dividend Claim;

"Pension Litigation Recovery Adjustment" has the meaning ascribed thereto in Section 3.2(b);

“Pension Parties” means the Pension Plan Administrator, the FSRA CEO and Pension Representative Counsel on behalf of the Retirees, and **“Pension Party”** means any one of them;

“Pension Plan” means the Registered Retirement Plan (Reg. #0360065), a pension plan registered under the Ontario *Pension Benefits Act*, R.S.O. 1990, c. P.8 and *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp.);

“Pension Plan Administrator” means Morneau Shepell Ltd. in its capacity as administrator of the Sears Pension Plan;

“Pension Representative Counsel” means Koskie Minsky LLP, as appointed by the Court pursuant to the Representative Counsel Order for Pensions and Post-Retirement Benefits made July 13, 2017 (as amended);

“Pension Representatives” means Bill Turner, Ken Eady and Larry Moore;

“Pension Support Agreement” means the Pension Support Agreement dated October 18, 2018 among the Pension Plan Administrator, the FSRA CEO and Pension Representative Counsel, and the Sears Canada Entities by and through the Monitor, as amended from time to time;

“Person” means any individual, firm, corporation, limited or unlimited liability company, general or limited partnership, association, trust (including a real estate investment trust), unincorporated organization, joint venture, government or any agency or instrumentality thereof or any other entity;

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

“Plan Distributions” means, from time to time, distributions made under this Plan to Affected Unsecured Creditors in accordance with Article 7 and Sections 5.2(c), 5.3(a), and 5.9;

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

“Plan Implementation Date Certificate” means the certificate substantially in the form to be attached to the Sanction Order to be filed by the Monitor with the Court, declaring that all of the conditions precedent to implementation of the Plan have been satisfied or waived;

“Plan Modification” has the meaning ascribed thereto in the Meetings Order;

“Post-Filing Claim” means (i) any right or claim of any Sears Supplier against any of the Sears Canada Entities in connection with any non-payment by any such Sears Canada Entity to such Sears Supplier for goods or services supplied to such Sears Canada Entity on or after the Filing Date to the extent such right or claim is a Proven Claim; (ii) a Warranty Claim that arises under a Warranty purchased on or after the Filing Date, as valued in accordance with Section 5.3(b); and (iii) any Claim against any of the Sears Canada Entities that is not included in (i) or (ii) above and is based in whole on facts arising after the Filing Date (which shall exclude, for greater certainty, any Restructuring Period Claim);

“PRC Retiree” means any Retiree who is represented by Pension Representative Counsel and has primary coverage entitlements with respect to any entitlements to health and dental post-employment benefits and/or life insurance benefits provided by any Sears Canada Entity as a post-employment benefit and;

“Pre-Filing Claim” means any right or claim of any Person against any of the Sears Canada Entities, whether or not asserted, including in connection with any indebtedness, liability or obligation of any kind whatsoever of any such Sears Canada Entity to such Person, in existence on the Filing Date, whether or

not such right or claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including rights or claims with respect to any Assessment, Construction Claim, Warranty, any claim brought by any representative plaintiff on behalf of a class in a class action, or contract, or by reason of any equity interest, right of ownership of or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise), and any right or ability of any Person to advance a claim for contribution or indemnity or otherwise against any of the Sears Canada Entities with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which right or claim, including in connection with indebtedness, liability or obligation, is based in whole or in part on facts that existed prior to the Filing Date, including for greater certainty any claim against any of the Sears Canada Entities for indemnification by any Director or Officer in respect of a D&O Claim;

“Pre-Filing Interco Claims” means the Pre-Filing Claims of the Sears Canada Entities in one Debtor Group against the Sears Canada Entities in any other Debtor Group, as set out in Schedule B to the Plan;

“Pre-Filing Interco Pro Rata Share” means, in respect of Debtor Group holding a Pre-Filing Interco Claim against another Debtor Group (after accounting for all applicable set-off amounts), the fraction that is equal to (a) such Pre-Filing Interco Claim, divided by (b) the aggregate of all Affected Unsecured Claims, including all Pre-Filing Interco Claims held by all Sears Canada Entities against such Debtor Group;

“Pre-Filing Warranty Claim” means a Warranty Claim in which the underlying Warranty was purchased from a Sears Canada Entity prior to the Filing Date;

“Principal Claim” has the meaning ascribed thereto in Section 4.5;

“Priority Claims” means, collectively, the (a) Employee Priority Claims; and (b) Government Priority Claims;

“Proof of Claim” means the applicable proof of claim form that was required to be completed by a Creditor setting forth its applicable Claim and filed with the Monitor (including via the Website), pursuant to the applicable Claims Procedure Order;

“Property” means all current and future assets, rights, undertakings and properties of the Sears Canada Entities, of every nature and kind whatsoever, and wherever situate, including all Cash or other proceeds thereof;

“Proven Affected Third Party Unsecured Claim” means an Affected Third Party Unsecured Claim that is a Proven Claim;

“Proven Affected Unsecured Claim” means an Affected Unsecured Claim that is a Proven Claim;

“Proven Claim” means (a) a Claim as Finally Determined for voting, distribution and payment purposes in accordance with the applicable Claims Procedure Order and the Plan, (b) in the case of a Pre-Filing Interco Claim, as such Claim is valued for the purposes of the Plan pursuant to Section 3.2(a)(i), (c) in the case of the Pension Claims, as such Claims are valued for the purposes of the Plan pursuant to Section 3.2, and (d) in the case of a Reimbursable Warranty Claim, as Finally Determined for distribution and payment purposes in accordance with the Warranty Claims Protocol;

“Proven Priority Claim” means a Priority Claim that is a Proven Claim;

“Proven Reimbursable Warranty Claim” means a Reimbursable Warranty Claim that is a Proven Claim;

“Proven Secured Claim” means a Secured Claim that is a Proven Claim;

“Receivership Order” means the Amended and Restated Receivership Order dated October 16, 2018 (as such order may be amended, supplemented or restated from time to time, and including all schedules and appendices thereof);

“Reimbursable Warranty Claim” means the Pre-Filing Warranty Claim of a Creditor that has incurred costs that would be reimbursable under the terms of the underlying Warranty;

“Released Claim” means the matters that are subject to release and discharge pursuant to Article 9 hereof and, for greater certainty, shall include Settled Litigation Claims;

“Released Party” means any Person who is the beneficiary of a release under the Plan, including the Sears Released Parties and the Third Party Released Parties;

“Required Majority” means, with respect to each Unsecured Creditor Class, a majority in number of Affected Unsecured Creditors who represent at least two-thirds in value of the Voting Claims of such Affected Unsecured Creditors in each case who actually vote on the Plan (in person, by proxy or by ballot) at the applicable Meeting or who were deemed to vote on the Plan in accordance with the Plan and the Meeting Order;

“Reserves” means, collectively, the Administrative Reserve, the Unresolved Claims Reserve for Former Corbeil, the Unresolved Claims Reserve for the Sears Parties, the Unresolved Claims Reserve for the SLH Parties, and any other reserve the Monitor, considers necessary or appropriate, as each of them may be adjusted from time to time in accordance with the Plan;

“Restructuring Period Claim” means any right or claim of any Person against any of the Sears Canada Entities, including in connection with any indebtedness, liability or obligation of any kind whatsoever of any such Sears Canada Entity to such Person, arising on or after the Filing Date, including without limitation rights or claims arising with respect to the restructuring, disclaimer, rescission, termination or breach by such Sears Canada Entity on or after the Filing Date of any contract, lease or other agreement whether written or oral; but excluding any Post-Filing Claim;

“Retiree” means any Person with any (i) entitlements under the Sears Pension Plan; (ii) entitlements under the Supplemental Plan; (iii) primary coverage entitlements with respect to any entitlements to health and dental post-employment benefits and/or life insurance benefits provided by any Sears Canada Entity as a post-employment benefit; (iv) entitlements to the lifetime associate discount provided as a post-employment benefit (including, for greater certainty, current and former Employees who qualify for this discount by virtue of satisfying applicable age and service eligibility criteria); or (v) entitlements under any other pension or retirement plan of the Sears Canada Entities;

“Retiree Claim” means a “Retiree Claim” as defined in the Claims Procedure Order (E&R);

“Sanction Order” means the Order of the Court to be sought by the Monitor from the Court as contemplated under the Plan which, *inter alia*, approves and sanctions the Plan and the transactions contemplated thereunder, pursuant to section 6(1) of the CCAA;

“Sears Canada” has the meaning ascribed thereto in Recital A;

“Sears Canada Subordinated Transport Loan” means the loan entered into on January 29, 2016 under which Former SLH borrowed \$160 million from Sears Canada further to the Tax Loss Utilization Structure, and further to which repayment of principal, interest, and other amounts is subordinated in right of payment to the prior payment of all other present and future indebtedness and other obligations of Former SLH;

“Sears Canada Entities” has the meaning ascribed thereto in the Recitals, and **“Sears Canada Entity”** means any one of them;

“Sears Cash” means all Cash of the Sears Parties as at the Filing Date, including but not limited to the Sears Parties’ Cash on hand, and all Cash that is received by any of the Sears Parties following Filing Date, whether from the sale, disposition or monetization of any remaining assets, receipt of any Tax Refund or any other Cash received by the Sears Parties from time to time, less:

- (a) Cash actually spent or distributed by the Sears Parties since the Filing Date but prior to the Plan Implementation Date,
- (b) the amount of the Sears Reserves, and
- (c) the amount of any Plan Distributions, payments on account of Proven Unaffected Claims, or payments made pursuant to or as contemplated by the Plan, attributable to or on behalf of the Sears Parties

plus or minus, as applicable,

- (d) the Sears Parties’ Cost Allocation Amount and Ordinary Course Post-Filing Intercompany Position, all as attributable to or on behalf of the Sears Parties,

but excluding any Litigation Recoveries (other than any portion of the Litigation Cost Recovery Amount reimbursed in accordance with this Plan);

“Sears Cash Pool” means the Sears Cash available for distribution to the Affected Unsecured Creditors of the Sears Parties with Proven Affected Unsecured Claims under the Plan, calculated on each Distribution Date, immediately prior to any Cash Pool/Holdback Adjustment, and including any amounts re-contributed by the Dealer Representative Plaintiff, on behalf of the Dealers, to the Sears Cash Pool in accordance with Section 5.2(c)(iv);

“Sears Opt-In Creditor” means a Creditor of the Sears Parties, other than a Sears Opt-Out Creditor;

“Sears Opt-Out Creditor” means any Creditor of the Sears Parties who provides an opt-out notice to the Monitor in accordance with, and at the times required by, the TUV Proceeding Approval Order;

“Sears Parties” has the meaning ascribed thereto in Section 3.1(a), and **“Sears Party”** means any one of them;

“Sears Released Parties” has the meaning ascribed thereto in Section 9.1(a), and **“Sears Released Party”** means any one of them;

“Sears Reserves” means, collectively, the Unresolved Claims Reserve for the Sears Parties, that portion of the Administrative Reserve allocated in accordance with the Cost Allocation Methodology to the Sears Parties, and any other reserve the Monitor considers necessary or appropriate, as each of them may be adjusted from time to time in accordance with the Plan;

“Sears Supplier” means any Person who has supplied goods or services, including by way of their employment, to any Sears Canada Entity;

“Section 19(2) Claims” has the meaning ascribed thereto in Section 5.12;

“Secured Claims” means a Claim that is secured by a Lien;

“Secured Creditors” means Creditors holding Secured Claims;

“Service List” means the service list maintained by the Monitor in the CCAA Proceedings, as updated from time to time and posted on the Website;

“Settled Litigation Claims” means both: (i) the “Released Claims” as defined in a Settlement and Release Agreement dated July 27, 2020 among Sears Canada by its Litigation Trustee, the Monitor, the Pension Plan Administrator, the Dealer Representative Plaintiff, the FSRA CEO, and the Director Settling Defendants; and (ii) the “Released Claims” as defined in the Settlement and Release Agreement dated September 17, 2020 among Sears Canada by its Litigation Trustee, the Monitor, the Pension Plan Administrator, the Dealer Representative Plaintiff and the ESL Parties;

“Settling Defendants” means the Director Settling Defendants and the ESL Parties;

“Settling Defendant Released Indemnity Claims” means, in respect of a Settling Defendant, the right of such Settling Defendant to assert, or receive a distribution in respect of, Claims for indemnification for legal expenses, settlement amounts, or judgments or otherwise relating to the subject matter of the Settled Litigation Claims, but does not include other Claims that such Settling Defendant may have that are unrelated to the subject matter of the Settled Litigation Claims;

“Settlement Approval Orders” means (i) the Order of the Court granted on August 25, 2020 approving the Director Settlement; and (ii) the Order of the Court granted on September 18, 2020 approving the ESL Parties Settlement;

“SLH Cash” means all Cash on hand of the SLH Parties as at the Filing Date, plus the proceeds of sale of the SLH Transaction, and all Cash that is received by any of the SLH Parties following the Filing Date, whether from the sale, disposition or monetization of any remaining assets, receipt of any Tax Refund or any other Cash received by the SLH Parties from time to time, less:

- (a) Cash actually spent or distributed by the SLH Parties since the Filing Date but prior to the Plan Implementation Date,
- (b) the amount of the SLH Reserves, and
- (c) the amount of any Plan Distributions, payments on account of Proven Unaffected Claims, or payments made pursuant to or as contemplated by the Plan, attributable to or on behalf of the SLH Parties,

plus or minus, as applicable,

- (d) the SLH Parties’ Cost Allocation Amount and Ordinary Course Post-Filing Intercompany Position;

“SLH Cash Pool” means the SLH Cash available for distribution to the Affected Unsecured Creditors of the SLH Parties with Proven Affected Unsecured Claims under the Plan, calculated on the Plan Implementation Date and each Distribution Date, immediately prior to any Cash Pool/Holdback Adjustment;

“SLH Parties” has the meaning ascribed thereto in Section 3.1(b), and **“SLH Party”** means any one of them;

“SLH Reserves” means, collectively, the Unresolved Claims Reserve for the SLH Parties, that portion of the Administrative Reserve as allocated in accordance with the Cost Allocation Methodology to the SLH Parties, and any other reserve the Monitor considers necessary or appropriate, as each of them may be adjusted from time to time in accordance with the Plan;

“SLH Transaction” means the sale transaction contemplated by the asset purchase agreement between Former SLH, Sears Canada, and 168886, as sellers, and 8507597 Canada Inc., as purchaser, dated September 29, 2017 and approved by the Court on October 4, 2017;

“Specified Advisors” means, collectively, Osler, Hoskin & Harcourt LLP, BMO Nesbitt Burns Inc., CBRE Limited, Bennett Jones LLP (as legal counsel to the Board of Directors, and Special Committee of the Board of Directors of Sears Canada Inc.), Cassels Brock & Blackwell LLP (as counsel to certain Directors and Officers), and KSV Advisory Inc. (as financial advisor to the Special Committee of the Board of Directors of Sears Canada Inc.);

“Supplemental Plan” means the Sears Canada Inc. Supplementary Retirement Plan, a non-registered supplemental pension plan maintained to provide enhanced pension benefits to eligible members of the defined benefit component of the Sears Pension Plan that are not provided under the Sears Pension Plan;

“Tax” and **“Taxes”** means any and all taxes including all income, sales, use, goods and services, harmonized sales, value added, capital gains, alternative, net worth, transfer, profits, withholding, payroll, employer health, excise, franchise, real property, and personal property taxes and other taxes, customs, duties, fees, levies, imposts and other Assessments or similar charges in the nature of a tax, including Canada Pension Plan and provincial pension plan contributions, employment insurance and unemployment insurance payments and workers’ compensation premiums, together with any instalments with respect thereto, and any interest, penalties, fines, fees, other charges and additions with respect thereto;

“Taxing Authorities” means Her Majesty the Queen in right of Canada, Her Majesty the Queen in right of any province or territory of Canada, any municipality of Canada, the Canada Revenue Agency, the Canada Border Services Agency, any similar revenue or taxing authority of Canada and each and every province or territory of Canada (including Revenu Québec) and any political subdivision thereof and any Canadian or foreign government, regulatory authority, government department, agency, commission, bureau, minister, court, tribunal or body or regulation making entity exercising taxing authority or power, and **“Taxing Authority”** means any one of the Taxing Authorities;

“Tax Loss Utilization Structure” means the existing tax loss utilization structure of the Sears Canada Entities identified at paragraphs 79 to 82 of the Monitor’s Sixteenth Report made April 2, 2018;

“Tax Refunds” means refunds of any amounts paid by the Sears Canada Entities on account of Taxes, refunded to such Sears Canada Entities from time to time by the applicable Taxing Authorities;

“Third Party Pro Rata Share” means:

- (a) in respect of a distribution (other than in respect of a distribution of Litigation Recoveries or in respect of a Reimbursable Warranty Claim) to an Affected Third Party Unsecured Creditor with Proven Affected Third Party Unsecured Claims in respect of a Debtor Group other than Former Corbeil, the fraction that is equal to (i) the amount of the Proven Affected Unsecured Claim of such Affected Third Party Unsecured Creditor, divided by (ii) the aggregate of all Proven Affected Unsecured Claims held by Affected Third Party Unsecured Creditors, in each case in respect of such Debtor Group;
- (b) in respect of a distribution of Litigation Recoveries to a Sears Opt-In Creditor with Proven Affected Unsecured Claims, the fraction that is equal to (i) the amount of the Proven Affected Unsecured Claim(s) of such Sears Opt-In Creditor against the Sears Parties, divided by (ii) the aggregate of all Proven Affected Unsecured Claims held by Sears Opt-In Creditors against the Sears Parties; and
- (c) in respect of a distribution to an Affected Third Party Unsecured Creditor with Proven Reimbursable Warranty Claims, the fraction that is equal to (i) the amount of the Reimbursable Warranty Claim of such Affected Third Party Unsecured Creditor, divided by (ii) the aggregate of all Proven Reimbursable Warranty Claims held by Affected Third Party Unsecured Creditors;

“Third Party Released Party” has the meaning ascribed thereto in Section 9.1(b);

“TUV Claim” means the claim commenced by the Monitor pursuant to the TUV Proceeding Approval Order;

“TUV Proceeding Approval Order” means the Transfer at Undervalue Proceeding Approval Order issued by the Court on December 3, 2018 (as such order may be amended, supplemented or restated from time to time), approving, among other things, the pursuit of the TUV Claim by the Monitor;

“Unaffected Claims” means:

- (a) Post-Filing Claims;
- (b) Insured Claims;
- (c) Secured Claims, including any claim secured by any CCAA Charge;
- (d) Landlord Cost Payments;
- (e) amounts payable under sections 6(3), 6(5) and 6(6) of the CCAA; and
- (f) Priority Claims;

“Unaffected Creditors” means Creditors holding Unaffected Claims;

“Undeliverable Distribution” has the meaning ascribed thereto in Section 7.5(a);

“Unionized Employee” means any Employee represented by a union pursuant to a collective agreement in connection with such Employee’s employment with any of the Sears Canada Entities;

“Unresolved Affected Unsecured Claim” means an Affected Unsecured Claim that is an Unresolved Claim;

“Unresolved Claim” means a Claim, which at the relevant time, in whole or in part: (a) has not been Finally Determined to be a Proven Claim in accordance with the applicable Claims Procedure Order and this Plan; or (b) is validly disputed and/or remains subject to review in accordance with the applicable Claims Procedure Order, including as to validity and/or quantum;

“Unresolved Claims Reserve” means, in respect of a Debtor Group, the aggregate of the reserves of the applicable Available Cash for such Debtor Group, to be held in respect of each Debtor Group on an accounting basis, in an aggregate amount to be calculated by the Monitor on the Initial Distribution Date, and recalculated as at any subsequent Distribution Date, equal to the amount that would have been paid if the full amount of all Unresolved Claims in respect of such Debtor Group are Proven Claims as at such later date, or such lesser amount as may be ordered by the Court;

“Unresolved Priority Claim” means a Government Priority Claim or Employee Priority Claim that is an Unresolved Claim;

“Unresolved Voting Claim” means the amount of the Unresolved Affected Unsecured Claim of an Affected Unsecured Creditor as determined in accordance with the terms of the applicable Claims Procedure Order entitling such Affected Unsecured Creditor to vote at the applicable Meeting in accordance with and subject to the limitations of the provisions of the Meetings Order, the Plan and the CCAA;

“Unsecured Claim” means a Claim that is not secured by any Lien;

“Unsecured Creditor Class” has the meaning ascribed thereto in Section 4.1;

“Upfront Dealer Payment” has the meaning ascribed thereto in Section 5.2(c);

“Valid Transferee” means the transferee or assignee of a Claim that has provided the Monitor with a Notice of Transfer or Assignment by no later than seven (7) days’ prior to the Initial Distribution Date and has had such Claim transferred or assigned to it in accordance with the applicable Claims Procedure Order and the Meetings Order;

“Voting Claim” means the amount of the Affected Unsecured Claim of an Affected Unsecured Creditor as Finally Determined in the manner set out in the applicable Claims Procedure Order or as provided pursuant to Section 3.2, entitling such Affected Unsecured Creditor to vote at the applicable Meeting in accordance with the provisions of the Meetings Order, the Plan and the CCAA;

“Warranty” means a customer warranty offered pursuant to a valid and unexpired protection agreement issued by Sears Canada to its customer, and for greater certainty Warranty does not include any manufacturer’s warranty;

“Warranty Administration Costs” means all costs incurred in connection with the administration of the Warranty Claims Protocol and of all distributions, disbursements, and payments under the Plan in respect of Reimbursable Warranty Claims;

“Warranty Claim” means a Claim in respect of a Warranty;

“Warranty Claims Administrator” means the claims administration firm selected by the Monitor for the purpose of administering the Warranty Claims Protocol ;

“Warranty Claims Bar Date” has the meaning ascribed thereto in Section 5.3(a)(iii);

“Warranty Claims Protocol” means a protocol to be developed and established by the Monitor, in consultation with the Warranty Claims Administrator, and pursuant to which the validity and quantum of Reimbursable Warranty Claims is to be determined;

“Warranty Payment Amount” means, in respect of a Warranty, the original cash purchase price paid for such Warranty;

“Warranty Reimbursement Pool” means that portion of the Sears Cash as calculated pursuant to Section 5.3(a)(ii) and available firstly for the payment of all Warranty Administration Costs, and thereafter for distribution to Affected Unsecured Creditors with Proven Reimbursable Warranty Claims pursuant to Section 5.3(a)(v);

“Website” means www.cfcanada.fticonsulting.com/searscanada; and

“Withholding Obligation” has the meaning ascribed thereto in Section 7.2(b).

Schedule B
Pre-Filing Interco Claims

	Claimant(s)	Debtor(s)	Amount (Cdn\$)
Sum of Claims "Pre-1" and "Pre-8", as detailed in the 16 th Report	Sears Parties	Former Corbeil	\$16,158,037
Sum of Claims "Pre-2", "Pre-9", "Pre-10" and Pre-13", as detailed in the 16 th Report	SLH Parties	Sears Parties	\$10,654,979

Schedule C Pension Claims

The Pension Claims of the Pension Parties shall be deemed to be comprised of the following:

- (a) a single Voting Claim against Sears Canada in the amount of Cdn\$249,792,000;
- (b) a single Voting Claim against the SLH Parties in the amount of Cdn\$10,408,000;
- (c) a single Proven Affected Unsecured Claim against Sears Canada solely for distribution purposes in the amount of Cdn\$624,480,000; and
- (d) a single Proven Affected Unsecured Claim against the SLH Parties solely for distribution purposes in the amount of Cdn\$26,020,000.

SCHEDULE "B"
FORM OF MONITOR'S PLAN IMPLEMENTATION DATE CERTIFICATE

Court File No.: CV-17-11846-00CL

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 SEARS CANADA INC., 9370-2751 QUÉBEC
INC., 191020 CANADA INC., THE CUT INC., SEARS CONTACT
SERVICES INC., INITIUM LOGISTICS SERVICES INC., 9845488
CANADA INC., INITIUM TRADING AND SOURCING CORP.,
SEARS FLOOR COVERING CENTRES INC., 173470 CANADA
INC., 2497089 ONTARIO INC., 6988741 CANADA INC., 10011711
CANADA INC., 1592580 ONTARIO LIMITED, 955041 ALBERTA
LTD., 4201531 CANADA INC., 168886 CANADA INC., AND
3339611 CANADA INC.

Applicants

MONITOR'S CERTIFICATE
(PLAN IMPLEMENTATION)

All capitalized terms not otherwise defined herein shall have them meanings ascribed thereto in the Order of the Honourable Justice Hailey made in these proceedings on November 23, 2020 (the "**Sanction Order**").

Pursuant to paragraph 8 of the Sanction Order, FTI Consulting Canada Inc., in its capacity as Court-appointed Monitor of the Sears Canada Entities (the "**Monitor**") delivers this certificate and hereby certifies that (a) it has been informed in writing by the Pension Parties that the condition precedent set out in Section 10.3(f) of the Plan has been satisfied or waived, as applicable, and (b) the conditions precedent set out in Sections 10.3(a) through (f) of the Plan have been satisfied or waived, as applicable, all in accordance with the terms of the Plan and that the Plan Implementation Date has occurred and the Plan is effective in accordance with its terms and the terms of the Sanction Order.

DATED at the City of Toronto, in the Province of Ontario, this ● day of ● 2020, at ● [a.m. / p.m.]

FTI CONSULTING CANADA INC., in its capacity as Court-appointed Monitor of Sears Canada Inc., among others, and not in its personal or corporate capacity

Per: _____

Name:

Title:

SCHEDULE "C"
FORM OF FINAL DISTRIBUTION CERTIFICATE

Court File No.: CV-17-11846-00CL

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 SEARS CANADA INC., 9370-2751 QUÉBEC
INC., 191020 CANADA INC., THE CUT INC., SEARS CONTACT
SERVICES INC., INITIUM LOGISTICS SERVICES INC., 9845488
CANADA INC., INITIUM TRADING AND SOURCING CORP.,
SEARS FLOOR COVERING CENTRES INC., 173470 CANADA
INC., 2497089 ONTARIO INC., 6988741 CANADA INC., 10011711
CANADA INC., 1592580 ONTARIO LIMITED, 955041 ALBERTA
LTD., 4201531 CANADA INC., 168886 CANADA INC., AND
3339611 CANADA INC.

Applicants

NOTICE OF FINAL DISTRIBUTION

All capitalized terms not otherwise defined in this Notice shall have the meanings ascribed thereto in the Amended and Restated Joint Plan of Compromise and Arrangement of the Applicants and SearsConnect (collectively, the "**Sears Canada Entities**") pursuant to the *Companies' Creditors Arrangement Act* as amended and restated on November 17, 2020 (as it may be further amended, restated, supplemented and/or modified in accordance with its terms, the "**Plan**"), a copy of which is available at cfcanada.fticonsulting.com/searscanada/.

TAKE NOTICE THAT the Sears Canada Entities intend to effect a final distribution under the Plan on [●] pursuant to and in accordance with the terms of the Plan and the Sanction Order issued by the Ontario Superior Court of Justice (Commercial List) commencing on ●, 2020.

AND TAKE NOTICE THAT the Plan provides that if any Creditor's distribution in respect of its Affected Unsecured Claim, Priority Claim or Secured Claim is not cashed and becomes stale-dated or is returned as undeliverable, or if a social insurance number for an Employee or Retiree has not been provided to the Monitor in writing, no further distributions to such Creditor shall be made unless and until the Monitor is notified by such Creditor of its current mailing address or wire particulars (or in the case of an Employee or Retiree, their social insurance number) at which time all distributions shall be made to such Creditor without interest.

AND TAKE NOTICE THAT all Affected Creditors (other than Retirees with a Pension Claim) who have not received a distribution in respect of their Proven Claims must provide notice of same to the Monitor by email or mail at the following address so that it is received on or before 5:00 p.m. (Toronto time) on ● (the "Final Distribution Bar Date"):

FTI Consulting Canada Inc., Sears Canada Monitor
TD Waterhouse Tower
79 Wellington Street West
Suite 2010, P.O. Box 104
Toronto, Ontario M5K 1G8

Attention: Sears Canada Plan Distributions
Email: searscanada@fticonsulting.com

AND TAKE NOTICE THAT, if a Creditor does not provide notice to the Monitor as set out above by the Final Distribution Bar Date, all claims for any distributions in respect of Affected Unsecured Claims, Priority Claims or Secured Claims of such Creditor or their successors or assigns shall be forever discharged and barred, without any compensation therefor notwithstanding any Applicable Laws to the contrary, pursuant to and in accordance with the Plan and Sanction Order.

DATED at the City of Toronto, in the Province of Ontario, this ● day of ● 20●.

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
SEARS CANADA INC., ET AL.

Court File No.: CV-17-11846-00CL

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

Proceeding commenced at TORONTO

PLAN SANCTION ORDER

NORTON ROSE FULBRIGHT CANADA LLP
222 Bay Street, Suite 3000, P.O. Box 53
Toronto, ON M5K 1E7

Orestes Pasparakis, LSO#: 36851T

Tel: +1 416.216.4815

Alan Merskey, LSO#: 41377I

Tel: +1 416.216.4805

Evan Cobb, LSO#: 55787N

Tel: +1 416.216.1929

orestes.pasparakis@nortonrosefulbright.com

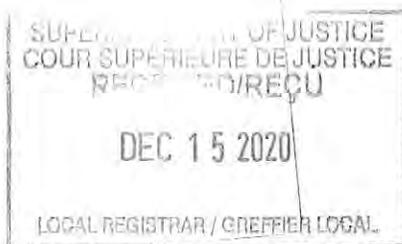
alan.merskey@nortonrosefulbright.com

evan.cobb@nortonrosefulbright.com

Lawyers for FTI Consulting Canada Inc., as Monitor

CAN_DMS: \125952367

Appendix C



Court File No.: CV-17-11846-00CL

**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 SEARS CANADA INC., 9370-2751 QUÉBEC
INC., 191020 CANADA INC., THE CUT INC., SEARS CONTACT
SERVICES INC., INITIUM LOGISTICS SERVICES INC., 9845488
CANADA INC., INITIUM TRADING AND SOURCING CORP.,
SEARS FLOOR COVERING CENTRES INC., 173470 CANADA
INC., 2497089 ONTARIO INC., 6988741 CANADA INC., 10011711
CANADA INC., 1592580 ONTARIO LIMITED, 955041 ALBERTA
LTD., 4201531 CANADA INC., 168886 CANADA INC., AND
3339611 CANADA INC.

Applicants

**MONITOR'S CERTIFICATE
(PLAN IMPLEMENTATION)**

All capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Order of the Honourable Justice Hailey made in these proceedings on November 23, 2020 (the "**Sanction Order**").

Pursuant to paragraph 8 of the Sanction Order, FTI Consulting Canada Inc., in its capacity as Court-appointed Monitor of the Sears Canada Entities (the "**Monitor**") delivers this certificate and hereby certifies that (a) it has been informed in writing by the Pension Parties that the condition precedent set out in Section 10.3(f) of the Plan has been satisfied or waived, as applicable, and (b) the conditions precedent set out in Sections 10.3(a) through (f) of the Plan have been satisfied or waived, as applicable, all in accordance with the terms of the Plan and that the Plan Implementation Date has occurred and the Plan is effective in accordance with its terms and the terms of the Sanction Order.

DATED at the City of Toronto, in the Province of Ontario, the 14th day of December 2020, at
11:59 p.m.

FTI CONSULTING CANADA INC., in its
capacity as Court-appointed Monitor of Sears
Canada Inc., among others, and not in its
personal or corporate capacity

Per:



Name: Steven Bissell

Title: Managing Director

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

Court File No.: CV-17-11846-00CL

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
SEARS CANADA INC., ET AL.

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

Proceeding commenced at TORONTO

**MONITOR'S CERTIFICATE (PLAN
IMPLEMENTATION)**

NORTON ROSE FULBRIGHT CANADA LLP
222 Bay Street, Suite 3000, P.O. Box 53
Toronto, ON M5K 1E7

Orestes Pasparakis, LSO#: 36851T
Tel: +1 416.216.4815
Alan Merskey, LSO#: 41377I
Tel: +1 416.216.4805
Evan Cobb, LSO#: 55787N
Tel: +1 416.216.1929

orestes.pasparakis@nortonrosefulbright.com
alan.merskey@nortonrosefulbright.com
evan.cobb@nortonrosefulbright.com

Lawyers for FTI Consulting Canada Inc., as Monitor

Appendix D

Court File No. CV-17-11846-00CL

**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 SEARS CANADA INC., 9370-2751
QUEBEC INC., 191020 CANADA INC., THE CUT INC., SEARS
CONTACT SERVICES INC., INITIUM LOGISTICS SERVICES
INC., 9845488 CANADA INC., INITIUM TRADING AND
SOURCING CORP., SEARS FLOOR COVERING CENTRES
INC., 173470 CANADA INC., 2497089 ONTARIO INC., 6988741
CANADA INC., 10011711 CANADA INC., 1592580 ONTARIO
LIMITED, 955041 ALBERTA LTD., 4201531 CANADA INC.,
168886 CANADA INC., AND 3339611 CANADA INC.

Applicants

**AFFIDAVIT OF STEVEN BISSELL
(sworn July 15, 2021)**

I, Steven Bissell, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY:**

1. I am a Managing Director with FTI Consulting Canada Inc., which was appointed as the monitor (the "**Monitor**") in these proceedings and as such have knowledge of the matters herein deposed to.
2. I make this affidavit in support of a motion by the Monitor for, among other things, approval of the fees and disbursements of the Monitor.
3. Attached hereto as **Exhibit "A"** are true copies of the invoices along with corresponding time entry summaries prepared by the Monitor for fees and disbursements incurred by the Monitor in connection with these proceedings for the period between January 1, 2021 to May 31, 2021 (the "**Approval Period**"). These time entry summaries have been redacted to address matters of privilege and confidentiality, as applicable.

4. Attached hereto as **Exhibit "B"** is a schedule listing the fees, disbursements, HST and total fees charged for each invoice during the Approval Period.

5. Attached hereto as **Exhibit "C"** is a schedule summarizing the billing rates and total amounts billed with respect to each representative of the Monitor that rendered services in connection with these proceedings and the blended rate during the Approval Period.

6. To the best of my knowledge, the rates charged by the Monitor throughout the Approval Period are comparable to the rates charged by other firms in the Toronto market for the provision of similar services.

7. The hours spent on this matter involved monitoring the Applicants and dealing with issues related to these proceedings (as more particularly described in the Monitor's reports) and I believe that the total hours incurred by the Monitor during the Approval Period were reasonable and appropriate in the circumstances.

8. The Monitor requests that the Court approve its accounts during the Approval Period for fees in the amount of \$807,702.50, expenses of \$1,644.06 and HST of \$105,215.06. Additional professional time will be required to complete these proceedings.

SWORN BEFORE ME via videoconference in the City of Oakville, in the Province of Ontario, on this 15th day of July, 2021, in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



A Commissioner for taking affidavits in Ontario

}



STEVEN BISSELL

THIS IS **EXHIBIT "A"** TO THE AFFIDAVIT OF
STEVEN BISSELL SWORN BEFORE ME VIA
VIDEOCONFERENCE IN THE CITY OF OAKVILLE,
IN THE PROVINCE OF ONTARIO,
THIS 15TH DAY OF JULY, 2021,
IN ACCORDANCE WITH O. REG. 431/20,
ADMINISTERING OATH OR DECLARATION
REMOTELY



A Commissioner for taking Affidavits in Ontario

Sears Canada (420956.0003)
January 1, 2021 to May 31, 2021

Date	Invoice #	TK#	Name	Hours	Rate Billed	Amount Billed	Narrative
01/02/21	29004629	27455	Hrvoje Muhek	1.90	640	1,216 00	Reconciled and organized payment instructions received by the Monitor to execute the Landlord Cost Payment.
01/02/21	29004629	27455	Hrvoje Muhek	1.20	640	768 00	Responded to multiple inquiries in the Monitor's mailbox. Updated the Monitor's creditor records.
01/03/21	29004629	27455	Hrvoje Muhek	0.30	640	192 00	Email to Sears Management regarding the process for re-issuing post-filing warranty cheques.
01/03/21	29004629	27455	Hrvoje Muhek	1.80	640	1,152 00	Responded to multiple inquiries in the Monitor's mailbox. Updated the Monitor's creditor information.
01/04/21	29004629	32475	Hailey Liu	3.40	520	1,768 00	Review email and voicemail enquiries in respect of Warranty Claims and preparation of responses re same.
01/04/21	29004629	27455	Hrvoje Muhek	0.80	640	512 00	Internal call to review the status of incoming warranty claim inquiries. Responded to several inquiries in the Monitor's mailbox. Calls with Sears Management and FTI regarding the post-filing warranty cheques.
01/04/21	29004629	14800	Paul Bishop	1.20	1,055	1,266 00	Review of payments and correspondence
01/05/21	29004629	32475	Hailey Liu	1.20	520	624 00	Review email and voicemail enquiries in respect of Warranty Claims and preparation of responses re same.
01/05/21	29004629	27455	Hrvoje Muhek	0.70	640	448 00	Prepared a supporting analysis and documents for [REDACTED] and sent an email to the Monitor's counsel.
01/05/21	29004629	27455	Hrvoje Muhek	0.70	640	448 00	Call with FTI and Sears Management regarding post-filing warranties. Phone call with Sears Management regarding the post-warranty claims database.
01/05/21	29004629	27455	Hrvoje Muhek	3.50	640	2,240 00	Call with the Monitor's counsel regarding various estate matters. Prepared the Monitor's exhibits for the fee approval order.
01/05/21	29004629	14800	Paul Bishop	0.80	1,055	844 00	Correspondence
01/05/21	29004629	14856	Steven Bissell	0.90	885	796 50	Call with S. Binder (Sears) and H. Muhek (FTI) re post-Filing warranty claims process. Bi-weekly update call with Monitor's counsel.
01/06/21	29004629	32475	Hailey Liu	1.50	520	780 00	Attendance on call FTI Team to discuss claim procedure matters.
01/06/21	29004629	32475	Hailey Liu	0.60	520	312 00	Review email and voicemail enquiries in respect of Warranty Claims and preparation of responses re same.
01/06/21	29004629	27455	Hrvoje Muhek	2.50	640	1,600 00	Call with an FTI team member and Sears Management regarding post-filing warranties. Call with another FTI team member regarding the post-filing warranties. Call with the Warranty claims Administrator regarding the pre-filing warranty claims process. Edited several retiree claim Notices of Revision or Disallowance and email to the Monitor's counsel.
01/06/21	29004629	14800	Paul Bishop	1.50	1,055	1,582 50	Review of correspondence, review of outstanding matters, review of payments and reconciliations
01/06/21	29004629	14856	Steven Bissell	1.20	885	1,062 00	Call with S. Binder (Sears) and H. Muhek (FTI) re post-Filing warranty claims process. Call with Warranty Claims Administrator and S. Binder re pre- and post-Filing warranty claims process.
01/07/21	29004629	32475	Hailey Liu	0.80	520	416 00	Review email and voicemail enquiries in respect of Warranty Claims and preparation of responses re same.
01/07/21	29004629	27455	Hrvoje Muhek	0.50	640	320 00	Prepared an amended Receiver Information Form for an employee and email to Service Canada. Call with an FTI team member regarding post-filing warranty claims.
01/08/21	29004629	32475	Hailey Liu	0.80	520	416 00	Review email and voicemail enquiries in respect of Warranty Claims and preparation of responses re same.
01/08/21	29004629	27455	Hrvoje Muhek	0.70	640	448 00	Call with FTI team and Sears Management regarding the post-filing warranties. Call with Sears Management regarding post-filing warranties.
01/08/21	29004629	14800	Paul Bishop	1.20	1,055	1,266 00	Review of warranty protocol, call with SB
01/10/21	29004629	27455	Hrvoje Muhek	2.50	640	1,600 00	Reviewed historical budget to actual analysis and prepared handover notes.
01/10/21	29004629	27455	Hrvoje Muhek	2.80	640	1,792 00	Updated the budget to actual analysis for months of November and December.
01/10/21	29004629	27455	Hrvoje Muhek	3.30	640	2,112 00	Updated the budget to actual analysis for months of September and October.
01/10/21	29004629	27455	Hrvoje Muhek	0.80	640	512 00	Internal email correspondence regarding the cash flow forecast for the Monitor's stay extension request and Landlord Cost Payments.
01/11/21	29004629	32475	Hailey Liu	0.90	520	468 00	Review email and voicemail enquiries in respect of Warranty Claims and preparation of responses re same.
01/11/21	29004629	32475	Hailey Liu	1.80	520	936 00	Preparation of disbursements in respect of Landlord Cost Payments pursuant to Plan of Compromise and Arrangement.
01/11/21	29004629	27455	Hrvoje Muhek	3.10	640	1,984 00	Prepared a draft cash flow forecast from January 17 to July 31, 2021. Internal email correspondence regarding the forecast.
01/11/21	29004629	27455	Hrvoje Muhek	2.70	640	1,728 00	Amended actual vs. budget variance reports for Nov and Dec based on additional feedback from the Management. Prepared the remaining actual vs. budget variance reports for Dec and January.
01/11/21	29004629	27455	Hrvoje Muhek	2.90	640	1,856 00	Internal call regarding various estate matters. Internal correspondence regarding distributions. Amended actual vs. budget variance reports for Sep and Oct based on additional feedback from the Management.
01/11/21	29004629	14800	Paul Bishop	0.90	1,055	949 50	Review of payments, correspondence
01/11/21	29004629	14856	Steven Bissell	3.40	885	3,009 00	Update call with H. Muhek (FTI) re actual vs budget cash reporting in support of Stay Extension and other pending matters. Review of email correspondence and follow-up re various CCAA-related matters. Response to request for use of Sears Canada archived documents. Review and comments on draft 43 report of the Monitor.

Sears Canada (420956.0003)
January 1, 2021 to May 31, 2021

Date	Invoice #	TK#	Name	Hours	Rate Billed	Amount Billed	Narrative
01/12/21	29004629	32475	Hailey Liu	0.70	520	364 00	Review email and voicemail enquiries in respect of Warranty Claims and preparation of responses re same.
01/12/21	29004629	27455	Hrvoje Muhek	2.40	640	1,536 00	Email correspondence with the Monitor's counsel regarding [REDACTED]. Email correspondence with Service Canada regarding the WEPP. Edited and finalized the Monitor's [REDACTED]. Edited and finalized the [REDACTED].
01/12/21	29004629	27455	Hrvoje Muhek	0.80	640	512 00	Email correspondence with the ERC regarding the Hardships Fund payments. Internal email correspondence regarding the cash flow forecast. Prepared wire payment to fund the ongoing operations.
01/12/21	29004629	14800	Paul Bishop	0.60	1,055	633 00	Review of billings
01/12/21	29004629	14856	Steven Bissell	3.20	885	2,832 00	Review of email correspondence and follow-up re various CCAA-related matters including review of employee time charges, among others. Review of actual vs. budget and cash flow forecast in support of stay extension motion. Review of updated statements and information request responses from WS B and reconciliation of post-Filing claim amounts.
01/13/21	29004629	32475	Hailey Liu	0.50	520	260 00	Review email and voicemail enquiries in respect of Warranty Claims and preparation of responses re same.
01/13/21	29004629	27455	Hrvoje Muhek	1.50	640	960 00	Controlled the first batch of Landlord Costs Payments for accuracy and internal email requesting an approval of payments. Edits to the [REDACTED]. Email to the Monitor's counsel.
01/13/21	29004629	14800	Paul Bishop	1.60	1,055	1,688 00	Call with rep counsel, prep for same and follow up
01/13/21	29004629	14856	Steven Bissell	1.90	885	1,681 50	Review of email correspondence and follow-up re various CCAA-related matters including processing of Landlord Cost payments. Review of draft response to [REDACTED]. Call with PRC and FA to PRC to discuss work streams and budgets for the remaining CCAA proceedings. Call with Transfer Agent and Monitor's counsel re motion to approved return of uncashed dividend cheques.
01/14/21	29004629	14798	Gregory Watson	1.00	1,055	1,055 00	Review of general Estate Administration matters.
01/14/21	29004629	32475	Hailey Liu	0.70	520	364 00	Review email and voicemail enquiries in respect of Warranty Claims and preparation of responses re same.
01/14/21	29004629	32475	Hailey Liu	1.50	520	780 00	Preparation of disbursements in respect of Landlord Cost Payments pursuant to Plan of Compromise and Arrangement.
01/14/21	29004629	27455	Hrvoje Muhek	0.50	640	320 00	Reviewed several NORD's to be sent regarding claims submitted according to the Employee and Retiree Claims Procedure Order.
01/14/21	29004629	27455	Hrvoje Muhek	1.90	640	1,216 00	Call with an FTI team member regarding warranty inquires in the Monitor's mailbox. Responded to multiple creditor inquiries in the Monitor's mailbox.
01/14/21	29004629	14800	Paul Bishop	1.20	1,055	1,266 00	Review of fee arrangements for rep counsel, calls re same
01/14/21	29004629	14856	Steven Bissell	2.00	885	1,770 00	Review and comments on Fee Approval Application materials. Email to Monitor's counsel re same. Call with representative from WSIB and Monitor's counsel re post-Filing claims. Call with interested party re recovery of certain assets for the estate. Review of updated fee approval affidavit materials.
01/15/21	29004629	32475	Hailey Liu	0.30	520	156 00	Review email and voicemail enquiries in respect of Warranty Claims and preparation of responses re same.
01/15/21	29004629	27455	Hrvoje Muhek	1.40	640	896 00	Reviewed the second batch of Landlord Cost Payments for approval. Prepared a supporting schedule of Landlord Cost Payments for a Landlord claimant.
01/15/21	29004629	27455	Hrvoje Muhek	0.30	640	192 00	Email correspondence with the Monitor's counsel and Sears management regarding various estate matters.
01/15/21	29004629	14800	Paul Bishop	1.20	1,055	1,266 00	Review of correspondence with RC
01/15/21	29004629	14856	Steven Bissell	0.40	885	354 00	Review of email correspondence and follow-up re various CCAA-related matters. Signing of Fee Approval affidavit with Monitor's counsel. Processing of Landlord Cost payments.
01/16/21	29004629	27455	Hrvoje Muhek	2.70	640	1,728 00	Prepared actual vs. budget variance analysis for week ended January 16. Updated actual vs. budget reports for Sep, Oct, Nov, Dec, Jan per additional explanations from Sears Management.
01/16/21	29004629	27455	Hrvoje Muhek	2.90	640	1,856 00	Updated the Monitor's cash flow forecast for period January 16 to July 31. Reviewed and updated the Monitor's Report.
01/17/21	29004629	27455	Hrvoje Muhek	2.20	640	1,408 00	Reviewed records of multiple deceased individuals with a Lifetime Discount Claim. Internal correspondence regarding the same. Drafted multiple emails for distribution of NORD's for claims submitted pursuant to Employee and Retiree Claims Procedure Order.
01/17/21	29004629	27455	Hrvoje Muhek	0.30	640	192 00	Prepared transaction records for administration of estate accounts.
01/18/21	29004650	32475	Hailey Liu	0.30	520	156 00	Review email and voicemail inquiries in respect of Warranty Claims and preparation of responses.
01/18/21	29004650	27455	Hrvoje Muhek	0.50	640	320 00	Sent out Notices of Revision or Disallowance regarding several claims submitted in accordance with the Employee and Retiree Claims Procedure Order. Email to PRC regarding Lifetime Discount Claims.
01/18/21	29004650	27455	Hrvoje Muhek	2.60	640	1,664 00	Reviewed the Monitor's records prior to the call with ERC. Call with the ERC regarding implementation of the Plan. Internal call regarding the Monitor's report. Updates to the cash flow model and the Monitor's report draft. Second internal call regarding the Monitor's report.

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Date	Invoice #	TK#	Name	Hours	Rate Billed	Amount Billed	Narrative
01/18/21	29004650	27455	Hrvoje Muhek	0.40	640	256 00	Email to Sears Management regarding the warranty claims process.
01/18/21	29004650	24354	Kathleen Foster	0.30	145	43 50	Website updates performed for FTI Case Sites for Sears. Requested by Hrvoje Muhek.
01/18/21	29004650	14800	Paul Bishop	1.30	1,055	1,371 50	Review of report, review of correspondence
01/18/21	29004650	14856	Steven Bissell	4.50	885	3,982 50	Review of email correspondence and follow-up re various CCAA-related matters. Call with ERC, E&Y and H. Muhek (FTI) to discuss employee related claims matters including distributions. Call with H. Muhek (FTI) to review various pending deliverables including 43rd report of the Monitor. Review of revised Stay Extension cash flow forecast and updated draft 43rd Report of the Monitor. Call with representatives from merchandise vendor re pre- and post-Filing sales tax related matters. Follow-up call with B. Church (Sears) re same. Call with H. Muhek re draft 43rd report of the Monitor.
01/19/21	29004650	32475	Hailey Liu	0.40	520	208 00	Review email and voicemail inquiries in respect of Warranty Claims and preparation of responses.
01/19/21	29004650	27455	Hrvoje Muhek	1.60	640	1,024 00	Call with the Monitor's counsel regarding various estate matters. Internal call and email correspondence regarding exhibits for the fee approval order. Call with the PRC regarding individuals with missing SIN numbers.
01/19/21	29004650	14800	Paul Bishop	2.20	1,055	2,321 00	Detailed review of report. Correspondence
01/19/21	29004650	14856	Steven Bissell	2.20	885	1,947 00	Status update call with NRF. Review and comments re draft motion materials re stay extension. Call with asset recovery services provider and B. Church (Sears). Review and comments on revised draft 43rd report of the Monitor. Review and comments re draft TUV fee approval affidavit support documents.
01/20/21	29004650	32475	Hailey Liu	0.60	520	312 00	Attendance on call FTI Team to discuss claim procedure matters.
01/20/21	29004650	32475	Hailey Liu	0.70	520	364 00	Review email and voicemail inquiries in respect of Warranty Claims and preparation of responses.
01/20/21	29004650	27455	Hrvoje Muhek	0.90	640	576 00	Internal email regarding post-filing warranties. Email to monitor's counsel regarding Upfront Dealers Payment. Internal email regarding cash disbursements. Drafted an email to a Landlord claimant and sent to the Monitor's counsel for comments.
01/20/21	29004650	27455	Hrvoje Muhek	1.20	640	768 00	Updated the employee and retiree models to reflect WEPP payments up to December 21, 2020.
01/20/21	29004650	27455	Hrvoje Muhek	2.50	640	1,600 00	Refreshed the distribution model based on the WEPP payments issued until December 21, 2020. Developed several supporting schedules. Refreshed the employee and retiree distributions file for Service Canada.
01/20/21	29004650	24354	Kathleen Foster	0.30	145	43 50	Website updates performed for FTI Case Sites for Sears. Requested by Hailey Liu.
01/20/21	29004650	14800	Paul Bishop	0.80	1,055	844 00	Review of court materials, review of correspondence
01/20/21	29004650	14856	Steven Bissell	1.90	885	1,681 50	Call with S. Binder (Sears) to discuss Pre- and Post-Filing Warranty Claims processes. Call with S. Binder (Sears) and Warranty Claims Administrator (Epiq) re Pre-Filing Claims process. Call with creditor and NRF re timing of distributions. Review of professional fee invoice and follow-up email correspondence with P. Bishop.
01/21/21	29004650	32475	Hailey Liu	0.30	520	156 00	Review email and voicemail inquiries in respect of pre-filing Warranty and preparation of responses.
01/21/21	29004650	32475	Hailey Liu	0.30	520	156 00	Review email and voicemail inquiries in respect of Warranty Claims and preparation of responses.
01/21/21	29004650	27455	Hrvoje Muhek	1.80	640	1,152 00	Updates to the employee and retiree consolidated database, consolidated distribution model, and consolidated employee / retiree tax withholdings model in preparation for the initial distribution.
01/21/21	29004650	27455	Hrvoje Muhek	1.50	640	960 00	Updates to the employee and retiree distribution schedule for Service Canada EI.
01/21/21	29004650	14800	Paul Bishop	1.30	1,055	1,371 50	Review of court materials and correspondence
01/21/21	29004650	14856	Steven Bissell	0.30	885	265 50	Call with Monitor's counsel to discuss asset recovery services proposal. Review of email correspondence re Landlord Cost payments.
01/22/21	29004650	14798	Gregory Watson	0.50	1,055	527 50	Review of general estate administration matters.
01/22/21	29004650	32475	Hailey Liu	0.60	520	312 00	Review email and voicemail inquiries in respect of Warranty Claims and preparation of responses.
01/22/21	29004650	27455	Hrvoje Muhek	3.50	640	2,240 00	Further updates and audit of the consolidated distribution model and build up of supporting schedules.
01/22/21	29004650	27455	Hrvoje Muhek	2.30	640	1,472 00	Developed a supporting schedule for the calculation of cost allocation amounts in the distribution model. Two internal calls to review the distribution model and the cost allocation amounts.
01/22/21	29004650	14800	Paul Bishop	0.80	1,055	844 00	Correspondence review, update on outstanding matters
01/22/21	29004650	14856	Steven Bissell	2.30	885	2,035 50	Call with H. Muhek (FTI) to review distribution model. Review of distribution model. Call with H. Muhek re same. Call with Monitor's counsel and asset recovery services. Call with class action recovery counsel and B. Church (Sears).
01/23/21	29004650	27455	Hrvoje Muhek	3.70	640	2,368 00	Audited the distribution model against the Plan and developed additional supporting schedules for ease of model audit.

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01/24/21	29004650	27455	Hrvoje Muhek	2.30	640	1,472 00	Updates to employee and retiree claims database and the distribution model related to Lifetime Discounts Claims of deceased individuals. Refreshed and finalized the employee and retiree distributions database for Service Canada EI.
01/24/21	29004650	27455	Hrvoje Muhek	1.70	640	1,088 00	Further audit of the distribution model against the Plan and other supporting models (employee and retiree claims database, general claims portal, and construction claims model).
01/24/21	29004650	27455	Hrvoje Muhek	1.00	640	640 00	Responded to multiple inquires in the Monitor's inbox. Internal correspondence regarding creditor matters.
01/25/21	29004650	32475	Hailey Liu	5.60	520	2,912 00	Review email and voicemail inquiries in respect of Retiree and Employee Claims and preparation of responses.
01/25/21	29004650	27455	Hrvoje Muhek	1.00	640	640 00	Email correspondence with Service Canada, Pension Representative Counsel and the Monitor's counsel on various Plan related matters.
01/25/21	29004650	27455	Hrvoje Muhek	2.90	640	1,856 00	Multiple handover working sessions with another team member related to the employee and retiree work stream.
01/25/21	29004650	24354	Kathleen Foster	0.30	145	43 50	Website updates performed for FTI Case Sites for Sears. Requested by Hrvoje Muhek.
01/25/21	29004650	14800	Paul Bishop	1.30	1,055	1,371 50	Review of filing materials, correspondence review
01/25/21	29004650	14856	Steven Bissell	2.00	885	1,770 00	Preparation for and attendance on stay extension hearing. Review and comment on draft engagement letter re asset recovery services. Review of Creditor Committee legal fee invoice. Email to Monitor's counsel re same. Follow-up re creditor inquiries. Administration of transfer of Dividend Funds.
01/26/21	29004650	14798	Gregory Watson	1.00	1,055	1,055 00	Review of general estate administration matters.
01/26/21	29004650	32475	Hailey Liu	3.80	520	1,976 00	Review email and voicemail inquiries in respect of Retiree and Employee Claims and preparation of responses.
01/26/21	29004650	24354	Kathleen Foster	0.30	145	43 50	Website updates performed for FTI Case Sites for Sears. Requested by Hrvoje Muhek.
01/26/21	29004650	14856	Steven Bissell	3.10	885	2,743 50	Reconciliation of post-Filing claim of workers' compensation body.
01/27/21	29004650	32475	Hailey Liu	2.30	520	1,196 00	Review email and voicemail inquiries in respect of Retiree and Employee Claims and preparation of responses.
01/27/21	29004650	27455	Hrvoje Muhek	1.00	640	640 00	Internal call regarding the Plan matters. Sensitivity analysis of change in net recoveries based on the change in the claims pool size related to late filed claims.
01/27/21	29004650	27455	Hrvoje Muhek	1.30	640	832 00	Handover working session with another team member related to the employee and retiree work stream.
01/27/21	29004650	27455	Hrvoje Muhek	0.40	640	256 00	Email correspondence with Service Canada and the Employee Representative Counsel regarding various WEPP matters.
01/27/21	29004650	14856	Steven Bissell	0.50	885	442 50	Call with H. Muhek (FTI) re pending CCAA matters. Call with Monitor's counsel re post-Filing workers compensation claims.
01/28/21	29004650	32475	Hailey Liu	4.10	520	2,132 00	Review email and voicemail inquiries in respect of Retiree and Employee Claims and preparation of responses.
01/28/21	29004650	32475	Hailey Liu	3.10	520	1,612 00	Continue to review email inquiries in respect of Retiree and Employee Claims and preparation of responses.
01/28/21	29004650	27455	Hrvoje Muhek	0.30	640	192 00	Call with a Sears creditor regarding various Plan matters.
01/28/21	29004650	24354	Kathleen Foster	0.30	145	43 50	Website updates performed for FTI Case Sites for Sears. Requested by Hailey Liu.
01/28/21	29004650	14800	Paul Bishop	0.80	1,055	844 00	Correspondence and review of disbursements
01/28/21	29004650	14856	Steven Bissell	1.50	885	1,327 50	Review of lift stay request and email correspondence with Monitor's counsel. Confirmation of receipt of Dividend Funds as per January 25th Court Order. Review of email correspondence and follow-up re various CCAA-related matters.
01/29/21	29004650	32475	Hailey Liu	4.30	520	2,236 00	Review email and voicemail inquiries in respect of Retiree and Employee Claims and preparation of responses.
01/29/21	29004650	32475	Hailey Liu	2.40	520	1,248 00	Continue to review email and voicemail inquiries in respect of Retiree and Employee Claims and preparation of responses.
01/29/21	29004650	14856	Steven Bissell	0.30	885	265 50	Call with representative from workers' compensation board and Monitor's counsel re claims against SCI.
01/31/21	29004650	27455	Hrvoje Muhek	1.30	640	832 00	Responded to multiple creditor inquiries in the Monitor's mailbox. Updated the Monitor's creditor records.
02/01/21	29004684	14798	Gregory Watson	0.50	1,055	527 50	Review of general estate administration matters.
02/01/21	29004684	32475	Hailey Liu	0.20	520	104 00	Review email and voicemail inquiries in respect of post-filing Warranty Claims and preparation of responses.
02/01/21	29004684	32475	Hailey Liu	3.60	520	1,872 00	Review email and voicemail inquiries in respect of retiree and employees retiree benefit, lifetime discount, termination Claims and preparation of responses.
02/01/21	29004684	32475	Hailey Liu	0.10	520	52 00	Review email and voicemail inquiries in respect of pre-filing Warranty Claims and preparation of responses.
02/01/21	29004684	14800	Paul Bishop	0.60	1,055	633 00	Review of correspondence and payments
02/01/21	29004684	14856	Steven Bissell	0.40	885	354 00	Review of email correspondence and follow-up re various CCAA-related matters including Monitor's invoices and termination of post-Filing document storage agreement.
02/02/21	29004684	32475	Hailey Liu	0.20	520	104 00	Review email and voicemail inquiries in respect of post-filing Warranty Claims and preparation of responses.

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Date	Invoice #	TK#	Name	Hours	Rate Billed	Amount Billed	Narrative
02/02/21	29004684	27455	Hrvoje Muhek	0.50	640	320 00	Call with the Monitor's counsel on various estate matters.
02/02/21	29004684	14856	Steven Bissell	2.20	885	1,947 00	Update call with Monitor's counsel. Termination of post-Filing data storage agreement. Tax treatment of Landlord Cost Payments. Review of existing insurance policies and consideration of extension. Follow up with Sears insurance broker re request for status update of existing claims.
02/03/21	29004684	14798	Gregory Watson	0.50	1,055	527 50	Review of general estate administration matters.
02/03/21	29004684	32475	Hailey Liu	0.20	520	104 00	Review email and voicemail inquiries in respect of post-filing Warranty Claims and preparation of responses.
02/03/21	29004684	32475	Hailey Liu	0.10	520	52 00	Review email and voicemail inquiries in respect of pre-filing Warranty Claims and preparation of responses.
02/03/21	29004684	27455	Hrvoje Muhek	1.10	640	704 00	Responded to multiple creditor inquiries in the Monitor's general mailbox. Updated the Monitor's creditor records.
02/03/21	29004684	27455	Hrvoje Muhek	0.90	640	576 00	Correspondence with another FTI team member regarding various Employee and Retiree matters.
02/03/21	29004684	27455	Hrvoje Muhek	0.30	640	192 00	Finalize [REDACTED]
02/03/21	29004684	14800	Paul Bishop	1.40	1,055	1,477 00	Correspondence and review of outstanding matters
02/03/21	29004684	14856	Steven Bissell	0.70	885	619 50	Call with S. Binder (Sears) and Warranty Claims Administrator to discuss new advertising campaign. Email correspondence re creditor inquiries re timing of distributions.
02/04/21	29004684	32475	Hailey Liu	0.50	520	260 00	Review email and voicemail inquiries in respect of post-filing Warranty Claims and preparation of responses.
02/04/21	29004684	32475	Hailey Liu	0.10	520	52 00	Review email and voicemail inquiries in respect of pre-filing Warranty Claims and preparation of responses.
02/04/21	29004684	32475	Hailey Liu	1.50	520	780 00	Review email and voicemail inquiries in respect of retiree and employees retiree benefit, lifetime discount, termination Claims and preparation of responses.
02/04/21	29004684	14800	Paul Bishop	0.20	1,055	211 00	Review of payments
02/04/21	29004684	14856	Steven Bissell	0.10	885	88 50	Review of settlement proposal email from Monitor's counsel re [REDACTED] and responding email re same.
02/05/21	29004684	32475	Hailey Liu	0.20	520	104 00	Review email and voicemail inquiries in respect of pre-filing Warranty Claims and preparation of responses.
02/05/21	29004684	32475	Hailey Liu	0.30	520	156 00	Review email and voicemail inquiries in respect of post-filing Warranty Claims and preparation of responses.
02/05/21	29004684	32475	Hailey Liu	2.20	520	1,144 00	Review email and voicemail inquiries in respect of retiree and employees retiree benefit, lifetime discount, termination Claims and preparation of responses.
02/05/21	29004684	14856	Steven Bissell	0.90	885	796 50	Review of email correspondence and follow-up re CCAA-related matters including data storage vendor matters. Call with Sears insurance broker re next steps to recover deposits. Responding to information requests from creditors.
02/08/21	29004684	14800	Paul Bishop	0.40	1,055	422 00	Review of correspondence and status update
02/08/21	29004684	14856	Steven Bissell	0.30	885	265 50	Email correspondence in response to creditor inquiry re status of CCAA Proceedings. Review of [REDACTED].
02/10/21	29004684	25944	Alissa Owen	0.70	400	280 00	Adjustment of addresses in back-end of claims.
02/10/21	29004684	32475	Hailey Liu	0.60	520	312 00	Review email and voicemail inquiries in respect of retiree/employee Claims and preparation of responses.
02/10/21	29004684	32475	Hailey Liu	0.30	520	156 00	Review email and voicemail inquiries in respect of post filing Warranty Claims and preparation of responses.
02/10/21	29004684	32475	Hailey Liu	0.30	520	156 00	Review email and voicemail inquiries in respect of pre-filing Warranty Claims and preparation of responses.
02/10/21	29004684	14856	Steven Bissell	0.70	885	619 50	Review of email correspondence and follow-up re various CCAA-related matters. Call with document storage provider re termination of certain accounts. Follow-up re termination of document storage agreement re TUV-related documents.
02/11/21	29004684	32475	Hailey Liu	0.20	520	104 00	Review email and voicemail inquiries in respect of pre-filing Warranty Claims and preparation of responses.
02/11/21	29004684	14856	Steven Bissell	0.40	885	354 00	Review and comments on materials for February Noticing Campaign for Pre-Filing Warranty claims process.
02/12/21	29004684	32475	Hailey Liu	0.20	520	104 00	Review email and voicemail inquiries in respect of pre-filing Warranty Claims and preparation of responses.
02/12/21	29004684	32475	Hailey Liu	0.20	520	104 00	Review email and voicemail inquiries in respect of retiree/employee Claims and preparation of responses.
02/16/21	29004700	32475	Hailey Liu	0.40	520	208 00	Review email and voicemail inquiries in respect of Warranty Claims and preparation of responses.
02/16/21	29004700	32475	Hailey Liu	0.40	520	208 00	Review email and voicemail inquiries in respect of retiree/employee Claims and preparation of responses.
02/16/21	29004700	14800	Paul Bishop	0.90	1,055	949 50	Review of correspondence and payments
02/16/21	29004700	14856	Steven Bissell	0.40	885	354 00	Update call with Monitor's legal counsel.
02/17/21	29004700	32475	Hailey Liu	0.50	520	260 00	Review email and voicemail inquiries in respect of pre-filing Warranty Claims and preparation of responses.

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Date	Invoice #	TK#	Name	Hours	Rate Billed	Amount Billed	Narrative
02/17/21	29004700	27455	Hrvoje Muhek	1.10	640	704 00	Internal correspondence and email to the Monitor's counsel regarding various employee and retiree matters. Email correspondence with several creditors.
02/17/21	29004700	27455	Hrvoje Muhek	0.50	640	320 00	Call with an FTI team member regarding D&O claims.
02/17/21	29004700	14800	Paul Bishop	1.20	1,055	1,266 00	Status update, review of outstanding matters
02/17/21	29004700	14856	Steven Bissell	0.50	885	442 50	Update call with Warranty Claims Administrator and S. Binder (Sears). Follow-up call with S. Binder (Sears) to discuss [REDACTED].
02/18/21	29004700	32475	Hailey Liu	0.60	520	312 00	Review email and voicemail inquiries in respect of Warranty Claims and preparation of responses.
02/18/21	29004700	32475	Hailey Liu	0.30	520	156 00	Review email and voicemail inquiries in respect of pre-filing Warranty Claims and preparation of responses.
02/18/21	29004700	32475	Hailey Liu	1.20	520	624 00	Review email and voicemail inquiries in respect of retiree/employee Claims and preparation of responses.
02/18/21	29004700	27455	Hrvoje Muhek	1.40	640	896 00	Email to the Monitor's counsel regarding outstanding creditor matters. Calls with several creditors. Updates to the Monitor's creditor records.
02/18/21	29004700	27455	Hrvoje Muhek	1.20	640	768 00	Review of correspondence with Service Canada regarding employee and retiree distributions and email to the Monitor's counsel. Prepared transaction records in connection with Landlords Cost Payments issued in accordance with the A&R Plan.
02/18/21	29004700	14800	Paul Bishop	0.80	1,055	844 00	Review of correspondence
02/18/21	29004700	14856	Steven Bissell	2.30	885	2,035 50	Review of email correspondence and follow-up re various CCAA-related matters. Call with G. Tertigas (E&Y) re status of initial distributions. Review of final drafts of additional notice materials re Pre-Filing Warranty Claims process. Review of email correspondence from [REDACTED] and follow-up with Sears re same. Review of insurance related claim and follow-up with Sears re same.
02/19/21	29004700	32475	Hailey Liu	0.50	520	260 00	Review email and voicemail inquiries in respect of Warranty Claims and preparation of responses.
02/19/21	29004700	32475	Hailey Liu	0.30	520	156 00	Review email and voicemail inquiries in respect of retiree/employee Claims and preparation of responses.
02/19/21	29004700	27455	Hrvoje Muhek	0.80	640	512 00	Call with Service Canada (EI division) and the Monitor's counsel regarding anticipated employee / retiree distributions.
02/19/21	29004700	14856	Steven Bissell	1.50	885	1,327 50	Call with Service Canada EI representatives and Monitor's counsel to discuss status of EI overpayment review process. Call with B. Church and D. Pereira (Sears) to discuss pending CCAA-related matters. Review of draft email response in respect of product damage claim.
02/22/21	29004700	32475	Hailey Liu	1.10	520	572 00	Review email and voicemail inquiries in respect of post-Warranty Claims and preparation of responses.
02/22/21	29004700	32475	Hailey Liu	2.10	520	1,092 00	Review email and voicemail inquiries in respect of pre-filing Warranty Claims and preparation of responses.
02/22/21	29004700	32475	Hailey Liu	2.80	520	1,456 00	Review email and voicemail inquiries in respect of retiree and employee Claims and preparation of responses. Coordinate French call knowledge transfer.
02/22/21	29004700	27455	Hrvoje Muhek	3.90	640	2,496 00	Review of retiree data received from the Pension Plan Administrator, comparison to the data on record with ADP, and examination of differences. Preparation of data for approximately 1,500 individuals to be updated by ADP.
02/22/21	29004700	14800	Paul Bishop	0.90	1,055	949 50	Review of correspondence
02/23/21	29004700	27455	Hrvoje Muhek	1.20	640	768 00	FTI internal correspondence and correspondence with Sears Management regarding outstanding employee and retiree matters. FTI internal call regarding employee and retiree distributions.
02/23/21	29004700	14856	Steven Bissell	4.00	885	3,540 00	Review of email correspondence and follow-up re various CCAA-related matters including [REDACTED], address database for former employees and retirees and outstanding professional fees invoices. Review of matters related to Initial to Distribution. Updated pending matters list. Call with H. Muhek (FTI) to discuss status of distribution model and related matters.
02/23/21	29004732	25944	Alissa Owen	1.80	400	720 00	Production of all contact information.
02/24/21	29004700	32475	Hailey Liu	0.70	520	364 00	Review email and voicemail inquiries in respect of retiree and employee Claims and preparation of responses. Coordinate French call knowledge transfer.
02/24/21	29004700	32475	Hailey Liu	0.50	520	260 00	Review email and voicemail inquiries in respect of post-Warranty Claims and preparation of responses.
02/24/21	29004700	32475	Hailey Liu	0.50	520	260 00	Review email and voicemail inquiries in respect of pre-filing Warranty Claims and preparation of responses.
02/24/21	29004700	27455	Hrvoje Muhek	0.70	640	448 00	Coordination of Landlord Cost Payment cheques to be sent per A&R Plan. FTI internal phone call regarding employee and retiree distributions.
02/24/21	29004700	27455	Hrvoje Muhek	1.00	640	640 00	Phone calls with several unsecured creditors. Updated the Monitor's creditor records.

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02/24/21	29004700	14856	Steven Bissell	2.80	885	2,478 00	Call with representatives from Service Canada, Monitor's counsel to discuss EI overpayment confirmation process. Review of revised insurance policy related documents and follow-up email re same. Review of [REDACTED]. Preparation of agenda items for call with ERC. Call with H. Muhek (FTI) re same. Review of [REDACTED].
02/25/21	29004700	27455	Hrvoje Muhek	0.80	640	512 00	Call with the Employee Representative Counsel regarding employee distributions per A&R Plan.
02/25/21	29004700	27455	Hrvoje Muhek	0.40	640	256 00	Call with the Pension Representative Counsel and the Monitor's counsel regarding employee distributions per A&R Plan.
02/25/21	29004700	23240	Michael Basso	0.40	770	308 00	Correspondence with S. Bissell re: CRA and RQ employee withholdings approval process, meeting on same.
02/25/21	29004700	14856	Steven Bissell	2.50	885	2,212 50	Review of email correspondence and follow-up re various CCAA-related matters. Review of information in respect of Initial Distribution in preparation for call with ERC. Call with ERC and E&Y to discuss Initial Distribution matters. Call with PRC, E&Y and H. Muhek re Initial Distribution matters. Call with B. Church and D. Pereira (Sears) to discuss withholding tax matters.
02/26/21	29004700	32475	Hailey Liu	0.50	520	260 00	Review email and voicemail inquiries in respect of post-Warranty Claims and preparation of responses.
02/26/21	29004700	32475	Hailey Liu	0.50	520	260 00	Review email and voicemail inquiries in respect of pre-filing Warranty Claims and preparation of responses.
02/26/21	29004700	32475	Hailey Liu	2.70	520	1,404 00	Review email and voicemail inquiries in respect of retiree and employee Claims and preparation of responses. Coordinate French call knowledge transfer.
02/26/21	29004700	27455	Hrvoje Muhek	0.80	640	512 00	Email correspondence with Service Canada regarding assessment process to determine employee and retiree EI overpayments. Updated the Monitor's records with respect to employee and retiree distributions.
02/26/21	29004700	27455	Hrvoje Muhek	0.90	640	576 00	Call with FTI and the Monitor's counsel regarding phone calls by Quebec-based creditors. Revisions to supporting documents used to respond to Quebec-based creditors.
02/26/21	29004700	23240	Michael Basso	0.30	770	231 00	Meeting with S. Bissell re: D&O charge preparation matrix and termination and severance estimates for federal employees.
02/26/21	29004700	14800	Paul Bishop	1.30	1,055	1,371 50	Review of payments and receipts, review of correspondence and plan
02/26/21	29004700	14856	Steven Bissell	1.80	885	1,593 00	Call with Monitor's counsel and H. Muhek (FTI) to discuss [REDACTED] and other CCAA-related matters. Email correspondence with ERC and PRC re same. Investigation into treatment of SLH employees in calculation of D&O charge. Investigation into approval of [REDACTED]. Review of email correspondence in respect of Pre-Filing Warranty Claims noticing campaign.
02/28/21	29004700	27455	Hrvoje Muhek	1.10	640	704 00	Reviewed backup documents for several vendor claims and email to the Monitor's counsel requesting a draft NORD.
03/01/21	29004732	32475	Hailey Liu	1.20	520	624 00	Review email and voicemail inquiries in respect of pre-filing Warranty Claims and preparation of responses.
03/01/21	29004732	32475	Hailey Liu	0.40	520	208 00	Review email and voicemail inquiries in respect of post-filing Warranty Claims and preparation of responses.
03/01/21	29004732	14856	Steven Bissell	2.90	885	2,566 50	[REDACTED]. Call with representative from Sears Canada insurer re status of cash collateral. Review of Distribution Model assumptions in preparation for call with FA to FSRA. Call with Monitor's counsel re Post-Filing Claim matters. Call with Financial Advisor to FSRA re Initial Distribution matters. Investigation into [REDACTED].
03/02/21	29004732	32475	Hailey Liu	1.80	520	936 00	Review email and voicemail inquiries in respect of retiree and employee claims and preparation of responses. Handling French inquiries with 3rd party assistance.
03/02/21	29004732	32475	Hailey Liu	0.70	520	364 00	Review email and voicemail inquiries in respect of pre-filing Warranty Claims and preparation of responses.
03/02/21	29004732	32475	Hailey Liu	0.30	520	156 00	Review email and voicemail inquiries in respect of post-filing Warranty Claims and preparation of responses.
03/02/21	29004732	27455	Hrvoje Muhek	0.30	640	192 00	Reviewed several dozen D&O claims pending NORD issuance.
03/02/21	29004732	27455	Hrvoje Muhek	0.90	640	576 00	Internal call regarding various estate matters. Call with the Monitor's counsel regarding various estate matters.
03/02/21	29004732	27455	Hrvoje Muhek	0.80	640	512 00	Correspondence with the landlord claimant's counsel regarding Landlord Cost Payments. Preparation of Landlord Cost Payment cover letters and coordination of the cheque mailings.
03/02/21	29004732	27455	Hrvoje Muhek	2.20	640	1,408 00	Analysis of termination and severance length for individuals who are expected to receive a distribution under the A&R Plan for further discussion with Service Canada and ERC.

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03/02/21	29004732	14856	Steven Bissell	3.40	885	3,009 00	Review of pending matters in anticipation of call with Monitor's counsel. Bi-weekly update call with Monitor's counsel and follow-up re various pending matters. all with B. Church re withholding tax parameters. Call with ERC, PRC and Monitor's counsel re [REDACTED].
03/03/21	29004732	32475	Hailey Liu	4.20	520	2,184 00	Review email and voicemail inquiries in respect of retiree and employee claims and preparation of responses. Handling French inquiries with 3rd party assistance.
03/03/21	29004732	32475	Hailey Liu	0.70	520	364 00	Preparation of disbursements in respect of Landlord Cost Payments pursuant to Plan of Compromise and Arrangement.
03/03/21	29004732	32475	Hailey Liu	0.40	520	208 00	Review email and voicemail inquiries in respect of pre-filing Warranty Claims and preparation of responses.
03/03/21	29004732	27455	Hrvoje Muhek	2.20	640	1,408 00	Analysis of ADP's employee and retiree database for inconsistent addresses and banking information to prepare for a distribution. Correspondence regarding employee and retiree information with Sears Management and FTI team.
03/03/21	29004732	14856	Steven Bissell	2.10	885	1,858 50	Review of email correspondence and follow-up re various CCAA-related matters including claims of WSIB, status of ADP data for Initial Distribution, among others. Review of documentation in support of [REDACTED]. [REDACTED] Call with representatives from ADP, D. Pereira (Sears) and H. Muhek (FTI) to discuss Initial Distribution matters.
03/04/21	29004732	32475	Hailey Liu	0.80	520	416 00	Review email and voicemail inquiries in respect of pre-filing Warranty Claims and preparation of responses.
03/04/21	29004732	32475	Hailey Liu	0.90	520	468 00	Review email and voicemail inquiries in respect of post-filing Warranty Claims and preparation of responses.
03/04/21	29004732	27455	Hrvoje Muhek	1.20	640	768 00	Call with Sears Management regarding ADP database and distribution to employees and retirees. Review of outstanding Landlord Cost Payments and related internal correspondence.
03/04/21	29004732	14856	Steven Bissell	1.30	885	1,150 50	Data storage termination administration. Call with Monitor's counsel re various CCAA-related pending matters. Follow-up in respect of various CCAA matters including payment of professional fees, preparation of NORD, review of product damages claim.
03/05/21	29004732	32475	Hailey Liu	0.90	520	468 00	Review email and voicemail inquiries in respect of post-filing Warranty Claims and preparation of responses.
03/05/21	29004732	32475	Hailey Liu	0.80	520	416 00	Review email and voicemail inquiries in respect of retiree and employee claims and preparation of responses. Handling French inquiries with 3rd party assistance.
03/05/21	29004732	32475	Hailey Liu	0.40	520	208 00	Review email and voicemail inquiries in respect of pre-filing Warranty Claims and preparation of responses.
03/05/21	29004732	27455	Hrvoje Muhek	0.60	640	384 00	Review of supporting documents submitted by a creditor with a late claim, and email to Sears Management.
03/05/21	29004732	27455	Hrvoje Muhek	3.40	640	2,176 00	Analysis of address, direct deposit, and other inconsistencies for approximately 20,000 individuals in ADP database who are expected to receive a distribution under the A&R Plan.
03/05/21	29004732	27455	Hrvoje Muhek	2.90	640	1,856 00	Continued analysis of direct deposit, address, and other inconsistencies for approximately 20,000 individuals in ADP database who are expected to receive a distribution under the A&R Plan.
03/05/21	29004732	24354	Kathleen Foster	0.30	145	43 50	Website updates performed for FTI Case Sites for Sears. Requested by Hailey Liu.
03/05/21	29004732	14856	Steven Bissell	4.30	885	3,805 50	Review of outstanding D&O claims. Call with A. Schmidt (NRF) to discuss status of pending D&O claims and next steps to resolve. Follow-up in respect of product liability subrogated claim. Review and final determination of tax related claims.
03/07/21	29004732	27455	Hrvoje Muhek	3.50	640	2,240 00	Preparation of address, direct deposit and other information changes to be implemented in ADP's database for approximately 3,600 flagged individuals.
03/07/21	29004732	27455	Hrvoje Muhek	1.90	640	1,216 00	Continued preparation and formatting of address, direct deposit and other information changes to be implemented in ADP's database for approximately 3,600 flagged individuals.
03/08/21	29004732	14798	Gregory Watson	1.00	1,055	1,055 00	Review of general estate administration matters.
03/08/21	29004732	32475	Hailey Liu	1.30	520	676 00	Review email and voicemail inquiries in respect of post filing Warranty Claims and preparation of responses.
03/08/21	29004732	32475	Hailey Liu	1.60	520	832 00	Review email and voicemail inquiries in respect of pre filing Warranty Claims and preparation of responses.
03/08/21	29004732	32475	Hailey Liu	2.10	520	1,092 00	Review email and voicemail inquiries in respect of retiree and employees claims and preparation of responses.
03/08/21	29004732	27455	Hrvoje Muhek	0.90	640	576 00	Email correspondence with several creditors regarding unresolved claims.
03/08/21	29004732	14856	Steven Bissell	1.80	885	1,593 00	Preparation for and call with Financial Advisor to Pension Administrator in respect of Initial Distribution matters. Enquiries into direct email campaign in respect of pre-Filing warranty claims process. Landlord Cost Payment correspondence.
03/09/21	29004732	32475	Hailey Liu	0.20	520	104 00	Review email and voicemail inquiries in respect of post filing Warranty Claims and preparation of responses.
03/09/21	29004732	32475	Hailey Liu	0.30	520	156 00	Review email and voicemail inquiries in respect of pre filing Warranty Claims and preparation of responses.
03/09/21	29004732	27455	Hrvoje Muhek	0.90	640	576 00	Correspondence with several creditors. Updated the Monitor's creditor records.

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03/09/21	29004732	14856	Steven Bissell	3.10	885	2,743 50	Review of email correspondence and follow-up re various CCAA-related matters including correspondence with PRC. Review of distribution model.
03/10/21	29004732	25944	Alissa Owen	3.50	400	1,400 00	Pulling updated address information from the employee and retiree portals.
03/10/21	29004732	14856	Steven Bissell	0.80	885	708 00	Call with B. Church (Sears) and Monitor's legal counsel to discuss CDTel matters. Call with Data Analytics Team (FTI) re mass email campaign in support of Pre-Filing Warranty Claims process.
03/11/21	29004732	25944	Alissa Owen	2.50	400	1,000 00	Pulling updated address information from the employee and retiree portals.
03/11/21	29004732	14798	Gregory Watson	0.50	1,055	527 50	Review of general estate administration matters.
03/11/21	29004732	32475	Hailey Liu	0.70	520	364 00	Review email and voicemail inquiries in respect of pre filing Warranty Claims and preparation of responses.
03/11/21	29004732	32475	Hailey Liu	2.30	520	1,196 00	Review email and voicemail inquiries in respect of retiree and employees claims and preparation of responses.
03/11/21	29004732	27455	Hrvoje Muhek	1.50	640	960 00	Call with ADP regarding anticipated employee and retiree distributions. Updated the Monitor's employee and retiree distribution files.
03/11/21	29004732	27455	Hrvoje Muhek	1.30	640	832 00	Call with service Canada and ERC regarding anticipated employee and retiree distributions.
03/11/21	29004732	14856	Steven Bissell	4.10	885	3,628 50	Responses to information requests from warranty claim holder. Call with ADP reps and Sears Canada to discuss Initial Distribution matters. Preparation for and attendance on call with Service Canada, ERC and Monitor's counsel to discuss EI overpayment matters.
03/12/21	29004732	32475	Hailey Liu	0.80	520	416 00	Review email and voicemail inquiries in respect of post filing Warranty Claims and preparation of responses.
03/12/21	29004732	32475	Hailey Liu	1.40	520	728 00	Review email and voicemail inquiries in respect of retiree and employees claims and preparation of responses.
03/12/21	29004732	27455	Hrvoje Muhek	0.60	640	384 00	Phone call with Sears Management regarding anticipated employee and retiree distributions.
03/12/21	29004732	27455	Hrvoje Muhek	3.70	640	2,368 00	Review of the latest WEPP payment information received from Service Canada and updates to the Monitor's WEPP database, employee and retiree distributions database, and EI database. Preparation of a test payroll upload file for ADP.
03/12/21	29004732	14856	Steven Bissell	1.30	885	1,150 50	Review of email correspondence and follow-up re various CCAA-related matters. Updated analysis in respect of [REDACTED]
03/14/21	29004732	27455	Hrvoje Muhek	3.10	640	1,984 00	Review of outstanding claims in the claims portal database. Reconciliation against issued NORDs. Review of individual claims remaining unresolved. Updates to the claim portal and claims databases.
03/14/21	29004732	27455	Hrvoje Muhek	0.60	640	384 00	Review of several retiree records and correspondence with PRC.
03/15/21	29004747	14798	Gregory Watson	1.00	1,055	1,055 00	Review of general estate administration matters.
03/15/21	29004747	27455	Hrvoje Muhek	0.40	640	256 00	Email correspondence with Service Canada regarding EI assessment process.
03/15/21	29004747	27455	Hrvoje Muhek	0.40	640	256 00	Internal email correspondence regarding employee and retiree inquiries in the Monitor's mailbox.
03/15/21	29004747	27455	Hrvoje Muhek	0.80	640	512 00	Correspondence with several unsecured creditors. Updates to the Monitor's creditor records.
03/15/21	29004747	14856	Steven Bissell	4.00	885	3,540 00	Call with H. Muhek (FTI) re outstanding items in respect of the Initial Distribution, including status of pending claims. Follow-up re pending claims. Confirmation of claim amounts re CRA and RQ. Follow-up with Epiq re Initial Distribution. Call with B. Church (Sears) re tax claims. Call with E. Cobb (Monitor's counsel) re Pre-Filing Warranty claims. Confirmation of tax related claims
03/16/21	29004747	25944	Alissa Owen	1.00	400	400 00	Update back-end claim information.
03/16/21	29004747	14798	Gregory Watson	1.00	1,055	1,055 00	Review of general estate administration matters.
03/16/21	29004747	32475	Hailey Liu	1.60	520	832 00	Review email and voicemail inquiries in respect of post-filing Warranty Claims and preparation of responses.
03/16/21	29004747	32475	Hailey Liu	0.40	520	208 00	Review email and voicemail inquiries in respect of pre-filing Warranty Claims and preparation of responses.
03/16/21	29004747	32475	Hailey Liu	2.80	520	1,456 00	Review email and voicemail inquiries in respect of employee and retiree Claims and information update and preparation of responses.
03/16/21	29004747	27455	Hrvoje Muhek	1.80	640	1,152 00	Call with ADP regarding anticipated employee and retiree distributions. Email correspondence with ADP. Updates to the Monitor's ADP records.
03/16/21	29004747	27455	Hrvoje Muhek	2.10	640	1,344 00	Review of individuals without ADP profile and email to the Monitor's counsel. Email correspondence with Sears HR regarding anticipated employee and retiree distributions.
03/16/21	29004747	27455	Hrvoje Muhek	2.70	640	1,728 00	Preparation of new employees for upload to ADP. Preparation of data for test payroll related to anticipated employee and retiree distributions.
03/16/21	29004747	27455	Hrvoje Muhek	1.30	640	832 00	Updates to overview of outstanding claims for a call with the Monitor's counsel. Call with the Monitor's counsel on outstanding claims.
03/16/21	29004747	14856	Steven Bissell	1.10	885	973 50	Update call with Monitor's counsel. Review of email correspondence and follow-up re various CCAA-related matters.
03/17/21	29004747	25944	Alissa Owen	2.50	400	1,000 00	Update back-end claim information.
03/17/21	29004747	32475	Hailey Liu	0.20	520	104 00	Review email and voicemail inquiries in respect of employee and retiree Claims and information update and preparation of responses.

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03/17/21	29004747	27455	Hrvoje Muhek	0.80	640	512 00	Correspondence with ERC regarding EI assessment process and PRC regarding missing retiree personal information. Correspondence with ADP regarding anticipated employee and retiree distributions.
03/17/21	29004747	24354	Kathleen Foster	0.30	145	43 50	Website updates performed for FTI Case Sites for Sears. Requested by Hrvoje Muhek.
03/17/21	29004747	14856	Steven Bissell	0.30	885	265 50	Review of email correspondence and follow-up re various Initial Distribution related matters.
03/18/21	29004747	32475	Hailey Liu	0.50	520	260 00	Review email and voicemail inquiries in respect of employee and retiree Claims and information update and preparation of responses.
03/18/21	29004747	27455	Hrvoje Muhek	1.30	640	832 00	Call with EPIQ regarding anticipated distributions to general creditors. Internal FTI call regarding implementation of the CCAA Plan.
03/18/21	29004747	24354	Kathleen Foster	1.00	145	145 00	Phone call with Sears retiree at request of Hailey Liu.
03/18/21	29004747	14856	Steven Bissell	3.10	885	2,743 50	Review of engagement letter with 3rd Party distribution agent re general creditor distributions. Call with 3rd Party distribution agent re general creditor distributions. Follow-up call with H. Muhek and M. Basso (FTI) re same. Review of responding materials re CDTel. Call with Monitor's counsel re Monitor's draft supplement report. Call with M. Basso re cover letters in respect of distributions. Bank account letter for third party assisting in distributions process..
03/19/21	29004747	32475	Hailey Liu	0.70	520	364 00	Review email and voicemail inquiries in respect of post-filing Warranty Claims and preparation of responses.
03/19/21	29004747	32475	Hailey Liu	0.30	520	156 00	Review email and voicemail inquiries in respect of pre-filing Warranty Claims and preparation of responses.
03/19/21	29004747	32475	Hailey Liu	1.70	520	884 00	Review email and voicemail inquiries in respect of employee and retiree Claims and information update and preparation of responses.
03/19/21	29004747	27455	Hrvoje Muhek	1.00	640	640 00	Call with the Monitor's counsel and Sears Management regarding tax matters for the initial distribution.
03/19/21	29004747	27455	Hrvoje Muhek	1.00	640	640 00	Review of large creditors in different creditor categories and email to the Monitor's counsel regarding anticipated distributions.
03/19/21	29004747	14856	Steven Bissell	1.90	885	1,681 50	Review of email correspondence and follow-up re various CCAA-related matters. Call with B. Church (Sears) D. Chiasson, E. Cobb (Monitor's counsel) and H. Muhek to discuss [REDACTED].
03/21/21	29004747	27455	Hrvoje Muhek	1.90	640	1,216 00	Responded to multiple employee, retiree, and general vendor creditor email inquiries in the Monitor's mailbox. Updated the Monitor's creditor records.
03/21/21	29004747	27455	Hrvoje Muhek	2.40	640	1,536 00	[REDACTED]. Updates to the Monitor's records of unresolved claims. Updates to the distribution model and Sears claims portal.
03/21/21	29004747	27455	Hrvoje Muhek	2.20	640	1,408 00	Preparation of supporting documents for the distribution of the remaining Landlord Cost Payments with respect 36 landlord claims. Control of the mail merge cover letter file and internal email correspondence regarding the anticipated distribution.
03/22/21	29004747	25944	Alissa Owen	1.00	400	400 00	Update claims information.
03/22/21	29004747	27455	Hrvoje Muhek	1.40	640	896 00	Responded to multiple creditor phone and email inquiries in the Monitor's mailbox. Updated the Monitor's creditor information records.
03/22/21	29004747	27455	Hrvoje Muhek	4.20	640	2,688 00	Edits to Landlord Cost Payments mail merge files. Review of ADP's distribution process timeline and drafting of proposed edits and email to Sears HR. Call with ERC regarding employee webinar related to anticipated distributions. Updates to Landlord Cost Payment cover letters and email correspondence regarding payment approval.
03/22/21	29004747	27455	Hrvoje Muhek	2.10	640	1,344 00	Call with Sears HR regarding ADP matters. Analysis of aggregated allowed claims and distributions for creditors who filed claims under multiple legal entity names and email to the Monitor's counsel.
03/22/21	29004747	27455	Hrvoje Muhek	2.40	640	1,536 00	Updates to the distribution model. Reconciliation of claims portal data.
03/22/21	29004747	14856	Steven Bissell	1.50	885	1,327 50	Review of email correspondence and voice mails and follow-up re various CCAA-related matters including payroll funding, timing of distributions to retirees and coordination of webinar. Call with ERC and E&Y to discuss webinar planning. Follow-up call with H. Muhek (FTI). Review of Landlord Cost Payment letters.
03/23/21	29004747	27455	Hrvoje Muhek	4.10	640	2,624 00	Review and reconciliation of the test run payroll file. Email to Sears HR regarding the test payroll. Email correspondence regarding cover letters to creditors. Call with the Monitor's counsel regarding payments to large creditors. Prepared an overview of all claims for damages for distribution tax purposes.
03/23/21	29004747	27455	Hrvoje Muhek	1.50	640	960 00	Call with ADP regarding anticipated employee and retiree distributions.
03/23/21	29004747	27455	Hrvoje Muhek	3.30	640	2,112 00	Review and reconciliation of sold claims. Consolidation of landlord claims filed under various claimant names. Preparation of a consolidated overview of large creditor payments.
03/23/21	29004747	14856	Steven Bissell	3.00	885	2,655 00	Review of proposed distribution payments to material creditors and call with Monitor's counsel, H. Muhek (FTI) re same. Follow-up re various distribution related matters. Call with H. Muhek (FTI) to discuss employee and retiree distribution matters. Call with counsel to significant creditor re distribution matters.

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03/24/21	29004747	14798	Gregory Watson	1.00	1,055	1,055 00	Review of general estate administration matters.
03/24/21	29004747	32475	Hailey Liu	2.90	520	1,508 00	Review email and voicemail inquiries in respect of employee and retirees Claims / information update and preparation of responses.
03/24/21	29004747	32475	Hailey Liu	1.60	520	832 00	Review email and voicemail inquiries in respect of pre-filing Warranty Claims and preparation of responses.
03/24/21	29004747	32475	Hailey Liu	0.30	520	156 00	Review email and voicemail inquiries in respect of post-filing Warranty Claims and preparation of responses.
03/24/21	29004747	27455	Hrvoje Muhek	2.30	640	1,472 00	Further edits to the consolidated analysis of large creditor distributions. Internal call regarding payments to creditors with distributions over \$1 million. Prepared an overview of allowed claims and planned distributions to [REDACTED] clients.
03/24/21	29004747	27455	Hrvoje Muhek	2.20	640	1,408 00	Updated two dozen landlord claims in the claims portal. Reviewed the claims portal data as of March 24, 2021 and processed updates for multiple claims. Internal correspondence regarding D&O NORD's issued.
03/24/21	29004747	14856	Steven Bissell	3.20	885	2,832 00	Review of email correspondence and follow-up re various CCAA-related matters. Call with H. Muhek (FTI) to discuss distribution related matters. Email correspondence with Landlord counsel re distributions. Preparation for and attendance on call with Department of Justice representatives and Monitor's counsel re distribution matters. Email correspondence with Monitor's counsel and call with landlord counsel re distribution matters. Review of draft emails to CRA re distribution matters.
03/25/21	29004747	14798	Gregory Watson	1.00	1,055	1,055 00	Review of general estate administration matters.
03/25/21	29004747	27455	Hrvoje Muhek	3.10	640	1,984 00	Preparation of employee and retiree email and mailing databases for communication regarding anticipated webinar and distribution notices. Internal email correspondence regarding planned email blasts to employees and retirees.
03/25/21	29004747	27455	Hrvoje Muhek	2.30	640	1,472 00	Updates to multiple general vendor claims in the claims portal and reconciliation of updated portal data. Updates to the employee and retiree distribution model.
03/25/21	29004747	27455	Hrvoje Muhek	2.60	640	1,664 00	Reconciliation of WEPP payment report dated March 24 and comparison to report dated January 25. Updates the Monitor's employee claims and distributions databases. Prepared an updated file with employee and retiree claims for Service Canada.
03/25/21	29004747	27455	Hrvoje Muhek	2.90	640	1,856 00	Prepared approximately 2,200 individuals to be added to ADP for purposes of issuing employee and retiree distributions.
03/25/21	29004747	27455	Hrvoje Muhek	2.70	640	1,728 00	Quality control of approximately 3,500 banking and address updates uploaded by ADP.
03/25/21	29004747	14856	Steven Bissell	1.10	885	973 50	Review of email correspondence and follow-up re various distribution matters. Call with Sears Treasurer to tax matters in respect of distributions. Email correspondence with ERC re planned webinars. Follow-up with FTI Team re same. Call with counsel re [REDACTED]
03/26/21	29004747	32475	Hailey Liu	0.50	520	260 00	Review email and voicemail inquiries in respect of pre-filing Warranty Claims and preparation of responses.
03/26/21	29004747	32475	Hailey Liu	0.70	520	364 00	Review email and voicemail inquiries in respect of employee and retirees Claims / information update and preparation of responses.
03/26/21	29004747	27455	Hrvoje Muhek	2.20	640	1,408 00	Internal call to discuss outstanding work stream items in preparation for initial Plan Distribution. Correspondence with the Monitor's counsel regarding unresolved claims. Reviewed and provided comments regarding an email template for correspondence with certain large creditors. Call with ERC regarding planned employee webinar. Updates to distribution lists for ERC and PRC webinars.
03/26/21	29004747	27455	Hrvoje Muhek	1.30	640	832 00	Updates to consolidated schedules with distributions to large creditors. Email correspondence with several large creditors regarding anticipated distributions.
03/26/21	29004747	27455	Hrvoje Muhek	1.50	640	960 00	Prepared an overview file with discrepancies noted in ADP's import updated employee and retiree address information. Email correspondence with ADP regarding further updates needed to employee and retiree contact information.
03/26/21	29004747	14856	Steven Bissell	2.20	885	1,947 00	Draft email re initial distributions to significant creditors. Preparation for and attendance on call with ERC and E&Y to discuss employee distribution matters. Email correspondence with Landlord counsels re distribution matters.
03/29/21	29004747	32475	Hailey Liu	1.20	520	624 00	Review email and voicemail inquiries in respect of retirees/employees Claims and preparation of responses.
03/29/21	29004747	27455	Hrvoje Muhek	3.40	640	2,176 00	Prepared and coordinated Plan Distribution wire payments and email notices to multiple creditors.
03/29/21	29004747	27455	Hrvoje Muhek	3.10	640	1,984 00	Updates to the distribution model and tracker of payments to large creditors. Review of SRP tax filing requirements and email correspondence with Sears Management.
03/29/21	29004747	27455	Hrvoje Muhek	2.70	640	1,728 00	Prepared initial Plan Distribution wire payments for multiple creditors. Internal update call regarding Plan Distribution work streams. Call with Sears Management regarding distribution tax matters.
03/29/21	29004747	14800	Paul Bishop	0.70	1,055	738 50	Review of payments

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03/29/21	29004747	14856	Steven Bissell	3.60	885	3,186 00	Call with H. Muhek re distribution matters. Follow-up call with H. Muhek re Sears Canada pending matters, including distributions. Preparation of draft cover letters in respect of Initial Plan Distributions. Review and comments on draft letter in respect of subrogated insurance claims. Review of email correspondence and follow-up in respect of various CCAA-related matters.
03/30/21	29004747	32475	Hailey Liu	0.30	520	156 00	Review email and voicemail inquiries in respect of retirees/employees Claims and preparation of responses.
03/30/21	29004747	27455	Hrvoje Muhek	1.00	640	640 00	Call with the Monitor's counsel regarding various estate matters. FTI internal call regarding various estate matters.
03/30/21	29004747	27455	Hrvoje Muhek	3.10	640	1,984 00	Preparation of vendor tax information for distribution notices to approximately 200 general creditors. Correspondence with the Monitor's counsel regarding Dealers Plaintiff distribution.
03/30/21	29004747	27455	Hrvoje Muhek	1.50	640	960 00	Email to ADP regarding employee / retiree distributions. Email correspondence with ERC and PRC regarding employee and retiree distribution matters. Reviewed ERC's webinar notice and planned website posting.
03/30/21	29004747	27455	Hrvoje Muhek	3.10	640	1,984 00	Review an employee and retiree database with approximately 17,400 individuals who are not affected by Service Canada's EI overpayment assessment process. Internal email correspondence regarding the data received.
03/30/21	29004747	14800	Paul Bishop	1.70	1,055	1,793 50	Distribution payments review of docs re same
03/30/21	29004747	14856	Steven Bissell	5.40	885	4,779 00	Preparation of support for calculation of amounts in initial Plan Distribution to DB Plan. Call with G. Tertigas (E&Y) re DB Pension distribution matters. Update call with Monitor's counsel re CCAA matters. Follow-up email to E&Y re initial Plan Distribution. [REDACTED] Draft cover letter in respect of distributions. Review of list of eligible recipients from Employment and Skills Development Canada.
03/31/21	29004747	32475	Hailey Liu	0.60	520	312 00	Review email and voicemail inquiries in respect of retirees/employees Claims and preparation of responses.
03/31/21	29004747	27455	Hrvoje Muhek	3.30	640	2,112 00	Reviewed the employee and retiree data received from Service Canada and flagged inconsistencies for further review by the Monitor. FTI internal status update call regarding Plan Distribution work streams. Preparation of Plan Distribution wire payments, liaison with the bank and several creditors.
03/31/21	29004747	27455	Hrvoje Muhek	3.10	640	1,984 00	Further preparation of Plan Distribution wire payments. Reviewed Service Canada's data of approximately 300 individuals with inconsistent last day worked data. Email to Sears HR regarding employees flagged by Service Canada for further review and employee and retiree distributions.
03/31/21	29004747	14856	Steven Bissell	4.00	885	3,540 00	Call with H. Muhek to discuss distribution matters. Email correspondence with ERC and PRC re distribution matters. Review and confirmation of initial Plan Distributions. Email correspondence with counsel to Pension Administrator re same. Review and comments in respect of factum in support of CDTel claims officer proceedings. Review of draft letter to Pension Rep Counsel and email correspondence re same.
04/01/21	29004782	32475	Hailey Liu	0.60	520	312 00	Review email and voicemail inquiries in respect of retirees/employees Claims and preparation of responses.
04/01/21	29004782	27455	Hrvoje Muhek	3.30	770	2,541 00	Review of employee and retiree ADP import issues and feedback to ADP. Internal call regarding ADP employee / retiree information import matters. Call with Sears HR regarding ADP matters. Call with ADP regarding import issues and anticipated employee and retiree distributions.
04/01/21	29004782	27455	Hrvoje Muhek	3.40	770	2,618 00	Coordination of wire payments to Pension Parties. Call with ERC and PRC regarding anticipated employee and retiree distributions. Internal call regarding employee and retiree distributions. Preparation of ERC and PRC membership reconciliation tables.
04/01/21	29004782	27455	Hrvoje Muhek	1.30	770	1,001 00	Reviewed four financial debt claims completed by Deloitte analysts.
04/01/21	29004782	14856	Steven Bissell	3.10	885	2,743 50	Call with H. Muhek followed by call with ADP representatives to discuss former employee and retiree distribution matters. Call with Monitor's counsel re distribution cover letters re general unsecured creditor's. Call with representatives from ERC, PRC and Monitor's counsel to discuss former employee and retiree distribution related matters. Follow up with H. Muhek and E. Cobb re same.
04/04/21	29004782	27455	Hrvoje Muhek	2.20	770	1,694 00	Review and reconciliation of address and name issues recognized in ADP's employee and retiree data export dated March 18, 2021.
04/04/21	29004782	27455	Hrvoje Muhek	1.80	770	1,386 00	Continued review and reconciliation of address and name issues recognized in ADP's employee and retiree data export dated March 18, 2021.
04/04/21	29004782	14856	Steven Bissell	1.20	885	1,062 00	Updates and edits to Initial Plan Distribution cover letter.
04/05/21	29004782	32475	Hailey Liu	1.60	520	832 00	Review email and voicemail inquiries in respect of employee / retiree Claims and preparation of responses.
04/05/21	29004782	32475	Hailey Liu	0.40	520	208 00	Review email and voicemail inquiries in respect of post-filing Warranty Claims and preparation of responses.
04/05/21	29004782	32475	Hailey Liu	0.60	520	312 00	Review email and voicemail inquiries in respect of pre-filing Warranty Claims and preparation of responses.
04/05/21	29004782	27455	Hrvoje Muhek	3.20	770	2,464 00	Preparation of employee / retiree address, name, and banking updates for ADP processing.
04/05/21	29004782	27455	Hrvoje Muhek	1.00	770	770 00	Internal call regarding Sears Plan implementation matters.

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04/05/21	29004782	27455	Hrvoje Muhek	4.40	770	3,388 00	Reconciliation of ERC and PRC members with Plan Distributions that were cleared by Service Canada. Internal call regarding ERC / PRC member reconciliation. Email to the Monitor's counsel regarding ERC / PRC reconciliation.
04/05/21	29004782	27455	Hrvoje Muhek	2.30	770	1,771 00	Email correspondence with PRC and ADP regarding anticipated retiree distributions. Review of individuals flagged by Service Canada for inconsistent ROE term date and Termination Claim term date. Updates to the claims portal. Review of general creditor letter and related internal email correspondence. Email to Sears Treasury regarding [REDACTED] and tax filings.
04/05/21	29004782	14856	Steven Bissell	3.10	885	2,743 50	Review of email correspondence and follow-up re various CCAA-related matters including professional fee invoices and distribution cover letters, among others. Review of correspondence from counsel re various former employee related claims. Call with H. Muhek to review Sears Canada pending distribution matters. Review of summary ERC and PRC claims. Call with H. Muhek to review Sears Canada pending distribution matters.
04/06/21	29004782	14798	Gregory Watson	1.00	1,055	1,055 00	Review of general estate administration matters.
04/06/21	29004782	27455	Hrvoje Muhek	1.30	770	1,001 00	Review of tax info for creditors with restructuring claims and email to Sears Management.
04/06/21	29004782	27455	Hrvoje Muhek	0.60	770	462 00	Responded to multiple email and phone call inquiries by Sears creditors.
04/06/21	29004782	14800	Paul Bishop	1.30	1,055	1,371 50	Correspondence and review of payments
04/06/21	29004782	14856	Steven Bissell	0.40	885	354 00	Email correspondence in respect of distribution matters.
04/07/21	29004782	32475	Hailey Liu	0.50	520	260 00	Review email and voicemail inquiries in respect of employee / retiree Claims and preparation of responses.
04/07/21	29004782	32475	Hailey Liu	0.50	520	260 00	Review email and voicemail inquiries in respect of pre-filing Warranty Claims and preparation of responses.
04/07/21	29004782	32475	Hailey Liu	0.30	520	156 00	Review email and voicemail inquiries in respect of post-filing Warranty Claims and preparation of responses.
04/07/21	29004782	27455	Hrvoje Muhek	1.60	770	1,232 00	Email correspondence with Sears creditors, Service Canada, and PRC regarding the Plan implementation. Internal correspondence regarding outstanding post-filing landlord claims.
04/07/21	29004782	27455	Hrvoje Muhek	0.70	770	539 00	Responded to multiple email inquires in the Monitor's mailbox. Updated the Monitor's creditor records.
04/07/21	29004782	14856	Steven Bissell	2.10	885	1,858 50	Preparation for, and attendance at Pre-Trial Conference with Claims Officer and Sears Canada creditor. Call with E&Y to review reconciliation of ERC and PRC claims.
04/08/21	29004782	32475	Hailey Liu	0.40	520	208 00	Review email and voicemail inquiries in respect of employee / retiree Claims and preparation of responses.
04/08/21	29004782	27455	Hrvoje Muhek	2.70	770	2,079 00	Correspondence with the Monitor's counsel regarding [REDACTED]. Review of employee / retiree information corrections processed by ADP. Call with ADP regarding anticipated employee / retiree distributions. Prepared an overview of employee / retiree distributions by company code for further reporting customization by ADP.
04/08/21	29004782	14856	Steven Bissell	0.70	885	619 50	Preparation of motion materials in respect of fee approval orders. Review of email correspondence and follow-up re various CCAA-related matters.
04/09/21	29004782	32475	Hailey Liu	0.40	520	208 00	Review email and voicemail inquiries in respect of pre-filing Warranty Claims and preparation of responses.
04/09/21	29004782	32475	Hailey Liu	1.40	520	728 00	Review email and voicemail inquiries in respect of employee / retiree Claims and preparation of responses.
04/09/21	29004782	32475	Hailey Liu	0.40	520	208 00	Review email and voicemail inquiries in respect of post-filing Warranty Claims and preparation of responses.
04/09/21	29004782	27455	Hrvoje Muhek	1.50	770	1,155 00	Reviewed analysis of term date inconsistencies flagged by Service Canada and prepared a report for further review by Sears HR. Updates to the Monitor's Plan implementation work plan. Correspondence with PRC regarding individuals whose initial Plan Distributions will be held back due to incomplete information.
04/11/21	29004782	27455	Hrvoje Muhek	3.90	770	3,003 00	Reviewed updated ADP employee / retiree information dated April 9. Review company code TF6W test register excel preview file and reconciliation of [REDACTED] calculation. Preparation of initial Plan Distribution payroll import file for ~ 17,300 individuals.
04/12/21	29004782	32475	Hailey Liu	0.60	520	312 00	Review email and voicemail inquiries in respect of pre-filing Warranty Claims and preparation of responses.
04/12/21	29004782	32475	Hailey Liu	0.40	520	208 00	Review email and voicemail inquiries in respect of post-filing Warranty Claims and preparation of responses.
04/12/21	29004782	32475	Hailey Liu	1.60	520	832 00	Review email and voicemail inquiries in respect of retiree / employee Claims and preparation of responses.
04/12/21	29004782	27455	Hrvoje Muhek	3.10	770	2,387 00	Prepare additional information for inquiry made by Service Canada with respect to last day paid for approximately 200 individuals. Prepare a list of individuals with missing addresses and / or direct deposit information for PRC. Email correspondence with ERC regarding Plan Distribution matters.
04/12/21	29004782	27455	Hrvoje Muhek	2.90	770	2,233 00	Finalize the employee / retiree Plan Distribution file for ADP payroll run. Internal call regarding the Plan implementation matters.
04/12/21	29004782	27455	Hrvoje Muhek	1.60	770	1,232 00	Responded to multiple creditor emails and phone calls in the Monitor's mailbox. Updated the Monitor's creditor records.

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04/12/21	29004782	14856	Steven Bissell	4.50	885	3,982 50	Call with H. Muhek to review pending distribution matters and key workstreams for week of April 12, 2021. Call with CRA (P. Sidlo) to discuss distribution-related matters. Draft email to CRA and Department of Justice re distribution matters. Review and comments re draft response to counsel in respect of former employee. Call with H. Muhek (FTI) to discuss correspondence in respect of distribution matters. Review and comments on draft motion materials in respect of TUV Fee approval and Second Dividend Funds orders. Review and comments on draft affidavit in support of fee approval motion. [REDACTED]
04/13/21	29004782	25944	Alissa Owen	1.50	400	600 00	Update claims data.
04/13/21	29004782	27455	Hrvoje Muhek	1.50	770	1,155 00	Updates to the employee / retiree Plan Distribution tax withholdings calculation model.
04/13/21	29004782	27455	Hrvoje Muhek	3.30	770	2,541 00	Drafting of employee / retiree Plan Distribution notice letter. Call with the Monitor's counsel regarding Plan implementation matters. Call with ADP regarding Plan Distributions to employees and retirees cleared by Service Canada. Call with Sears HR regarding Plan Distributions.
04/13/21	29004782	27455	Hrvoje Muhek	2.90	770	2,233 00	Further edits to employee / retiree Plan Distribution draft notice letter. Updates to the ADP payroll run files for multiple company codes. Prepare further employee / retiree contact updates for ADP processing.
04/13/21	29004782	14800	Paul Bishop	1.60	1,055	1,688 00	Update on OS issues
04/13/21	29004782	14856	Steven Bissell	5.60	885	4,956 00	Review of pending matters in preparation for update call with Monitor's counsel. Bi-weekly update call with Monitor's counsel. Call with Monitor's counsel to discuss outstanding D&O claims. Review and comments on draft cover letter in respect of distributions to former employees and retirees. [REDACTED]. Review of status updates re Warranty Claims process. Call with S. Binder (Sears) re same. Call with H. Muhek to discuss distribution related matters. Review of email correspondence and follow-up re various CCAA-related matters.
04/14/21	29004782	32475	Hailey Liu	0.50	520	260 00	Review email and voicemail inquiries in respect of pre-filing Warranty Claims and preparation of responses.
04/14/21	29004782	32475	Hailey Liu	0.30	520	156 00	Review email and voicemail inquiries in respect of post-filing Warranty Claims and preparation of responses.
04/14/21	29004782	32475	Hailey Liu	0.50	520	260 00	Review email and voicemail inquiries in respect of retiree / employee Claims and preparation of responses.
04/14/21	29004782	27455	Hrvoje Muhek	2.60	770	2,002 00	Review revised employee / retiree Plan Distribution notice. Email correspondence regarding ERC and PRC webinars. Internal call regarding upcoming employee and retiree work streams resulting from Plan Distribution. Internal call regarding revised employee / retiree Plan Distribution notice.
04/14/21	29004782	24354	Kathleen Foster	0.30	145	43 50	Website updates performed for FTI Case Sites for Sears. Requested by Hrvoje Muhek.
04/14/21	29004782	14856	Steven Bissell	2.30	885	2,035 50	Review of invoices and services provided by third-party Warranty Claims Administrator. Email correspondence re same. Review and comments on draft webinar scripts re ERC. Review and comments re other webinar related materials. Signing of affidavit in respect of TUV fee approval motion. Call with H. Muhek to discuss distribution matters.
04/15/21	29004782	32475	Hailey Liu	0.40	520	208 00	Review email and voicemail inquiries in respect of retiree / employee Claims and preparation of responses.
04/15/21	29004782	27455	Hrvoje Muhek	3.40	770	2,618 00	Internal call regarding Plan implementation matters. Call with ADP regarding employee / retiree Plan Distribution payroll run. Correspondence with PRC regarding distributions. Review of the ERC webinar presentation. Review of company code TF6W batch 1 payroll preview and comments to ADP.
04/15/21	29004782	27455	Hrvoje Muhek	2.30	770	1,771 00	Further updates to the employee / retiree Plan Distribution cover letter draft. Correspondence with ERC and PRC regarding employee / retiree webinars. Preparation of save-the-date ERC webinar email blast to approximately 3400 individuals.
04/15/21	29004782	14856	Steven Bissell	0.50	885	442 50	Review of email and other correspondence and follow-up re various CCAA-related matters. Review of revised and updated motion materials re TUV fee approval.
04/16/21	29004782	32475	Hailey Liu	0.30	520	156 00	Review email and voicemail inquiries in respect of pre-filing Warranty Claims and preparation of responses.
04/16/21	29004782	32475	Hailey Liu	0.40	520	208 00	Review email and voicemail inquiries in respect of post-filing Warranty Claims and preparation of responses.
04/16/21	29004782	32475	Hailey Liu	1.40	520	728 00	Review email and voicemail inquiries in respect of retiree / employee Claims and preparation of responses.
04/16/21	29004782	27455	Hrvoje Muhek	2.40	770	1,848 00	Call with Sears HR regarding ADP payroll matters. Further preparation of the Monitor's ERC webinar slides and supporting information.
04/16/21	29004782	27455	Hrvoje Muhek	2.60	770	2,002 00	Finalize employee / retiree Plan Distribution cover letter. Email correspondence regarding ERC webinar email blasts. Further review of Plan Distribution payroll preview for company code TF6W.
04/16/21	29004782	27455	Hrvoje Muhek	2.70	770	2,079 00	Preparation of the Monitor's ERC webinar slides. Finalize review of Plan Distribution payroll preview for company code TF6W.
04/16/21	29004782	24354	Kathleen Foster	0.30	145	43 50	Website updates performed for FTI Case Sites for Sears. Requested by Steve Bissell.

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04/16/21	29004782	14856	Steven Bissell	1.60	885	1,416 00	Cover letters, other pending matters. Call with Warranty Claims Administrator and S. Binder (Sears Canada) to discuss progress in respect of pre-Filing warranty claims. Finalizing CDTel related materials. Review and approval of documents to be posted to Monitor's website.
04/18/21	29004782	27455	Hrvoje Muhek	2.80	770	2,156 00	Review of Plan Distribution payroll preview files for company codes TF6V, TFBR, TFBQ. Preparation of comments and corrections for ADP processing. Correspondence with Sears HR regarding ADP payroll matters.
04/18/21	29004782	27455	Hrvoje Muhek	3.30	770	2,541 00	Preparation of email and physical mail distributions lists for employee / retiree Plan Distribution cover letters.
04/18/21	29004782	14856	Steven Bissell	0.50	885	442 50	Review and comments on ERC webinar content.
04/19/21	29004822	14798	Gregory Watson	1.00	1,055	1,055 00	Review of general estate administration matters.
04/19/21	29004822	32475	Hailey Liu	1.80	520	936 00	Review email and voicemail inquiries in respect of employee and retiree claims and preparation of responses, update Sears portal contact information, individual status and upload documents. Attended the Sears distribution webinars.
04/19/21	29004822	27455	Hrvoje Muhek	3.10	770	2,387 00	Three internal calls regarding various on Plan implementation matters. Review and provide comments for PRC's retiree webinar presentation. Email correspondence with the Monitor's counsel on Plan implementation matters. Correspondence with a third party vendor regarding mailing of Plan Distribution notices.
04/19/21	29004822	27455	Hrvoje Muhek	2.70	770	2,079 00	Updates to the Monitor's employee and retiree webinar presentation materials.
04/19/21	29004822	27455	Hrvoje Muhek	1.80	770	1,386 00	Final edits to the Monitor's employee and retiree webinar presentations and email correspondence with ERC and PRC.
04/19/21	29004822	14856	Steven Bissell	2.60	885	2,301 00	Review and comments on draft PRC webinar slides. Review and comments on draft ERC webinar presentation materials. Various calls with H. Muhek to review webinar materials.
04/20/21	29004822	32475	Hailey Liu	2.30	520	1,196 00	Review email and voicemail inquiries in respect of employee and retiree claims and preparation of responses, update Sears portal contact information, individual status and upload documents. Attended the Sears distribution webinars.
04/20/21	29004822	27455	Hrvoje Muhek	1.80	770	1,386 00	Review file received from Service Canada and prepare for further processing by Sears HR.
04/20/21	29004822	27455	Hrvoje Muhek	2.90	770	2,233 00	Preparation of transaction records for Plan Distribution payments issued in March 2021. Call with the Monitor's counsel regarding retiree and employee webinars. Finalize mail merge files for mailing of Plan Distribution notices. Review and provide feedback on mail merge preview files produced by Troi
04/20/21	29004822	27455	Hrvoje Muhek	2.20	770	1,694 00	Mailing. Review of payroll previews for company codes TF6V and TF6W (batch 2).
04/20/21	29004822	14856	Steven Bissell	1.10	885	973 50	Review of webinar materials with Monitor's counsel.
04/21/21	29004822	14798	Gregory Watson	0.50	1,055	527 50	Review of general estate administration matters.
04/21/21	29004822	32475	Hailey Liu	3.20	520	1,664 00	Review email and voicemail inquiries in respect of employee and retiree claims and preparation of responses, update Sears portal contact information, individual status and upload documents. Attended the Sears distribution webinars.
04/21/21	29004822	27455	Hrvoje Muhek	2.50	770	1,925 00	Reconciliation of transactions in the Monitor's accounts for HST filing purposes and email to Sears Treasury. Call with CRA regarding tax matters.
04/21/21	29004822	27455	Hrvoje Muhek	1.80	770	1,386 00	Correspondence with PRC regarding eliminated Lifetime Discount Claims. ERC employee webinar test run call. PRC retiree webinar test run call.
04/21/21	29004822	27455	Hrvoje Muhek	2.60	770	2,002 00	Correspondence with the Monitor's counsel regarding webinar logistics.
04/21/21	29004822	27455	Hrvoje Muhek	2.10	770	1,617 00	Preparation of supporting materials for employee and retiree webinars Q&A. Continued preparation of supporting materials for employee and retiree webinars Q&A and email correspondence with the Monitor's counsel.
04/21/21	29004822	14856	Steven Bissell	3.80	885	3,363 00	Review of Restructuring Claims data in preparation for call with CRA and DoJ. Preparation for ERC and PRC webinars. Preparation for and attendance on call with CRA, Department of Justice and Monitor's counsel to discuss distribution matters. ERC webinar dry run with representatives from ERC, E&Y, and Monitor's counsel. PRC webinar dry run with representatives from PRC, Pension Administrator, E&Y, and Monitor's counsel.
04/22/21	29004822	32475	Hailey Liu	4.50	520	2,340 00	Review email and voicemail inquiries in respect of employee and retiree claims and preparation of responses, update Sears portal contact information, individual status and upload documents. Attended the Sears distribution webinars.
04/22/21	29004822	32475	Hailey Liu	4.10	520	2,132 00	Continued to review email and voicemail inquiries in respect of employee and retiree claims and preparation of responses, update Sears portal contact information, individual status and upload documents. Attended the Sears distribution webinars.
04/22/21	29004822	27455	Hrvoje Muhek	2.90	770	2,233 00	Preparation of Q&A materials for ERC and PRC webinars. Review and provide comments for mail merge Plan Distribution notices prepared by Troi Mailing. Internal call regarding Plan implementation matters.

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Date	Invoice #	TK#	Name	Hours	Rate Billed	Amount Billed	Narrative
04/22/21	29004822	27455	Hrvoje Muhek	2.70	770	2,079 00	Correspondence with PRC regarding retiree Plan implementation matters. Correspondence with Sears Treasury. Correspondence with ADP regarding employee and retiree Plan Distribution payments. Final review and approval of employee and retiree Plan Distribution notices for distribution on April 23. Internal correspondence regarding ADP matters. Correspondence with Service Canada regarding EI assessment process.
04/22/21	29004822	27455	Hrvoje Muhek	1.20	770	924 00	Responded to multiple creditor inquires in the Monitor's mailbox on Plan implementation matters.
04/22/21	29004822	27455	Hrvoje Muhek	2.80	770	2,156 00	Attend PRC retiree webinar. Attend ERC employee webinar.
04/22/21	29004822	14856	Steven Bissell	6.40	885	5,664 00	Preparation for ERC and PRC webinars. Call with Monitor's counsel to discuss call with CRA and Department of Justice and next steps re same. Preparation for an attendance on PRC webinar. Attendance on ERC webinar. Call with H. Muhek to discuss various distribution and CCAA-related matters. Investigation in respect of payments issued to Retirees.
04/23/21	29004822	32475	Hailey Liu	4.30	520	2,236 00	Review email and voicemail inquiries in respect of employee and retiree claims and preparation of responses, update Sears portal contact information, individual status and upload documents. Attended the Sears distribution webinars.
04/23/21	29004822	32475	Hailey Liu	3.90	520	2,028 00	Continued to review email and voicemail inquiries in respect of employee and retiree claims and preparation of responses, update Sears portal contact information, individual status and upload documents. Attended the Sears distribution webinars.
04/23/21	29004822	27455	Hrvoje Muhek	2.80	770	2,156 00	Internal correspondence regarding payrolls processed by ADP ahead of schedule. Review of affected individuals in payroll batches 1 and 2 of company code TF6W. Correspondence with FTI Marketing regarding an email blast to affected individuals. Updates to the Plan Distribution cover letter for individuals whose pay slip and cheques have gone out earlier than scheduled.
04/23/21	29004822	27455	Hrvoje Muhek	3.10	770	2,387 00	Further review of affected individuals in payroll batches 1 and 2 of company code TF6W. Correspondence with Sears HR regarding ADP issues. Review and approval of email blasts prepared by FTI Marketing. Internal call regarding Plan implementation matters. Call with ADP regarding two payrolls processed ahead of schedule.
04/23/21	29004822	27455	Hrvoje Muhek	1.20	770	924 00	Responded to multiple creditor inquires in the Monitor's mailbox.
04/23/21	29004822	14856	Steven Bissell	6.00	885	5,310 00	ADP early issuance of cheque matters and email correspondence to stakeholders re same. Call with Monitor's legal counsel to discuss early distribution matters. Call with representatives from Employee Representative Counsel to discuss early distribution matters. Call with representatives from Pension Representative Counsel to discuss early distribution matters. Email correspondence with ERC, PRC and ADP re same. Participation on PRC French language webinar for Retirees. Participation on ERC French language webinar for former Employees. Call with representatives from ADP regarding distribution matters.
04/24/21	29004822	32475	Hailey Liu	1.90	520	988 00	Review email and voicemail inquiries in respect of employee and retiree claims and preparation of responses, update Sears portal contact information, individual status and upload documents. Attended the Sears distribution webinars.
04/25/21	29004822	32475	Hailey Liu	2.30	520	1,196 00	Review email and voicemail inquiries in respect of employee and retiree claims and preparation of responses, update Sears portal contact information, individual status and upload documents. Attended the Sears distribution webinars.
04/25/21	29004822	27455	Hrvoje Muhek	2.90	770	2,233 00	Preparation of employee and retiree Plan Distribution cover letter pdf files to assist in fielding common inquires in the Monitor's mailbox.
04/25/21	29004822	27455	Hrvoje Muhek	2.20	770	1,694 00	[REDACTED]
04/26/21	29004822	32475	Hailey Liu	5.50	520	2,860 00	Review and respond to email and voicemail inquiries in respect of April 30, 2021 retiree and employee benefit claim payout questions and update of information.
04/26/21	29004822	32475	Hailey Liu	4.30	520	2,236 00	Continued to review and respond to email and voicemail inquiries in respect of April 30, 2021 retiree and employee benefit claim payout questions and update of information.
04/26/21	29004822	32475	Hailey Liu	3.70	520	1,924 00	Continued to review and respond to email inquiries in respect of April 30, 2021 retiree and employee benefit claim payout questions and update of information.
04/26/21	29004822	27455	Hrvoje Muhek	3.70	770	2,849 00	Internal call regarding Plan implementation matters. Call with ADP regarding employee and retiree Plan Distribution. Preparation of payroll wire payments and correspondence with ADP. Internal call regarding common employee / retiree inquires with respect to Plan Distribution. Call with the Monitor's counsel regarding French employee/retiree voice mails.
04/26/21	29004822	27455	Hrvoje Muhek	3.20	770	2,464 00	Review and provide comments for draft Plan Distribution email notices to the remaining employees. [REDACTED]
04/26/21	29004822	27455	Hrvoje Muhek	2.90	770	2,233 00	Responded to multiple employee and retiree phone and email inquires regarding upcoming Plan Distribution. Updated the Monitor's records.

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04/26/21	29004822	27455	Hrvoje Muhek	2.70	770	2,079 00	[REDACTED]
04/26/21	29004822	14856	Steven Bissell	2.00	885	1,770 00	Review of email correspondence and follow-up re various CCAA-related matters. Update call with H. Muhek. Call with B. Church and S. Binder (Sears Canada) and FTI Team [REDACTED]
04/26/21	29004830	25944	Alissa Owen	2.50	400	1,000 00	Call with H. Muhek to discuss distribution related matters. Call with holder of pre-Filing warranty claim. Update claims database.
04/27/21	29004822	32475	Hailey Liu	5.10	520	2,652 00	Review and respond to email and voicemail inquiries in respect of April 30, 2021 retiree and employee benefit claim payout questions and update of information.
04/27/21	29004822	32475	Hailey Liu	4.20	520	2,184 00	Continued to review and respond to email and voicemail inquiries in respect of April 30, 2021 retiree and employee benefit claim payout questions and update of information.
04/27/21	29004822	32475	Hailey Liu	4.80	520	2,496 00	Continued to review and respond to email inquiries in respect of April 30, 2021 retiree and employee benefit claim payout questions and update of information.
04/27/21	29004822	27455	Hrvoje Muhek	3.40	770	2,618 00	Call with ADP regarding employee / retiree Plan Distributions scheduled for April 30. Internal call regarding Plan implementation matters. Coordination of payroll wire payments. [REDACTED]
04/27/21	29004822	27455	Hrvoje Muhek	2.80	770	2,156 00	[REDACTED] Reviewed and provided comments on email notices to employees and retirees with Plan Distribution payment on April 30.
04/27/21	29004822	27455	Hrvoje Muhek	1.80	770	1,386 00	Responded to multiple employee and retiree inquiries regarding upcoming Plan Distribution payments. Updated the Monitor's employee / retiree records.
04/27/21	29004822	27455	Hrvoje Muhek	1.60	770	1,232 00	Reviewed Proof of Claim documents to [REDACTED]
04/27/21	29004822	14856	Steven Bissell	2.20	885	1,947 00	Preparation for and attendance on call with Monitor's counsel to discuss CCAA-related matters. Review and comments on CRA responding materials re [REDACTED]. Call with representatives from ADP re distribution matters. Call with H. Muhek to discuss distribution related matters.
04/27/21	29004830	25944	Alissa Owen	1.50	400	600 00	Update claims database.
04/28/21	29004822	32475	Hailey Liu	5.30	520	2,756 00	Review and respond to email and voicemail inquiries in respect of April 30, 2021 retiree and employee benefit claim payout questions and update of information.
04/28/21	29004822	32475	Hailey Liu	4.40	520	2,288 00	Continued to review and respond to email and voicemail inquiries in respect of April 30, 2021 retiree and employee benefit claim payout questions and update of information.
04/28/21	29004822	32475	Hailey Liu	4.60	520	2,392 00	Continued to review and respond to email inquiries in respect of April 30, 2021 retiree and employee benefit claim payout questions and update of information.
04/28/21	29004822	27455	Hrvoje Muhek	2.90	770	2,233 00	[REDACTED]
04/28/21	29004822	27455	Hrvoje Muhek	2.90	770	2,233 00	Reviewed bounced Plan Distribution emails to former employees and retirees. Prepared mail merge files for external mailing company to distribute notices by Canada Post. Reviewed multiple mail merge previews and approved the mailing job. Correspondence with ADP regarding employee / retiree Plan Distributions. Correspondence with PRC on Plan retiree distribution matters.
04/28/21	29004822	27455	Hrvoje Muhek	3.20	770	2,464 00	Responded to multiple employee and retiree emails and phone calls regarding the upcoming Plan Distribution. Updated the Monitor's employee / records.
04/28/21	29004822	27455	Hrvoje Muhek	3.40	770	2,618 00	Additional emails and phone calls with multiple former employees and retirees regarding the upcoming Plan Distribution. Updated the Monitor's employee / retiree records.
04/28/21	29004822	14856	Steven Bissell	0.50	885	442 50	Call with B. Church (Sears) H. Muhek (FTI) to discuss sales matters in respect of distributions.
04/29/21	29004822	32475	Hailey Liu	5.50	520	2,860 00	Review and respond to email and voicemail inquiries in respect of April 30, 2021 retiree and employee benefit claim payout questions and update of information.
04/29/21	29004822	32475	Hailey Liu	4.90	520	2,548 00	Continued to review and respond to email and voicemail inquiries in respect of April 30, 2021 retiree and employee benefit claim payout questions and update of information.
04/29/21	29004822	32475	Hailey Liu	3.40	520	1,768 00	Continued to review and respond to email inquiries in respect of April 30, 2021 retiree and employee benefit claim payout questions and update of information.

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04/29/21	29004822	27455	Hrvoje Muhek	2.70	770	2,079 00	Internal call regarding various Plan implementation matters. Call with Service Canada regarding EI overpayment assessment process for approximately 4,700 former employees and retirees that haven't been cleared yet. Correspondence with PRC regarding Plan matters,
04/29/21	29004822	27455	Hrvoje Muhek	2.60	770	2,002 00	Call with Blaney McMurtry regarding post-filing landlord claims. Correspondence with ADP and Sears HR regarding former employee / retiree Plan Distribution matters. . Reviewed and provided comments with respect to ERC's proposed website notice and FAQ document on Plan Distributions.
04/29/21	29004822	27455	Hrvoje Muhek	1.20	770	924 00	Responded to multiple emails and phone calls regarding Plan Distributions to former employees and retirees. Updated the Monitor's employee / retiree records.
04/29/21	29004822	27455	Hrvoje Muhek	1.10	770	847 00	Preparation of support materials for call with Landlord counsel in respect of distributions. Call with representatives from Service Canada in respect of EI overpayment review. Call with Landlord counsel in respect of initial Plan Distributions and post-Filing claims. Review of CRA support data base. Review and comments on ERC materials in respect of distributions.
04/29/21	29004822	14856	Steven Bissell	2.30	885	2,035 50	Review and respond to email and voicemail inquiries in respect of April 30, 2021 retiree and employee benefit claim payout questions and update of information.
04/30/21	29004822	32475	Hailey Liu	4.60	520	2,392 00	Continued to review and respond to email and voicemail inquiries in respect of April 30, 2021 retiree and employee benefit claim payout questions and update of information.
04/30/21	29004822	32475	Hailey Liu	3.50	520	1,820 00	Continued to review and respond to email and voicemail inquiries in respect of April 30, 2021 retiree and employee benefit claim payout questions and update of information.
04/30/21	29004822	14856	Steven Bissell	0.30	885	265 50	Review and respond to email and voicemail inquiries in respect to April 30, 2021 payouts for retiree and employee benefit claims questions, update of information, coordinate reissue of payments and providing time line updates.
05/01/21	29004830	32475	Hailey Liu	3.20	520	1,664 00	Review and respond to email and voicemail inquiries in respect to April 30, 2021 payouts for retiree and employee benefit claims questions, update of information, coordinate reissue of payments and providing time line updates.
05/02/21	29004830	32475	Hailey Liu	4.10	520	2,132 00	Review and respond to email and voicemail inquiries in respect of April 30, 2021 retiree and employee benefit claim payout questions and update of information.
05/03/21	29004830	32475	Hailey Liu	5.70	520	2,964 00	Continued to review and respond to email and voicemail inquiries in respect of April 30, 2021 retiree and employee benefit claim payout questions and update of information.
05/03/21	29004830	32475	Hailey Liu	4.30	520	2,236 00	Continued to review and respond to email inquiries in respect of April 30, 2021 retiree and employee benefit claim payout questions and update of information.
05/03/21	29004830	32475	Hailey Liu	3.70	520	1,924 00	Responded to multiple emails and phone calls in the Monitor's mailbox.
05/03/21	29004830	27455	Hrvoje Muhek	2.30	770	1,771 00	Reconcile Plan Distribution payments issued up to May 3, 2021 and calculate balance transfer amounts to align bank cash with accounting values.
05/03/21	29004830	27455	Hrvoje Muhek	2.50	770	1,925 00	Prepare a Plan Distribution reconciliation calculation for FA advisor to PRC. Review information request list sent by Service Canada and prepare a file for further review by Sears HR. Internal call regarding Plan implementation matters. Prepared an overview of individuals with missing S N's for PRC. Review and process rejected direct deposit data received from ADP.
05/03/21	29004830	27455	Hrvoje Muhek	2.70	770	2,079 00	Website updates performed for FTI Case Sites for Sears. Requested by Hrvoje Muhek.
05/03/21	29004830	24354	Kathleen Foster	0.30	145	43 50	Review and approve payments
05/03/21	29004830	14800	Paul Bishop	1.60	1,055	1,688 00	Review of email correspondence and follow-up re various CCAA-related matters.
05/03/21	29004830	14856	Steven Bissell	0.30	885	265 50	Review of general estate administration matters.
05/04/21	29004830	14798	Gregory Watson	1.00	1,055	1,055 00	Review and respond to email and voicemail inquiries in respect of April 30, 2021 retiree and employee benefit claim payout questions and update of information.
05/04/21	29004830	32475	Hailey Liu	5.40	520	2,808 00	Continued to review and respond to email and voicemail inquiries in respect of April 30, 2021 retiree and employee benefit claim payout questions and update of information.
05/04/21	29004830	32475	Hailey Liu	4.70	520	2,444 00	Continued to review and respond to email inquiries in respect of April 30, 2021 retiree and employee benefit claim payout questions and update of information.
05/04/21	29004830	32475	Hailey Liu	3.30	520	1,716 00	Responded to multiple creditor emails and phone calls in the Monitor's mailbox regarding a recent Plan Distribution. Updated the Monitor's creditor information.
05/04/21	29004830	27455	Hrvoje Muhek	2.80	770	2,156 00	

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05/04/21	29004830	27455	Hrvoje Muhek	2.70	770	2,079 00	Prepare account transfer to align bank cash with accounting values in accordance with the A&R Plan. Draft SRP and CRA creditor letters to be sent with the Plan Distribution cheque payments. Call with the ERC regarding employees whose Termination Claims have been satisfied under the WEPP.
05/04/21	29004830	27455	Hrvoje Muhek	2.70	770	2,079 00	Correspondence with PRC regarding retiree matters. Correspondence with Sears HR regarding employee / retiree Plan Distribution matters.
05/04/21	29004830	27455	Hrvoje Muhek	2.80	770	2,156 00	Correspondence with the Monitor's counsel regarding Plan implementation matters. Preparation of employee / retiree consolidated cover letter files to assist with responding to inquires in the Monitor's mailbox.
05/04/21	29004830	27455	Hrvoje Muhek	0.70	770	539 00	Continued to respond to multiple creditor emails and phone calls in the Monitor's mailbox regarding a recent Plan Distribution. Updated the Monitor's creditor information, and coordinated re-issuance of cheques and direct deposits.
05/04/21	29004830	14800	Paul Bishop	0.50	1,055	527 50	Reviewed late filed claims by a claimant who purchased claim rights from multiple vendors.
05/04/21	29004830	14856	Steven Bissell	1.40	885	1,239 00	Review and authorise payments
05/05/21	29004830	25944	Alissa Owen	1.60	400	640 00	Review of email correspondence and draft invoices and follow-up on various CCAA-related matters. Call with H. Muhek to discuss pending matters.
05/05/21	29004830	32475	Hailey Liu	5.60	520	2,912 00	Preparation of email to CRA re distribution matters.
05/05/21	29004830	32475	Hailey Liu	4.10	520	2,132 00	Update claims database.
05/05/21	29004830	32475	Hailey Liu	1.90	520	988 00	Review and respond to email and voicemail inquiries in respect of April 30, 2021 retiree and employee benefit claim payout questions and update of information.
05/05/21	29004830	27455	Hrvoje Muhek	3.20	770	2,464 00	Continued to review and respond to email and voicemail inquiries in respect of April 30, 2021 retiree and employee benefit claim payout questions and update of information.
05/05/21	29004830	27455	Hrvoje Muhek	3.30	770	2,541 00	Responded to multiple inquiries by former employees and retirees regarding the recent Plan Distribution. Updated the Monitor's employee / retiree records.
05/05/21	29004830	27455	Hrvoje Muhek	2.90	770	2,233 00	Coordinate the re-issuance of returned Plan Distribution payments.
05/06/21	29004830	32475	Hailey Liu	5.40	520	2,808 00	Continue to respond to inquires of former employees and retirees regarding April 30 Plan Distribution and ERC and PRC webinars. Updated the Monitor's employee / retiree records. Coordinate the re-issuance of returned Plan Distribution payments.
05/06/21	29004830	32475	Hailey Liu	4.60	520	2,392 00	Internal calls regarding Plan implementation matters. Updated the Monitor's automatic voice mail script. Prepared Plan Distribution payments on account of the SRP Claim. Correspondence with PRC, Sears HR, and the Monitor's counsel regarding various Plan matters.
05/06/21	29004830	32475	Hailey Liu	3.10	520	1,612 00	Review and respond to email and voicemail inquiries in respect of April 30, 2021 retiree and employee benefit claim payout questions and update of information.
05/06/21	29004830	27455	Hrvoje Muhek	1.90	770	1,463 00	Continued to review and respond to email inquiries in respect of April 30, 2021 retiree and employee benefit claim payout questions and update of information.
05/06/21	29004830	27455	Hrvoje Muhek	2.70	770	2,079 00	Responded to multiple employee and retiree email inquires in the Monitor's mailbox in response to the recent Plan Distribution. Updated the Monitor's retiree and employee records. Coordinated re-issuance of returned Plan Distribution payments.
05/06/21	29004830	27455	Hrvoje Muhek	3.20	770	2,464 00	Internal call regarding employee and retiree inquiries in the Monitor's mailbox. Call with Sears HR regarding employee / retiree Plan Distribution matters. Call with PRC and the Pension Plan Administrator regarding retiree inquiries.
05/06/21	29004830	27455	Hrvoje Muhek	3.30	770	2,541 00	Reviewed and provided comments for the FAQ document prepared by PRC to address a large number of retiree inquires.
05/06/21	29004830	14856	Steven Bissell	0.40	885	354 00	Responded to multiple creditor email inquires in the Monitor's mailbox in response to the recent Plan Distribution. Updated the Monitor's records.
05/07/21	29004830	32475	Hailey Liu	4.80	520	2,496 00	Continued responding to multiple employee and retiree voice mails in the Monitor's mailbox in response to the recent Plan Distribution. Updated the Monitor's employee / retiree records.
05/07/21	29004830	32475	Hailey Liu	3.50	520	1,820 00	Call with representatives from PRC and Pension Administrator to discuss responses to Pension related claims questions.
							Review and respond to email and voicemail inquiries in respect to April 30, 2021 payouts for retiree and employee benefit claims questions, update of information, coordinate reissue of payments and providing time line updates.
							Continued to review and respond to email and voicemail inquiries in respect to April 30, 2021 payouts for retiree and employee benefit claims questions, update of information, coordinate reissue of payments and providing time line updates.

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Date	Invoice #	TK#	Name	Hours	Rate Billed	Amount Billed	Narrative
05/07/21	29004830	27455	Hrvoje Muhek	2.70	770	2,079 00	Correspondence with PRC regarding retiree Plan matters. Correspondence with Service Canada regarding former employees under review for overpayment of EI benefits. Correspondence with ERC regarding employee Plan matters.
05/07/21	29004830	27455	Hrvoje Muhek	1.50	770	1,155 00	Internal calls regarding various Plan matters. Correspondence with the Monitor's counsel regarding late claims. Update the transactions records from the Monitor's accounts for ITC filing by Sears Treasury.
05/07/21	29004830	27455	Hrvoje Muhek	2.90	770	2,233 00	Responded to multiple inquires by former employees and retirees in response to the April 30 Plan Distribution. Updated the Monitor's employee and retiree records. Coordinated the re-issuance of returned Plan Distribution payments.
05/08/21	29004830	32475	Hailey Liu	2.80	520	1,456 00	Review and respond to email and voicemail inquiries in respect to April 30, 2021 payouts for retiree and employee benefit claims questions, update of information, coordinate reissue of payments and providing time line updates.
05/09/21	29004830	32475	Hailey Liu	3.20	520	1,664 00	Review and respond to email and voicemail inquiries in respect to April 30, 2021 payouts for retiree and employee benefit claims questions, update of information, coordinate reissue of payments and providing time line updates.
05/10/21	29004830	32475	Hailey Liu	5.20	520	2,704 00	Review and respond to email and voicemail inquiries in respect to April 30, 2021, May 21, 2021 and June 4, 2021 payment fore retiree and employee
05/10/21	29004830	32475	Hailey Liu	3.70	520	1,924 00	Continued to review and respond to email and voicemail inquiries in respect to April 30, 2021, May 21, 2021 and June 4, 2021 payment fore retiree and employee
05/10/21	29004830	32475	Hailey Liu	1.30	520	676 00	Continued to review and respond to email inquiries in respect to April 30, 2021, May 21, 2021 and June 4, 2021 payment fore retiree and employee
05/10/21	29004830	27455	Hrvoje Muhek	2.90	770	2,233 00	Reconciliation of received Joinder Agreements and internal correspondence on this matter. Reconciliation of transactions in Sears bank accounts in March 2021. Reviewed and processed data of returned cheques received from ADP, and comparison against payroll preview files.
05/10/21	29004830	27455	Hrvoje Muhek	1.70	770	1,309 00	Responded to multiple creditor inquiries in the Monitor's mailbox. Updated the Monitor's creditor records.
05/10/21	29004830	14800	Paul Bishop	1.40	1,055	1,477 00	Update on distribution and other matters
05/11/21	29004830	32475	Hailey Liu	5.10	520	2,652 00	Review and respond to email and voicemail inquiries in respect to April 30, 2021, May 21, 2021 and June 4, 2021 payment fore retiree and employee
05/11/21	29004830	32475	Hailey Liu	3.80	520	1,976 00	Continued to review and respond to email and voicemail inquiries in respect to April 30, 2021, May 21, 2021 and June 4, 2021 payment fore retiree and employee
05/11/21	29004830	32475	Hailey Liu	0.90	520	468 00	Continued to review and respond to email inquiries in respect to April 30, 2021, May 21, 2021 and June 4, 2021 payment fore retiree and employee
05/11/21	29004830	27455	Hrvoje Muhek	2.80	770	2,156 00	Responded to multiple employee and retiree inquiries and phone calls with respect to Plan Distribution issued on April 30. Updated the Monitor's employee/retiree records.
05/11/21	29004830	27455	Hrvoje Muhek	1.10	770	847 00	Reconciliation of late assigned claims asserted by a new creditor. Two calls with the Monitor's counsel regarding [REDACTED]. Call with the creditor with multiple assigned late claims.
05/11/21	29004830	14856	Steven Bissell	1.40	885	1,239 00	Preparation for update call with Monitor's legal counsel. Update call with Monitor's legal counsel to discuss CCAA pending matters. Preparation for and participation on call with Monitor and Monitor's counsel [REDACTED]
05/12/21	29004830	32475	Hailey Liu	4.30	520	2,236 00	Review and respond to email and voicemail inquiries in respect to April 30, 2021, May 21, 2021 and June 4, 2021 payment fore retiree and employee
05/12/21	29004830	32475	Hailey Liu	3.90	520	2,028 00	Continued to review and respond to email and voicemail inquiries in respect to April 30, 2021, May 21, 2021 and June 4, 2021 payment fore retiree and employee
05/12/21	29004830	32475	Hailey Liu	1.30	520	676 00	Continued to review and respond to email inquiries in respect to April 30, 2021, May 21, 2021 and June 4, 2021 payment fore retiree and employee
05/12/21	29004830	27455	Hrvoje Muhek	0.90	770	693 00	Call with Sears HR regarding re-issued Plan Distribution payments and employee address updates. Prepared a response file for Service Canada in respect of [REDACTED].
05/12/21	29004830	27455	Hrvoje Muhek	2.80	770	2,156 00	Responded to multiple retiree and former employee emails and phone calls in the Monitor's mailbox. Updated the Monitor's retiree and former employee records.
05/12/21	29004830	24354	Kathleen Foster	0.30	145	43 50	Website updates performed for FTI Case Sites for Sears. Requested by Hrvoje Muhek.
05/12/21	29004830	14800	Paul Bishop	0.80	1,055	844 00	Review of correspondence and payments
05/12/21	29004830	14856	Steven Bissell	1.90	885	1,681 50	Review of email correspondence and follow-up on various CCAA related matters including response to counsel for creditor re timing of distributions. Review of distribution outsourcing costs. Call with Epiq to discuss unsecured creditor distribution work stream. Review of draft financial statements in respect of joint venture with Westcliff. Email correspondence re same.
05/13/21	29004830	32475	Hailey Liu	4.10	520	2,132 00	Review and respond to email and voicemail inquiries in respect to April 30, 2021, May 21, 2021 and June 4, 2021 payment fore retiree and employee
05/13/21	29004830	32475	Hailey Liu	3.60	520	1,872 00	Continued to review and respond to email and voicemail inquiries in respect to April 30, 2021, May 21, 2021 and June 4, 2021 payment fore retiree and employee

Sears Canada (420956.0003)
January 1, 2021 to May 31, 2021

Date	Invoice #	TK#	Name	Hours	Rate Billed	Amount Billed	Narrative
05/13/21	29004830	32475	Hailey Liu	1.40	520	728 00	Continued to review and respond to email inquiries in respect to April 30, 2021, May 21, 2021 and June 4, 2021 payment fore retiree and employee
05/13/21	29004830	27455	Hrvoje Muhek	2.60	770	2,002 00	Call with ADP regarding re-issuing returned Plan Distribution payments. Call with CRA regarding Shadow Tax Analysis. Email correspondence with PRC regarding retiree Plan Distribution matters. Email to Financial Advisors to PRC in respect of retiree claims matters. Updated the Monitor's notes with respect to several Plan implementation work streams.
05/13/21	29004830	27455	Hrvoje Muhek	2.50	770	1,925 00	Responded to multiple retiree and former employee emails and phone calls in the Monitor's mailbox. Updated the Monitor's retiree and former employee records. Updates to the Monitor's information change tracker of employee/retiree updates.
05/13/21	29004830	14856	Steven Bissell	1.20	885	1,062 00	Preparation for and attendance on call with [REDACTED].
05/14/21	29004830	32475	Hailey Liu	3.90	520	2,028 00	Review and respond to email and voicemail inquiries in respect to April 30, 2021, May 21, 2021 and June 4, 2021 payment fore retiree and employee
05/14/21	29004830	32475	Hailey Liu	3.30	520	1,716 00	Continued to review and respond to email and voicemail inquiries in respect to April 30, 2021, May 21, 2021 and June 4, 2021 payment fore retiree and employee
05/14/21	29004830	27455	Hrvoje Muhek	2.70	770	2,079 00	Responded to multiple retiree and former employee emails and phone calls in the Monitor's mailbox. Updated the Monitor's retiree and former employee records. Further updates to the Monitor's information change tracker of employee/retiree updates. Internal call regarding employee / retiree responses.
05/14/21	29004830	27455	Hrvoje Muhek	2.30	770	1,771 00	Call with Sears HR regarding re-issuing Plan Distribution payments to spouses of deceased retirees. Edits to the Plan Distribution cover letter to general unsecured creditors. Correspondence with the Monitor's counsel regarding the cover letter. Email to legal counsel which represents multiple landlords requesting additional information requested by the Monitor needed for execution of Plan Distribution payments.
05/14/21	29004830	24354	Kathleen Foster	0.30	145	43 50	Website updates performed for FTI Case Sites for Sears. Requested by Hrvoje Muhek.
05/14/21	29004830	14800	Paul Bishop	1.20	1,055	1,266 00	Status update review of payments
05/14/21	29004830	14856	Steven Bissell	1.20	885	1,062 00	Call with Monitor's counsel to discuss [REDACTED]. Follow-up re cover letter in respect of general unsecured creditors. Review of draft financial statements in respect of Sears joint venture. Email correspondence re same.
05/16/21	29004830	27455	Hrvoje Muhek	1.70	770	1,309 00	Responded to multiple retiree and former employee emails in the Monitor's mailbox. Updated the Monitor's retiree and former employee records.
05/17/21	29004839	32475	Hailey Liu	4.20	520	2,184 00	Review and respond to email and voicemail inquires in respect to Retiree and Employee benefit claims, severance claim and lifetime discount claim payment distributions, update records, coordinate payment information.
05/17/21	29004839	32475	Hailey Liu	4.50	520	2,340 00	Continued to review and respond to email and voicemail inquires in respect to Retiree and Employee benefit claims, severance claim and lifetime discount claim payment distributions, update records, coordinate payment information.
05/17/21	29004839	27455	Hrvoje Muhek	3.10	770	2,387 00	Correspondence with claimant's counsel regarding Plan Distribution matters. Email to CRA regarding outstanding Plan Distribution tax matters. Review status of outstanding warranty claims work streams. Correspondence with Sears HR regarding the information request received from Service Canada in connection with the Plan Distributions. Correspondence with Service Canada regarding Plan Distribution matters. Requested a contact database of all general creditors.
05/17/21	29004839	27455	Hrvoje Muhek	1.60	770	1,232 00	Responded to multiple creditor inquiries in the Monitor's mailbox. Updated the Monitor's creditor records. Internal call to coordinate responses to creditors with more complex inquires.
05/17/21	29004839	14856	Steven Bissell	1.40	885	1,239 00	Draft letter to [REDACTED]. Call with Monitor's counsel [REDACTED].
05/18/21	29004839	32475	Hailey Liu	4.60	520	2,392 00	Review and respond to email and voicemail inquires in respect to Retiree and Employee benefit claims, severance claim and lifetime discount claim payment distributions, update records, coordinate payment information.
05/18/21	29004839	32475	Hailey Liu	3.70	520	1,924 00	Continued to review and respond to email and voicemail inquires in respect to Retiree and Employee benefit claims, severance claim and lifetime discount claim payment distributions, update records, coordinate payment information.
05/18/21	29004839	27455	Hrvoje Muhek	3.10	770	2,387 00	Status update call with the Warranty Claims Administrator to coordinate execution of the remaining steps to conclude the warranty claims process. High level review of late claims submitted on behalf of nine vendors.
05/18/21	29004839	27455	Hrvoje Muhek	2.10	770	1,617 00	Correspondence with the creditor that purchased the claim rights and Sears management. Call with Sears management regarding late filed claims. Updates to the Monitor's claim records. Preparation of NORD's in connection with the 22 Joinder Agreements signed by landlords.
05/18/21	29004839	27455	Hrvoje Muhek	2.10	770	1,617 00	Review ADP payroll preview file in connection with re-issued Plan Distribution payments to former employees and retirees. Internal call regarding the ADP payroll preview file. Correspondence with ERC regarding employee Plan Distribution matters.

Sears Canada (420956.0003)
January 1, 2021 to May 31, 2021

Date	Invoice #	TK#	Name	Hours	Rate Billed	Amount Billed	Narrative
05/18/21	29004839	14856	Steven Bissell	0.50	885	442 50	Review of materials and call with Warranty Claims administrator and S. Binder (Sears Canada) to discuss status of Warranty Claims process.
05/19/21	29004839	32475	Hailey Liu	4.60	520	2,392 00	Review and respond to email and voicemail inquires in respect to Retiree and Employee benefit claims, severance claim and lifetime discount claim payment distributions, update records, coordinate payment information.
05/19/21	29004839	32475	Hailey Liu	3.60	520	1,872 00	Continued to review and respond to email and voicemail inquires in respect to Retiree and Employee benefit claims, severance claim and lifetime discount claim payment distributions, update records, coordinate payment information.
05/19/21	29004839	27455	Hrvoje Muhek	1.20	770	924 00	Correspondence with a creditor regarding a late filed claim. Review of outstanding landlord post-filing claims and email to Sears Treasury. Correspondence with the creditor regarding Plan Distribution payment instructions.
05/19/21	29004839	27455	Hrvoje Muhek	2.90	770	2,233 00	Coordination of wire payments to fund re-issued Plan Distribution payments to approximately 100 retirees. Correspondence with ADP on Plan Distribution matters. Reconciliation of Plan Distribution payments for ITC filing purposes and email correspondence with Sears Treasury. Email to the Monitor's counsel regarding Plan Distribution cover letters and re-issued payments to spouses of deceased retirees. Correspondence with PRC regarding retiree Plan Distribution matters. Email to Service Canada regarding additional individuals with Plan Distributions.
05/19/21	29004839	27455	Hrvoje Muhek	0.70	770	539 00	Responded to multiple creditor inquires in the Monitor's mailbox.
05/20/21	29004839	25944	Alissa Owen	1.00	400	400 00	Update claims database; pull master vendor list.
05/20/21	29004839	32475	Hailey Liu	4.40	520	2,288 00	Review and respond to email and voicemail inquires in respect to Retiree and Employee benefit claims, severance claim and lifetime discount claim payment distributions, update records, coordinate payment information.
05/20/21	29004839	32475	Hailey Liu	3.20	520	1,664 00	Continued to review and respond to email and voicemail inquires in respect to Retiree and Employee benefit claims, severance claim and lifetime discount claim payment distributions, update records, coordinate payment information.
05/20/21	29004839	27455	Hrvoje Muhek	1.30	770	1,001 00	Call with ADP regarding re-issued Plan Distribution payments to spouses of deceased retirees. Call with Sears HR regarding Plan Distribution ADP matters. Correspondence with an external vendor regarding printing and mailing of Plan Distribution cover letters and cheques to general creditors.
05/20/21	29004839	27455	Hrvoje Muhek	1.30	770	1,001 00	Responded to multiple emails and phone calls in the Monitor's mailbox. Updated the Monitor's creditor records.
05/20/21	29004839	27455	Hrvoje Muhek	0.70	770	539 00	Draft a NORD with respect to an insurance litigation claim assumed by the original manufacturer. Email to the Monitor's counsel.
05/20/21	29004839	24354	Kathleen Foster	0.30	145	43 50	Website updates performed for FTI Case Sites for Sears. Requested by Hrvoje Muhek.
05/20/21	29004839	14800	Paul Bishop	1.20	1,055	1,266 00	Review of payments and correspondence status update
05/20/21	29004839	14856	Steven Bissell	0.30	885	265 50	Review and execution of settlement agreement re post-filing injury claim.
05/21/21	29004839	32475	Hailey Liu	4.30	520	2,236 00	Review and respond to email and voicemail inquires in respect to Retiree and Employee benefit claims, severance claim and lifetime discount claim payment distributions, update records, coordinate payment information.
05/21/21	29004839	32475	Hailey Liu	3.10	520	1,612 00	Continued to review and respond to email and voicemail inquires in respect to Retiree and Employee benefit claims, severance claim and lifetime discount claim payment distributions, update records, coordinate payment information.
05/21/21	29004839	27455	Hrvoje Muhek	1.70	770	1,309 00	Internal status update call regarding open Sears work streams. Reviewed and edited the Plan Distribution payroll import file prepared by Sears HR. Correspondence with Service Canada regarding the outstanding employee information requests.
05/21/21	29004839	27455	Hrvoje Muhek	2.60	770	2,002 00	Responded to multiple emails and phone calls by former employees and retirees of Sears Canada Entities. Updated the Monitor's employee and retiree records.
05/21/21	29004839	14856	Steven Bissell	0.40	885	354 00	Update call with H. Muhek to discuss pending matters.
05/22/21	29004839	14856	Steven Bissell	0.20	885	177 00	Review and comments on [REDACTED]
05/24/21	29004839	32475	Hailey Liu	1.80	520	936 00	Review and respond to email and voicemail inquires in respect to Retiree and Employee benefit claims, severance claim and lifetime discount claim payment distributions, update records, coordinate payment information.
05/24/21	29004839	27455	Hrvoje Muhek	2.70	770	2,079 00	Preparation of the Initial Plan Distribution mail merge database for general unsecured creditors.
05/24/21	29004839	27455	Hrvoje Muhek	2.40	770	1,848 00	Continued preparation and control of the Initial Plan Distribution mail merge database for general unsecured creditors.
05/25/21	29004839	14798	Gregory Watson	1.00	1,055	1,055 00	Review of general estate administration matters.
05/25/21	29004839	32475	Hailey Liu	4.80	520	2,496 00	Review and respond to email and voicemail inquires in respect to Retiree and Employee benefit claims, severance claim and lifetime discount claim payment distributions, update records, coordinate payment information.
05/25/21	29004839	32475	Hailey Liu	4.50	520	2,340 00	Continued to review and respond to email and voicemail inquires in respect to Retiree and Employee benefit claims, severance claim and lifetime discount claim payment distributions, update records, coordinate payment information.

Sears Canada (420956.0003)
January 1, 2021 to May 31, 2021

Date	Invoice #	TK#	Name	Hours	Rate Billed	Amount Billed	Narrative
05/25/21	29004839	27455	Hrvoje Muhek	2.30	770	1,771 00	Further updates to the Initial Plan Distribution mail merge database for general unsecured creditors.
05/25/21	29004839	27455	Hrvoje Muhek	3.00	770	2,310 00	Control and finalization of the Initial Plan Distribution mail merge database for the general unsecured creditors.
05/26/21	29004839	32475	Hailey Liu	4.50	520	2,340 00	Review and respond to email and voicemail inquires in respect to Retiree and Employee benefit claims, severance claim and lifetime discount claim payment distributions, update records, coordinate payment information.
05/26/21	29004839	32475	Hailey Liu	3.70	520	1,924 00	Continued to review and respond to email and voicemail inquires in respect to Retiree and Employee benefit claims, severance claim and lifetime discount claim payment distributions, update records, coordinate payment information.
05/26/21	29004839	27455	Hrvoje Muhek	0.70	770	539 00	Send a Notice of Revision or Disallowance to an insurance litigation claimant. Call with the Monitor's counsel regarding the claims process matters. Updated the Monitor's claims databases.
05/26/21	29004839	27455	Hrvoje Muhek	3.00	770	2,310 00	Internal call regarding employee and retiree Plan Distribution matters. Responded to ERC's former employee information request. Coordination of printing and mailing of the Initial Plan Distribution cheque payments and cover letters. Control retiree/employee Plan Distribution payroll preview file received from ADP. Email correspondence with ADP regarding re-issued payments.
05/26/21	29004839	14800	Paul Bishop	1.70	1,055	1,793 50	Update, review of payments, review of invoices
05/27/21	29004839	32475	Hailey Liu	4.50	520	2,340 00	Review and respond to email and voicemail inquires in respect to Retiree and Employee benefit claims, severance claim and lifetime discount claim payment distributions, update records, coordinate payment information.
05/27/21	29004839	32475	Hailey Liu	3.60	520	1,872 00	Continued to review and respond to email and voicemail inquires in respect to Retiree and Employee benefit claims, severance claim and lifetime discount claim payment distributions, update records, coordinate payment information.
05/27/21	29004839	27455	Hrvoje Muhek	1.10	770	847 00	Two FTI internal calls regarding various Sears Plan Distribution matters. Call with ADP regarding re-issued plan Distribution payments. Call with Sears HR regarding Plan Distributions.
05/27/21	29004839	27455	Hrvoje Muhek	1.90	770	1,463 00	Responded to multiple email and phone call creditor inquires in the Monitor's mailbox. Updated the Monitor's creditor records.
05/27/21	29004839	27455	Hrvoje Muhek	2.60	770	2,002 00	Quality control of the Initial Plan Distribution cheque and cover letter printing and mailing project executed by an external vendor.
05/27/21	29004839	14856	Steven Bissell	0.30	885	265 50	Update call with H. Muhek
05/28/21	29004839	32475	Hailey Liu	4.40	520	2,288 00	Review and respond to email and voicemail inquires in respect to Retiree and Employee benefit claims, severance claim and lifetime discount claim payment distributions, update records, coordinate payment information.
05/28/21	29004839	32475	Hailey Liu	3.20	520	1,664 00	Continued to review and respond to email and voicemail inquires in respect to Retiree and Employee benefit claims, severance claim and lifetime discount claim payment distributions, update records, coordinate payment information.
05/28/21	29004839	27455	Hrvoje Muhek	2.70	770	2,079 00	Responded to multiple email and phone call creditor inquires in the Monitor's mailbox. Updated the Monitor's creditor records. Correspondence with PRC and ERC on employee/retiree Plan Distribution matters. Correspondence with Service Canada regarding the remaining employees still under review for potential EI overpayment.
05/28/21	29004839	27455	Hrvoje Muhek	1.90	770	1,463 00	Further quality control and revisions to the Initial Plan Distribution cheque and cover letter printing and mailing project executed by an external vendor.
05/28/21	29004839	27455	Hrvoje Muhek	1.90	770	1,463 00	Control and revisions of the revised payroll preview files in respect of re-issued Plan Distribution payments to former employees and retirees. Correspondence with Sears HR and ADP. Call with Sears HR.
05/28/21	29004839	14856	Steven Bissell	0.30	885	265 50	Call with Monitor's counsel to discuss [REDACTED]
05/30/21	29004839	32475	Hailey Liu	1.30	520	676 00	Review and respond to email and voicemail inquires in respect to Retiree and Employee benefit claims, severance claim and lifetime discount claim payment distributions, update records, coordinate payment information.
05/31/21	29004839	32475	Hailey Liu	3.90	520	2,028 00	Review and respond to email and voicemail inquires in respect to Retiree and Employee benefit claims, severance claim and lifetime discount claim payment distributions, update records, coordinate payment information.
05/31/21	29004839	32475	Hailey Liu	3.70	520	1,924 00	Continued to review and respond to email and voicemail inquires in respect to Retiree and Employee benefit claims, severance claim and lifetime discount claim payment distributions, update records, coordinate payment information.
05/31/21	29004839	27455	Hrvoje Muhek	3.20	770	2,464 00	Preparation of Initial Plan Distribution wire payments and control against the source files. Correspondence regarding payments approvals.
05/31/21	29004839	27455	Hrvoje Muhek	0.90	770	693 00	Correspondence with Service Canada regarding the clearance status of the remaining employees. Correspondence with Sears HR regarding Plan Distribution payroll matters. Correspondence with Troi Mailing regarding Initial Plan Distribution cheques and cover letters.
05/31/21	29004839	27455	Hrvoje Muhek	2.70	770	2,079 00	Preparation of the Initial Plan Distribution mail merge files and cover letters for creditors who received their Plan Distributions in the form of a wire payment.

Sears Canada (420956.0003)
January 1, 2021 to May 31, 2021

Date	Invoice #	TK#	Name	Hours	Rate Billed	Amount Billed	Narrative
05/31/21	29004839	27455	Hrvoje Muhek	1.80	770	1,386 00	Continued preparation of the Initial Plan Distribution mail merge files and cover letters for creditors who received their Plan Distributions in the form of a wire payment.
05/31/21	29004839	27455	Hrvoje Muhek	1.80	770	1,386 00	Reconciliation of the Initial Plan Distributions against bank transaction records. Distribution of the Initial Plan Distribution cover letters to multiple creditors.

THIS IS **EXHIBIT "B"** TO THE AFFIDAVIT OF
STEVEN BISSELL SWORN BEFORE ME VIA
VIDEOCONFERENCE IN THE CITY OF OAKVILLE,
IN THE PROVINCE OF ONTARIO,
THIS 15TH DAY OF JULY, 2021,
IN ACCORDANCE WITH O. REG. 431/20,
ADMINISTERING OATH OR DECLARATION
REMOTELY



A Commissioner for taking Affidavits in Ontario

Summary of FTI Invoices
Sears Canada
January 1, 2021 to May 31, 2021

Invoice #	Invoice Date	Period End Date	Fees	Expenses	Subtotal - Fees + Expenses	GST/HST	Total
29004629	1/19/21	1/17/21	62,709.00	-	62,709.00	8,152.17	70,861.17
29004650	1/31/21	1/31/21	65,052.50	254.23	65,306.73	8,489.87	73,796.60
29004684	2/18/21	2/18/21	16,634.50	491.93	17,126.43	2,226.44	19,352.87
29004700	2/28/21	2/28/21	38,126.50	290.33	38,416.83	4,994.19	43,411.02
29004732	3/16/21	3/16/21	60,343.50	-	60,343.50	7,844.66	68,188.16
29004747	3/31/21	3/31/21	103,020.50	106.29	103,126.79	13,406.48	116,533.27
29004782	4/20/21	4/20/21	90,379.50	249.38	90,628.88	11,781.75	102,410.63
29004822	4/30/21	4/30/21	140,844.50	-	140,844.50	18,309.79	159,154.29
29004830	5/18/21	5/18/21	133,940.00	251.90	134,191.90	17,444.95	151,636.85
29004839	5/31/21	5/31/21	96,652.00	-	96,652.00	12,564.76	109,216.76
		TOTAL	807,702.50	1,644.06	809,346.56	105,215.06	914,561.62

THIS IS **EXHIBIT "C"** TO THE AFFIDAVIT OF
STEVEN BISSELL SWORN BEFORE ME VIA
VIDEOCONFERENCE IN THE CITY OF OAKVILLE,
IN THE PROVINCE OF ONTARIO,
THIS 15TH DAY OF JULY, 2021,
IN ACCORDANCE WITH O. REG. 431/20,
ADMINISTERING OATH OR DECLARATION
REMOTELY



A Commissioner for taking Affidavits in Ontario

Professional	Title	Hours	Standard Rates	Amount Billed
Gregory Watson	Senior Managing Director	13.5	1,055	14,242.50
Paul Bishop	Senior Managing Director	40.1	1,055	42,305.50
Steven Bissell	Managing Director	176.6	885	156,291.00
Michael Basso	Senior Director	0.7	770	539.00
Hrvoje Muhek	Senior Director	291.4	770	224,378.00
Hrvoje Muhek	Director	222.9	640	142,656.00
Hailey Liu	Senior Consultant	419.5	520	218,140.00
Alissa Owen	Senior Consultant	21.1	400	8,440.00
Kathleen Foster	Administrative Professional	4.9	145	710.50
Total Hours and Fees		1,190.7		\$ 807,702.50
Total Expenses Charged				1,644.06
Total Adjustments				0.00
Total				\$ 809,346.56
13% HST #835718024RT0001				105,215.06
TOTAL BILLED				\$ 914,561.62
Average Hourly Rate			\$ 678	

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

Court File No. CV-17-11846-00CL

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SEARS CANADA INC., *et al.*

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

**AFFIDAVIT OF STEVEN BISSELL
(sworn July 15, 2021)**

NORTON ROSE FULBRIGHT CANADA LLP
222 Bay Street, P.O. Box 53
Toronto, Ontario M5K 1E7 CANADA

Orestes Pasparakis, LSO#: 36851T

Tel: +1 416.216.4815

Alan Merskey, LSO#: 41377I

Tel: +1 416.216.4805

Evan Cobb, LSO#: 55787N

Tel: +1 416.216.1929

Fax: +1 416.216.3930

orestes.pasparakis@nortonrosefulbright.com

alan.merskey@nortonrosefulbright.com

evan.cobb@nortonrosefulbright.com

Lawyers for FTI Consulting Canada Inc., in its capacity
as Monitor

Appendix E

Court File No.: CV-17-11846-00CL

**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 SEARS CANADA INC., 9370-2751
QUEBEC INC., 191020 CANADA INC., THE CUT INC., SEARS
CONTACT SERVICES INC., INITIUM LOGISTICS SERVICES
INC., 9845488 CANADA INC., INITIUM TRADING AND
SOURCING CORP., SEARS FLOOR COVERING CENTRES
INC., 173470 CANADA INC., 2497089 ONTARIO INC., 6988741
CANADA INC., 10011711 CANADA INC., 1592580 ONTARIO
LIMITED, 955041 ALBERTA LTD., 4201531 CANADA INC.,
168886 CANADA INC., AND 3339611 CANADA INC.

Applicants

**AFFIDAVIT OF ALAN MERSKEY
(Sworn July 15, 2021)**

I, ALAN MERSKEY, of the City of Toronto, in the Province of Ontario, **MAKE OATH**

AND SAY:

1. I am a barrister and solicitor qualified to practice law in the Province of Ontario and a partner at Norton Rose Fulbright Canada LLP ("**NRFC**"), counsel for FTI Consulting Canada Inc., in its capacity as Court-appointed monitor (the "**Monitor**") in these proceedings and as such have knowledge of the matters herein deposed to. Where I have indicated that I have obtained facts from other sources, I believe those facts to be true.
2. I make this affidavit in support of a motion by the Monitor for, among other things, approval of the fees and disbursements of the Monitor and its counsel.
3. Attached hereto as **Exhibit "A"** is a schedule summarizing the accounts of NRFC rendered to the Monitor for fees and disbursements incurred and billed by NRFC in connection

with these proceedings for the period between January 1, 2021 to May 31, 2021 (the “**Approval Period**”).

4. Attached hereto as **Exhibit “B”** is a schedule summarizing the respective years of call and billing rates of each of the professionals at NRFC that rendered services to the Monitor, the hours worked by each such individual and a blended hourly rate for the file, in each case, during the Approval Period.

5. Attached hereto as **Exhibit “C”** are true copies of the accounts rendered to the Monitor for the Approval Period. The accounts have been redacted to address matters of confidentiality or privilege. I confirm that these accounts accurately reflect the services provided by NRFC in this matter for this period and the fees and disbursements claimed by it for this period.

6. To the best of my knowledge, the rates charged by NRFC throughout the Approval Period are comparable to the rates charged by other law firms in the Toronto market for the provision of similar services. I believe that the total hours, fees and disbursements incurred by NRFC on this matter during the Approval Period are reasonable and appropriate in the circumstances.

SWORN BEFORE ME via videoconference
in the City of Oakville, in the Province of
Ontario, on this 15th day of July, 2021, in
accordance with O. Reg. 431/20,
Administering Oath or Declaration Remotely.



A Commissioner for taking Affidavits (or as may be)



ALAN MERSKEY

THIS IS **EXHIBIT "A"** TO THE AFFIDAVIT OF
ALAN MERSKEY SWORN BEFORE ME VIA
VIDEOCONFERENCE IN THE CITY OF OAKVILLE,
IN THE PROVINCE OF ONTARIO,
THIS 15TH DAY OF JULY, 2021,
IN ACCORDANCE WITH O. REG. 431/20,
ADMINISTERING OATH OR DECLARATION
REMOTELY



A Commissioner for taking Affidavits (or as may be)

SCHEDULE OF ACCOUNTS

Account No.	Account Date	For Billing Period Ending	Fees	Costs	Tax	TOTAL
9090320406	Feb-24-2021	Jan-31-2021	\$ 56,250.00	\$ 395.53	\$ 7,319.20	\$ 63,964.73
9090327889	Mar-23-2021	Feb-28-2021	\$ 42,235.00	\$ 292.36	\$ 5,498.31	\$ 48,025.67
9090335271	Apr-19-2021	Mar-31-2021	\$ 130,682.00	\$ 330.95	\$ 16,990.08	\$ 148,003.03
9090343236	May-14-2021	Apr-30-2021	\$ 79,917.50	\$ 785.95	\$ 10,449.85	\$ 91,153.30
9090353555	Jun-15-2021	May-31-2021	\$ 36,657.00	\$ 54.62	\$ 4,772.51	\$ 41,484.13
TOTAL:			\$ 345,741.50	\$ 1,859.41	\$ 45,029.95	\$ 392,630.86

THIS IS **EXHIBIT "B"** TO THE AFFIDAVIT OF
ALAN MERSKEY SWORN BEFORE ME VIA
VIDEOCONFERENCE IN THE CITY OF OAKVILLE,
IN THE PROVINCE OF ONTARIO,
THIS 15TH DAY OF JULY, 2021,
IN ACCORDANCE WITH O. REG. 431/20,
ADMINISTERING OATH OR DECLARATION
REMOTELY



A Commissioner for taking Affidavits (or as may be)

STATEMENT OF EXPERIENCE

Name	Year of Call	Billing Rate	Hours Worked
Anjum, Fatima	Student-at-Law	\$ 290.00	8.5
Benoit-Guay, Nicolas	2019	\$ 420.00	12.8
Bianchi, Gianni	Law Clerk	\$ 315.00	20.7
Brodeur, Pier-Olivier	2020	\$ 395.00	21.4
Brook, Ted	2015	\$ 515.00	0.3
Burt, Justin	2010	\$ 595.00	1.1
Caron, Stéphanie	Support	\$ 365.00	3.4
Cass, Samantha	2016	\$ 490.00	3.4
Chiasson, Derek	1998	\$ 980.00	11.3
Choi, Peter	2018	\$ 450.00	163.4
Cobb, Evan	2008	\$ 785.00	120.0
El Haddad, Jacqueline	1998	\$ 465.00	1.7
Fioriello, Adriana	1999	\$ 465.00	2.5
Gallop, Anne	2000	\$ 675.00	0.8
Halstead, Amanda	Law Clerk	\$ 330.00	1.0
Hunter, Christopher	2010	\$ 600.00	0.4
Li, Richard	Student-at-Law	\$ 290.00	2.1
Macdonald, Jamie	2007	\$ 650.00	1.2
Merskey, Alan	1999	\$ 850.00	55.1
Mojtahedi, Arad	2016	\$ 515.00	28.0
Natrass, Stephen	2011	\$ 650.00	1.1
Packer, Julie	Law Clerk	\$ 400.00	0.8
Parent, Katie	Law Clerk	\$ 360.00	9.9

Name	Year of Call	Billing Rate	Hours Worked
Parenteau, Audrey	Support	\$ 365.00	1.8
Pasparakis, Orestes	1995	\$ 1,340.00	1.0
Plante, Marc-Olivier	2015	\$ 530.00	4.5
Poiré-Michaud, Alec	2020	\$ 395.00	3.2
Schmitt, Alexander	2013	\$ 605.00	79.5
Tardif, H�el�ene	Support	\$ 365.00	3.5
Woodside, Malcolm	Student-at-Law	\$ 290.00	52.0
			616.4

Blended Rate: (excl. Disbursements and HST)		
\$345,741.50 ÷ 616.4 hours	=	\$ 560.90

THIS IS **EXHIBIT "C"** TO THE AFFIDAVIT OF
ALAN MERSKEY SWORN BEFORE ME VIA
VIDEOCONFERENCE IN THE CITY OF OAKVILLE,
IN THE PROVINCE OF ONTARIO,
THIS 15TH DAY OF JULY, 2021,
IN ACCORDANCE WITH O. REG. 431/20,
ADMINISTERING OATH OR DECLARATION
REMOTELY



A Commissioner for taking Affidavits (or as may be)

INVOICE

Invoice Number 9090320406
Matter Number 1000299972
Invoice Date February 24, 2021
NRF Contact Orestes Pasparakis

Norton Rose Fulbright Canada LLP
222 Bay Street, Suite 3000, P.O. Box 53
Toronto ON M5K 1E7
Canada

Tel: +1 416-216-4000

Fax: +1 416-216-3930

www.nortonrosefulbright.com

GST/HST No. 111340006

Accounts Contact:

nrcreceivables@nortonrosefulbright.com

For the attention of: Mr. Greg Watson,
Senior Managing Director
greg.watson@fticonsulting.com

**FTI CONSULTING, AS COURT APPOINTED
MONITOR OF SEARS CANADA
79 Wellington Street West, Suite 2010
Toronto ON M5K 1G8
(LD) Sears Canada Inc. (VAN 17-3401)**

Professional Services Rendered to January 31, 2021

Charges
CAD

SUMMARY

Taxable Fees	56,250.00
Taxable Disbursements	51.53
Taxable Amount	56,301.53
HST 13.000%	7,319.20
Non-Taxable Disbursements	344.00
TOTAL AMOUNT DUE AND PAYABLE	CAD 63,964.73

Payable in 30 days

PAYMENT INFORMATION

RBC Financial Group, 1 Place Ville Marie, Montreal, Québec, CANADA H3C 3B5, Bank 003, Transit 00001, ACC. No. 161-327-2, Swift Code # ROYCCAT2. Include invoice number on transfer order.

Invoice Date	February 24, 2021	Invoice Number	9090320406	Page	2
Matter Description	(LD) Sears Canada Inc. (VAN 17-3401)				
Matter Number	1000299972				

(LD) Sears Canada Inc. (VAN 17-3401)

TIME DETAILS

<u>DATE</u>	<u>NAME</u>	<u>HOURS</u>	<u>RATE</u>	<u>AMOUNT</u>	<u>DESCRIPTION</u>
01/04/2021	Choi, P	0.50	450.00	225.00	Internal correspondence regarding fee approval materials.
01/04/2021	Cobb, E	3.50	785.00	2,747.50	Emails regarding Fee Approval matters. Emails regarding distribution matters. Drafting court materials for Stay Extension, Fee Approval and Dividend Funds motion.
01/05/2021	Choi, P	1.30	450.00	585.00	Call with the client to discuss outstanding claims and administrative matters. Corresponding with counsel for CDTel regarding motion dates. Corresponding with the client and G. Bianchi regarding fee approval materials.
01/05/2021	Cobb, E	0.40	785.00	314.00	Working group call.
01/05/2021	Macdonald, J	0.30	650.00	195.00	Reviewing coverage letter on fire incident.
01/05/2021	Merskey, A	0.80	850.00	680.00	Reviewing outstanding claims status. Team call regarding same. Follow-up on BIM.
01/05/2021	Plante, M	0.50	530.00	265.00	Emails to E. Cobb and H. Muhek regarding CRA's response.
01/05/2021	Schmitt, A	1.90	605.00	1,149.50	Correspondence with insurer on product liability claim. Correspondence with J. McDonald for insurance specialist advice on same. Attending on regular plan implementation call with FTI Consulting team.
01/06/2021	Bianchi, G	4.00	315.00	1,260.00	Preparing fees affidavit of O. Pasparakis in advance of January 25, 2021 motion.
01/06/2021	Choi, P	0.50	450.00	225.00	Reviewing invoices for the fee

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Invoice Date	February 24, 2021	Invoice Number	9090320406	Page	3
Matter Description	(LD) Sears Canada Inc. (VAN 17-3401)				
Matter Number	1000299972				

					approval affidavit. Internal correspondence regarding same. Corresponding with the Commercial List office regarding CDTel motion dates.
01/06/2021	Macdonald, J	0.30	650.00	195.00	Reviewing policy and call with A. Schmitt on same.
01/06/2021	Merskey, A	0.50	850.00	425.00	Follow-up on CD-Tel motion issues. Emails regarding HST issues.
01/06/2021	Schmitt, A	1.40	605.00	847.00	Call with J. MacDonald regarding resolution of particular insured claim and insurance coverage on particular product liability claim. Follow up correspondence with S. Bissell on the same.
01/07/2021	Bianchi, G	2.00	315.00	630.00	Completing draft fees affidavit for fee approval motion and sending same to P. Choi for review.
01/07/2021	Choi, P	6.60	450.00	2,970.00	Preparing the fee approval motion materials. Redacting privileged and confidential entries for same.
01/07/2021	Cobb, E	0.30	785.00	235.50	Emails regarding NORDs.
01/07/2021	Macdonald, J	0.60	650.00	390.00	Reviewing damages assessment and call with A. Schmitt on same.
01/07/2021	Schmitt, A	1.80	605.00	1,089.00	Reviewing and updating draft NORDs for Pension Parties provided by FTI team.
01/08/2021	Packer, J	0.30	400.00	120.00	Preparation of the Federal annual return on behalf of Sears Floor Covering Centres Inc. and facilitation of execution of same.
01/08/2021	Merskey, A	1.40	850.00	1,190.00	Emails regarding CD-Tel. Call with S. Bissell regarding Hamilton Beach. Considering issues regarding same.
01/08/2021	Cobb, E	1.00	785.00	785.00	Reviewing NORDs and emails regarding same. Reviewing Fee

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Invoice Date	February 24, 2021	Invoice Number	9090320406	Page	4
Matter Description	(LD) Sears Canada Inc. (VAN 17-3401)				
Matter Number	1000299972				

					Affidavit matters.
01/08/2021	Choi, P	3.20	450.00	1,440.00	Preparing redactions for the fee approval motion materials. Corresponding with E. Cobb regarding same. Preparing a chronology for the CDTel matter. Corresponding with A. Merskey regarding same.
01/09/2021	Choi, P	0.20	450.00	90.00	Reviewing fee affidavit materials.
01/11/2021	Chiasson, D	0.20	980.00	196.00	Quick review draft email from M.O. Plante regarding tax treatment of damage claims.
01/11/2021	Choi, P	3.00	450.00	1,350.00	Preparing redactions to fee affidavit materials.
01/11/2021	Cobb, E	2.30	785.00	1,805.50	Reviewing and finalizing draft of Report and working on materials for January 25th Order.
01/11/2021	Merskey, A	0.40	850.00	340.00	Emails on CD-Tel and considering next steps.
01/11/2021	Packer, J	0.10	400.00	40.00	Attending to the filing of the Federal annual return for Sears Floor Covering Centres Inc. with Corporations Canada.
01/11/2021	Packer, J	0.10	400.00	40.00	Attending to the filing of the Federal annual return for Sears Canada Inc. with Corporations Canada.
01/11/2021	Plante, M	1.50	530.00	795.00	Reviewing damages claim description from FTI and email to FTI. Email to D. Chiasson.
01/11/2021	Schmitt, A	0.80	605.00	484.00	Correspondence regarding product liability claim matters. Finalizing draft NORDs for H. Muhek.
01/12/2021	Choi, P	7.30	450.00	3,285.00	Corresponding with the Commercial List office and counsel to CDTel. Internal correspondence regarding the CDTel Report. Drafting the fee affidavit materials. Preparing

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Invoice Date	February 24, 2021	Invoice Number	9090320406	Page	5
Matter Description	(LD) Sears Canada Inc. (VAN 17-3401)				
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					redactions for same. Corresponding with E. Cobb regarding same.
01/12/2021	Choi, P	0.10	450.00	45.00	Corresponding with counsel regarding a lift stay request.
01/12/2021	Cobb, E	1.60	785.00	1,256.00	Reviewing withholding tax issues. Drafting correspondence regarding withholding tax issues. Call with M. Plante. Reviewing WSIB matters.
01/12/2021	Plante, M	1.50	530.00	795.00	Reviewing emails from FTI and E. Cobb regarding damages claims. Email to E. Cobb regarding proposed response to the CRA.
01/13/2021	Anjum, F	0.30	290.00	87.00	Organizing invoices for fee affidavit.
01/13/2021	Chiasson, D	0.20	980.00	196.00	Reviewing email correspondence from E. Cobb and H. Muhek regarding comments on letter to CRA on withholdings.
01/13/2021	Choi, P	1.70	450.00	765.00	Preparing the fee affidavit materials. Corresponding with E. Cobb and the client regarding same.
01/13/2021	Cobb, E	2.30	785.00	1,805.50	Reviewing FTI fee affidavit materials. Call regarding Dividend Funds issues. Updating draft Report regarding dividend funds issues. Reviewing tax withholding matters and drafting email correspondence to Department of Justice regarding same.
01/13/2021	Plante, M	0.50	530.00	265.00	Reviewing email from E. Cobb and email to E. Cobb regarding propose response to the CRA.
01/14/2021	Cobb, E	1.80	785.00	1,413.00	Reviewing materials for Fee Approval. Call regarding WSIB issues. Updating Report regarding AST issues and emails regarding same.

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01/14/2021	Choi, P	4.50	450.00	2,025.00	Reviewing and redacting fee affidavit materials. Corresponding with the client and E. Cobb regarding same. Corresponding with the Commercial List office. Internal correspondence regarding a disputed claim.
01/15/2021	Choi, P	1.90	450.00	855.00	Commissioning an affidavit with the client. Reviewing the fee approval motion materials. Internal correspondence regarding same. Corresponding with counsel for a disputed claim.
01/15/2021	Cobb, E	0.40	785.00	314.00	Calls regarding Fee Approval.
01/15/2021	Merskey, A	0.20	850.00	170.00	Various emails regarding Hamilton Beach and CD-Tel
01/15/2021	Schmitt, A	0.40	605.00	242.00	Finalizing and circulate draft NORDs for pension parties to H. Muhek of FTI.
01/17/2021	Choi, P	0.30	450.00	135.00	Preparing the motion record for the fee approval motion.
01/17/2021	Choi, P	1.00	450.00	450.00	Reviewing and redacting the fee affidavit materials. Internal correspondence regarding same.
01/17/2021	Cobb, E	1.90	785.00	1,491.50	Working on and reviewing fee approval motion matters.
01/18/2021	Choi, P	0.50	450.00	225.00	Commissioning and reviewing an affidavit for the fee approval motion. Internal correspondence regarding the motion materials.
01/18/2021	Cobb, E	0.90	785.00	706.50	Conference call on HST issues. Finalizing Notice of Motion.
01/19/2021	Bianchi, G	2.50	315.00	787.50	Preparing and making revisions to Motion Record for motion returnable January 25, 2021, drafting service email and affidavit of service, carrying out service of

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Invoice Date	February 24, 2021	Invoice Number	9090320406	Page	7
Matter Description	(LD) Sears Canada Inc. (VAN 17-3401)				
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					record, and attending to filing with the Court.
01/19/2021	Choi, P	3.80	450.00	1,710.00	Call with the client to discuss outstanding claims and next steps. Corresponding with S. Reynolds regarding invoices. Reviewing and finalizing the Stay Extension Motion Record. Drafting a lift stay consent form. Drafting an affidavit regarding certain fees.
01/19/2021	Cobb, E	3.00	785.00	2,355.00	Working group call regarding CCAA Plan matters. Call regarding discharge of litigation trustee. Working on materials for Stay Extension and Fee Approval motion
01/19/2021	Merskey, A	0.80	850.00	680.00	Update call with team. Follow-up on settlement. Follow-up on CD-Tel scheduling. Various Hamilton Beach emails.
01/19/2021	Schmitt, A	1.10	605.00	665.50	Attending at weekly Plan implementation and claims meeting. Follow up with counsel on certain insured claims.
01/20/2021	Bianchi, G	0.50	315.00	157.50	Setting up FTP for P. Choi.
01/20/2021	Choi, P	0.80	450.00	360.00	Internal correspondence regarding the Stay Extension motion. Reviewing the draft Order regarding same. Internal correspondence regarding CRA matters.
01/20/2021	Cobb, E	1.60	785.00	1,256.00	Email correspondence on various matters. Reviewing Agreement regarding Recovery of Property.
01/21/2021	Cobb, E	1.00	785.00	785.00	Call with creditor. Call with S. Bissell regarding US asset recovery. Reviewing agreement regarding US asset recovery.
01/21/2021	Choi, P	0.40	450.00	180.00	Corresponding with the CRA. Corresponding with counsel

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Invoice Date	February 24, 2021	Invoice Number	9090320406	Page	8
Matter Description	(LD) Sears Canada Inc. (VAN 17-3401)				
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					regarding a lift stay request.
01/21/2021	Bianchi, G	0.50	315.00	157.50	Coordinating issuance of Order with the Court and drafting service email to service list, carrying out service of same.
01/22/2021	Choi, P	0.10	450.00	45.00	Updating the draft Order for the Stay Extension motion.
01/22/2021	Cobb, E	0.50	785.00	392.50	Calls regarding asset recovery matters.
01/22/2021	Schmitt, A	0.30	605.00	181.50	Correspondence with counsel on insured claim.
01/23/2021	Cobb, E	0.70	785.00	549.50	Drafting Cost Recovery Services Agreement.
01/24/2021	Cobb, E	0.50	785.00	392.50	Finalizing draft of Services Agreement.
01/24/2021	Cobb, E	0.40	785.00	314.00	Emails regarding late filed claim.
01/25/2021	Bianchi, G	0.50	315.00	157.50	Attending to issuing and entering of Order of Hainey J. and serving same on service list.
01/25/2021	Choi, P	0.60	450.00	270.00	Preparing for and attending the Stay Extension motion. Internal correspondence regarding same.
01/25/2021	Cobb, E	1.50	785.00	1,177.50	Prepare for and attend at Stay Extension, Dividend Funds and Fee Approval motion. Emails on various claim matters. Emails on various plan implementation matters.
01/25/2021	Packer, J	0.30	400.00	120.00	Preparation of the Federal annual return on behalf of 3339611 Canada Inc. and facilitation of execution of same. Attending to the filing with Corporations Canada.
01/25/2021	Schmitt, A	1.70	605.00	1,028.50	Preparing settlement agreement and report to S. Bissell for settlement of outstanding unresolved insured claim.

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Invoice Date	February 24, 2021	Invoice Number	9090320406	Page	9
Matter Description	(LD) Sears Canada Inc. (VAN 17-3401)				
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01/26/2021	Choi, P	0.20	450.00	90.00	Internal correspondence regarding a lift stay request and the Forty-Fourth Report.
01/26/2021	Choi, P	0.30	450.00	135.00	Reviewing the Forty-Fourth Report.
01/26/2021	Cobb, E	0.30	785.00	235.50	Email correspondence.
01/27/2021	Choi, P	2.20	450.00	990.00	Drafting and finalizing the Forty-Fourth Report. Corresponding with the client regarding same. Internal correspondence regarding a lift stay request.
01/27/2021	Cobb, E	0.60	785.00	471.00	Calls regarding various matters. Reviewing correspondence regarding lift stay.
01/28/2021	Choi, P	0.60	450.00	270.00	Corresponding with counsel regarding a lift stay request. Internal correspondence regarding the CDTel motion. Preparing an affidavit of service for the Forty-Fourth Report.
01/28/2021	Cobb, E	0.40	785.00	314.00	Updating Professional Services Agreement [REDACTED] and emails regarding same.
01/29/2021	Cobb, E	0.50	785.00	392.50	Conference call regarding WSIB. Emails regarding asset recovery services.
Total		99.20		56,250.00	

TIME SUMMARY

<u>NAME</u>	<u>HOURS</u>	<u>RATE</u>	<u>AMOUNT</u>
Partner			
Merskey, A	4.10	850.00	3,485.00
Macdonald, J	1.20	650.00	780.00
Cobb, E	27.40	785.00	21,509.00

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Matter Description	(LD) Sears Canada Inc. (VAN 17-3401)				
Matter Number	1000299972				

Chiasson, D	0.40	980.00	392.00
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Sub Total	26,166.00
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<u>NAME</u>	<u>HOURS</u>	<u>RATE</u>	<u>AMOUNT</u>
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Senior Associate

Schmitt, A	9.40	605.00	5,687.00
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Sub Total	5,687.00
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<u>NAME</u>	<u>HOURS</u>	<u>RATE</u>	<u>AMOUNT</u>
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Associate

Plante, M	4.00	530.00	2,120.00
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Choi, P	41.60	450.00	18,720.00
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Sub Total	20,840.00
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<u>NAME</u>	<u>HOURS</u>	<u>RATE</u>	<u>AMOUNT</u>
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Paralegal

Packer, J	0.80	400.00	320.00
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Bianchi, G	10.00	315.00	3,150.00
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Sub Total	3,470.00
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<u>NAME</u>	<u>HOURS</u>	<u>RATE</u>	<u>AMOUNT</u>
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Trainee

Anjum, F	0.30	290.00	87.00
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Sub Total	87.00
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Total		99.20	56,250.00
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DISBURSEMENT SUMMARY

<u>DESCRIPTION</u>	<u>QTY</u>	<u>AMOUNT</u>
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Matter Description	(LD) Sears Canada Inc. (VAN 17-3401)				
Matter Number	1000299972				

Montreal

Non-Taxable

Court Fee	1.00	320.00
Registration Fee	1.00	24.00

Taxable

Courier Fee	1.00	40.58
Information Service Cost	1.00	10.95

TOTAL		395.53
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INVOICE

Invoice Number 9090327889
Matter Number 1000299972
Invoice Date March 23, 2021
NRF Contact Orestes Pasparakis

Norton Rose Fulbright Canada LLP
222 Bay Street, Suite 3000, P.O. Box 53
Toronto ON M5K 1E7
Canada
Tel: +1 416-216-4000
Fax: +1 416-216-3930
www.nortonrosefulbright.com
GST/HST No. 111340006
Accounts Contact:
nrcreceivables@nortonrosefulbright.com

For the attention of: Mr. Greg Watson,
Senior Managing Director
greg.watson@fticonsulting.com

**FTI CONSULTING, AS COURT APPOINTED
MONITOR OF SEARS CANADA
79 Wellington Street West, Suite 2010
Toronto ON M5K 1G8
(LD) Sears Canada Inc. (VAN 17-3401)**

Professional Services Rendered to February 28, 2021

Charges
CAD

SUMMARY

Taxable Fees	42,235.00
Taxable Disbursements	59.67
Taxable Amount	42,294.67
HST 13.000%	5,498.31
Non-Taxable Disbursements	232.69
TOTAL AMOUNT DUE AND PAYABLE	CAD 48,025.67

Payable in 30 days
PAYMENT INFORMATION

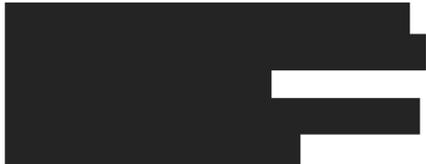
RBC Financial Group, 1 Place Ville Marie, Montreal, Québec, CANADA H3C 3B5, Bank 003, Transit 00001, ACC. No. 161-327-2, Swift Code # ROYCCAT2. Include invoice number on transfer order.

Invoice Date March 23, 2021 **Invoice Number** 9090327889 **Page** 3
Matter Description (LD) Sears Canada Inc. (VAN 17-3401)
Matter Number 1000299972

02/04/2021	Schmitt, A	0.70	605.00	423.50	Correspondence with S. Bissell on settlement of particular insured litigation claim. Follow-up call with co-defendant counsel and counsel to claimant regarding offer.
02/05/2021	Choi, P	0.70	450.00	315.00	Correspondence and call with the client regarding a disputed claim. Internal correspondence regarding same.
02/05/2021	Cobb, E	1.00	785.00	785.00	Email regarding claim issue. Conference call with HUB. Reviewing CDTel correspondence.
02/05/2021	Merskey, A	0.80	850.00	680.00	[REDACTED]
02/08/2021	Choi, P	0.80	450.00	360.00	Preparing for and attending a call with A. Merskey and counsel regarding a disputed claim. Preparing a draft process schedule for the claim.
02/08/2021	Merskey, A	2.40	850.00	2,040.00	Emails and calls regarding [REDACTED] claim. [REDACTED] Receiving and reviewing CDTel claim analysis. Drafting response.
02/09/2021	Merskey, A	0.30	850.00	255.00	Emails regarding [REDACTED] claim and schedule. Considering same.
02/10/2021	Cobb, E	0.10	785.00	78.50	Email correspondence.
02/10/2021	Merskey, A	0.60	850.00	510.00	Considering [REDACTED] schedule. Instructions to M. Woodside regarding [REDACTED]
02/10/2021	Woodside, M	5.80	290.00	1,682.00	[REDACTED]

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Invoice Date March 23, 2021 **Invoice Number** 9090327889 **Page** 4
Matter Description (LD) Sears Canada Inc. (VAN 17-3401)
Matter Number 1000299972

					
02/11/2021	Cobb, E	0.80	785.00	628.00	Advising on trademark and warranty issues.
02/11/2021	Merskey, A	1.40	850.00	1,190.00	Emails regarding  schedule.   Emails regarding warranty notice.
02/11/2021	Woodside, M	4.30	290.00	1,247.00	
02/12/2021	Choi, P	0.50	450.00	225.00	Attending a case conference with the Claims Officer regarding a disputed claim. Internal correspondence regarding same.
02/12/2021	Cobb, E	0.40	785.00	314.00	Emails regarding warranty issues.
02/12/2021	Merskey, A	0.60	850.00	510.00	Preparing for and attending at case conference with claims officer on 
02/12/2021	Mojtahedi, A	1.50	515.00	772.50	Reviewing the ads to solicit warranty claims in the Sears CCAA proceedings and translation of same to French.
02/12/2021	Woodside, M	4.10	290.00	1,189.00	
02/16/2021	Choi, P	0.40	450.00	180.00	Call with the client to discuss outstanding claims.
02/16/2021	Cobb, E	0.40	785.00	314.00	Working group call regarding Plan implementation.

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Invoice Date March 23, 2021 **Invoice Number** 9090327889 **Page** 5
Matter Description (LD) Sears Canada Inc. (VAN 17-3401)
Matter Number 1000299972

02/16/2021	Merskey, A	0.80	850.00	680.00	Team call regarding status items. Emails regarding CDTel materials.
02/16/2021	Schmitt, A	0.30	605.00	181.50	Attending weekly plan and claims update meeting.
02/17/2021	Woodside, M	2.70	290.00	783.00	[REDACTED]
02/17/2021	Schmitt, A	0.80	605.00	484.00	Call with co-defendant party on settlement matters with respect to personal injury claim.
02/17/2021	Cobb, E	0.50	785.00	392.50	Calls and emails regarding distribution matters.
02/17/2021	Choi, P	0.20	450.00	90.00	Internal correspondence regarding the CDTel matter. Corresponding with counsel regarding a lift stay request.
02/18/2021	Chiasson, D	0.20	980.00	196.00	Reviewing email correspondence from CRA regarding confirmation of withholding requirements.
02/18/2021	Cobb, E	1.50	785.00	1,177.50	Call with S. Bissell. Emails regarding insurance claim. Emails and calls with counsel to Morneau regarding CCAA Plan status. Reviewing Service Canada EI matter and employee claims process.
02/18/2021	Merskey, A	0.60	850.00	510.00	Emails regarding CDTel Motion Record and M. Woodside analysis. Reviewing same. Follow-up on BIM.
02/18/2021	Schmitt, A	1.10	605.00	665.50	Assessing potential property damage claim. Correspondence with insurer making claim. Confirming client instructions on and details of same.
02/18/2021	Woodside, M	1.40	290.00	406.00	[REDACTED]

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Matter Description (LD) Sears Canada Inc. (VAN 17-3401)
Matter Number 1000299972

02/19/2021	Choi, P	0.90	450.00	405.00	Reviewing relevant facts and law regarding [REDACTED]
02/19/2021	Cobb, E	0.80	785.00	628.00	Call regarding EI matters. Call with S. Bissell. Email correspondence with A. Hatnay.
02/19/2021	Merskey, A	1.10	850.00	935.00	Reviewing analysis of CDTel position. Considering arguments on same.
02/22/2021	Cobb, E	0.40	785.00	314.00	Calls regarding distribution matters with PRC. Email to S. Bissell.
02/22/2021	Cobb, E	1.00	785.00	785.00	[REDACTED]
02/23/2021	Woodside, M	1.60	290.00	464.00	Reviewing the CDTel Contract and CDTel Contract memo. Meeting with A. Merskey to discuss the CDTel Contract and CDTel Responding Record.
02/23/2021	Schmitt, A	0.70	605.00	423.50	Further settlement discussions with counsel on personal injury claim.
02/23/2021	Schmitt, A	1.20	605.00	726.00	Correspondence with S. Bissell on draft NORD being prepared for certain governmental claims. Research on Post-Filing Claims Bar precedent orders. Discussions with E. Cobb regarding same.
02/23/2021	Merskey, A	2.20	850.00	1,870.00	Reviewing responding record. [REDACTED] Considering next steps.
02/23/2021	Cobb, E	1.20	785.00	942.00	[REDACTED]
02/23/2021	Choi, P	1.00	450.00	450.00	Reviewing relevant facts and law regarding [REDACTED] Corresponding with A. Merskey

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Invoice Date March 23, 2021 **Invoice Number** 9090327889 **Page** 7
Matter Description (LD) Sears Canada Inc. (VAN 17-3401)
Matter Number 1000299972

					regarding same and a disputed claim.
02/23/2021	Anjum, F	0.50	290.00	145.00	Meeting with E. Cobb to receive instructions. Corresponding with respect to the same.
02/24/2021	Cobb, E	2.20	785.00	1,727.00	Reviewing [REDACTED]. Conference call with Service Canada. Emails with A. Gallop and S. Cass regarding EI question.
02/24/2021	Gallop, A	0.30	675.00	202.50	[REDACTED]
02/24/2021	Schmitt, A	0.40	605.00	242.00	Settlement discussions with counsel on personal injury claim.
02/25/2021	Cass, S	3.40	490.00	1,666.00	Analyzing legal issues relating to [REDACTED]
02/25/2021	Cobb, E	1.40	785.00	1,099.00	Reviewing insurance summaries. Call with Pension Representative Counsel. Reviewing [REDACTED] and emails regarding same. Correspondence regarding creditor inquiry matters.
02/25/2021	Gallop, A	0.30	675.00	202.50	Exchange of emails with S. Cass. Reviewing S. Cass' research. Exchange of emails in respect of the same.
02/25/2021	Woodside, M	1.60	290.00	464.00	[REDACTED]
02/26/2021	Anjum, F	3.40	290.00	986.00	Drafting research memo on

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Invoice Date March 23, 2021 **Invoice Number** 9090327889 **Page** 8
Matter Description (LD) Sears Canada Inc. (VAN 17-3401)
Matter Number 1000299972

02/26/2021	Cobb, E	3.50	785.00	2,747.50	limitation periods. Corresponding with E. Cobb with respect to the same. Call with FTI regarding EI matters. Emails with Department of Justice and ERC. Call with ERC. Call regarding inquiries from creditors. Reviewing limitation period analysis and emails regarding same.
02/26/2021	Merskey, A	0.40	850.00	340.00	Receiving and reviewing further analysis of CD-Tel motion materials. Considering same.
02/26/2021	Schmitt, A	1.60	605.00	968.00	Final research on [REDACTED] [REDACTED] Correspondence with E. Cobb on findings of same.
02/26/2021	Woodside, M	1.20	290.00	348.00	Editing and revising the memo of [REDACTED] [REDACTED]. Sending the memo to A. Merskey.
Total		75.70		42,235.00	

TIME SUMMARY

<u>NAME</u>	<u>HOURS</u>	<u>RATE</u>	<u>AMOUNT</u>
Partner			
Merskey, A	12.60	850.00	10,710.00
Gallop, A	0.60	675.00	405.00
Cobb, E	17.30	785.00	13,580.50
Chiasson, D	0.20	980.00	196.00
		Sub Total	24,891.50

<u>NAME</u>	<u>HOURS</u>	<u>RATE</u>	<u>AMOUNT</u>
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Senior Associate

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Invoice Date	March 23, 2021	Invoice Number	9090327889	Page	9
Matter Description	(LD) Sears Canada Inc. (VAN 17-3401)				
Matter Number	1000299972				

Schmitt, A	7.20	605.00	4,356.00
Mojtahedi, A	1.50	515.00	772.50
		Sub Total	5,128.50

<u>NAME</u>	<u>HOURS</u>	<u>RATE</u>	<u>AMOUNT</u>
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Associate

Choi, P	6.30	450.00	2,835.00
Cass, S	3.40	490.00	1,666.00
		Sub Total	4,501.00

<u>NAME</u>	<u>HOURS</u>	<u>RATE</u>	<u>AMOUNT</u>
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Trainee

Woodside, M	22.70	290.00	6,583.00
Anjum, F	3.90	290.00	1,131.00
		Sub Total	7,714.00

Total		75.70	42,235.00
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DISBURSEMENT SUMMARY

<u>DESCRIPTION</u>	<u>QTY</u>	<u>AMOUNT</u>
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Houston
Non-Taxable

External Copying	1.00	196.69
	Sub Total	196.69

Montreal
Non-Taxable

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Invoice Date	March 23, 2021	Invoice Number	9090327889	Page 10
Matter Description	(LD) Sears Canada Inc. (VAN 17-3401)			
Matter Number	1000299972			

Registration Fee	1.00	36.00
Taxable		
Courier Fee	1.00	48.72
Information Service Cost	1.00	10.95
	Sub Total	95.67
TOTAL		292.36

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INVOICE

Invoice Number 9090335271
Matter Number 1000299972
Invoice Date April 19, 2021
NRF Contact Orestes Pasparakis

Norton Rose Fulbright Canada LLP
222 Bay Street, Suite 3000, P.O. Box 53
Toronto ON M5K 1E7
Canada
Tel: +1 416-216-4000
Fax: +1 416-216-3930
www.nortonrosefulbright.com
GST/HST No. 111340006
Accounts Contact:
nrcreceivables@nortonrosefulbright.com

For the attention of: Mr. Greg Watson,
Senior Managing Director
greg.watson@fticonsulting.com

**FTI CONSULTING, AS COURT APPOINTED
MONITOR OF SEARS CANADA
79 Wellington Street West, Suite 2010
Toronto ON M5K 1G8
(LD) Sears Canada Inc. (VAN 17-3401)**

Professional Services Rendered to March 31, 2021

Charges
CAD

SUMMARY

Taxable Fees	130,682.00
Taxable Disbursements	10.95
Taxable Amount	130,692.95
HST 13.000%	16,990.08
Non-Taxable Disbursements	320.00
TOTAL AMOUNT DUE AND PAYABLE	CAD 148,003.03

Payable in 30 days
PAYMENT INFORMATION

RBC Financial Group, 1 Place Ville Marie, Montreal, Québec, CANADA H3C 3B5, Bank 003, Transit 00001, ACC. No. 161-327-2, Swift Code # ROYCCAT2. Include invoice number on transfer order.

Invoice Date April 19, 2021 **Invoice Number** 9090335271 **Page** 2
Matter Description (LD) Sears Canada Inc. (VAN 17-3401)
Matter Number 1000299972

(LD) Sears Canada Inc. (VAN 17-3401)

TIME DETAILS

<u>DATE</u>	<u>NAME</u>	<u>HOURS</u>	<u>RATE</u>	<u>AMOUNT</u>	<u>DESCRIPTION</u>
03/01/2021	Anjum, F	0.50	290.00	145.00	Conducting research on limitation periods questions.
03/01/2021	Chiasson, D	0.30	980.00	294.00	Discussion with E. Cobb. Email correspondence regarding RQ contact for confirmation of source deductions/withholding.
03/01/2021	Cobb, E	0.40	785.00	314.00	Further emails regarding post-filing claim matters.
03/01/2021	Cobb, E	2.60	785.00	2,041.00	Calls regarding insurance cash collateral. Email to Blaney McMurty regarding distributions. Reviewing post-filing claim questions and advising on same. Calls regarding Revenu Quebec.
03/01/2021	Plante, M	0.50	530.00	265.00	Telephone conversation with E. Cobb and D. Chiasson.
03/01/2021	Schmitt, A	1.60	605.00	968.00	Preparing draft NORD on late filed/duplicate claim for H. Muhek. Reviewing underlying claim documents in relation to the same.
03/02/2021	Choi, P	1.30	450.00	585.00	Attending a call with the client to discuss outstanding claims. Reviewing the CDTel Responding Record. Call and correspondence with A. Merskey and M. Woodside regarding same.
03/02/2021	Cobb, E	1.50	785.00	1,177.50	Reviewing cost award funds matter and responding to inquiry on same. Call regarding Revenu Quebec matters. Call regarding EI matters. Various file management matters.
03/02/2021	Merskey, A	2.40	850.00	2,040.00	Reviewing and responding to email from CD-Tel counsel. Further review of CD-tel analysis. Call with team regarding outstanding items and claims.

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Invoice Date	April 19, 2021	Invoice Number	9090335271	Page	3
Matter Description	(LD) Sears Canada Inc. (VAN 17-3401)				
Matter Number	1000299972				

03/02/2021	Schmitt, A	0.80	605.00	484.00	Correspondence and call with claimant counsel on certain duplicate matters further to discussions / request of H. Muhek.
03/02/2021	Woodside, M	0.10	290.00	29.00	Speaking with P. Choi about drafting a factum.
03/03/2021	Anjum, F	1.30	290.00	377.00	Conducting research on [REDACTED]
03/03/2021	Choi, P	0.60	450.00	270.00	Reviewing the CDTel Responding Record. Call with M. Woodside to discuss same.
03/03/2021	Cobb, E	0.50	785.00	392.50	Various email correspondence.
03/03/2021	Poiré-Michaud, A	2.10	395.00	829.50	Assisting with call backs to french speaker with H. Liu. Preparing the call backs.
03/03/2021	Woodside, M	0.70	290.00	203.00	Meeting with P. Choi to discuss drafting a factum.
03/04/2021	Schmitt, A	1.00	605.00	605.00	Correspondence with S. Bissell and C. Hunter on employee records request. Further correspondence with counsel to claimant on duplicate claim matter.
03/04/2021	Cobb, E	0.30	785.00	235.50	Emails regarding distribution matters.
03/04/2021	Anjum, F	2.50	290.00	725.00	Conducting research on [REDACTED]
03/05/2021	Bianchi, G	0.50	315.00	157.50	Carrying out steps for filing motion record with Court for April 12, 2021 motion.
03/05/2021	Choi, P	3.70	450.00	1,665.00	Reviewing the CDTel Responding Record. Drafting a Supplement to the Forty-Fourth Report.
03/05/2021	Cobb, E	0.40	785.00	314.00	Reviewing [REDACTED] research summary. Calls regarding Revenu Quebec matters.
03/05/2021	Hunter, C	0.40	600.00	240.00	Reviewing correspondence from

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Matter Description (LD) Sears Canada Inc. (VAN 17-3401)
Matter Number 1000299972

					opposing counsel with request for employment documentation. Emails with A. Schmitt regarding conference call. Telephone call with A. Schmitt regarding [REDACTED]
03/05/2021	Schmitt, A	2.10	605.00	1,270.50	Preparing for and attending on call with S. Bissell to review details of various outstanding D&O claims. Confirming records with respect to various of the claims. Assistance on CDTel motion record matters.
03/07/2021	Cobb, E	1.60	785.00	1,256.00	Reviewing [REDACTED] [REDACTED] Advising on various matters related to same.
03/08/2021	Chiasson, D	0.70	980.00	686.00	Drafting and sending email to D. Cantin of RQ regarding confirmation of withholding requirements. Further email correspondence regarding same with D. Cantin and E. Cobb.
03/08/2021	Choi, P	0.90	450.00	405.00	Reviewing the Supplement to the Forty-Fourth Report. Internal correspondence regarding same. Call with A. Schmitt regarding a disputed claim.
03/08/2021	Cobb, E	2.60	785.00	2,041.00	Correspondence regarding RQ matters. Correspondence and calls regarding PRC matters. Calls and emails regarding Aviva matter. Various other email correspondence.
03/08/2021	Schmitt, A	0.70	605.00	423.50	Reviewing and revising draft Landlord Cost Payment letter for S. Bissell.
03/08/2021	Schmitt, A	1.60	605.00	968.00	Preparing letter to respond to employee records request. Discussions with C. Hunter in

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					relation to same, and making recommendation on proposed response.
03/09/2021	Schmitt, A	2.50	605.00	1,512.50	Finalizing changes to Landlord Cost Payment letter for S. Bissell. Call with counsel to personal injury claimant on settlement matters. Confirming law regarding litigation guardianship further to same. Considering certain D&O claims in light of effect of plan and settlement approval orders.
03/09/2021	Parenteau, A	1.00	365.00	365.00	Translation of the Landlord Cost Payment Cover Letter.
03/09/2021	Merskey, A	0.20	850.00	170.00	Emails regarding CD-Tel issues.
03/09/2021	Fioriello, A	0.50	465.00	232.50	Reviewing translation from English into French of the Landlord Costs Letter.
03/09/2021	Cobb, E	0.20	785.00	157.00	Email correspondence.
03/09/2021	Choi, P	0.40	450.00	180.00	Corresponding with the client regarding the CDTel matter. Internal correspondence regarding same. Corresponding with counsel regarding a lift stay matter.
03/09/2021	Chiasson, D	0.10	980.00	98.00	Email correspondence with D. Cantin.
03/10/2021	Choi, P	1.50	450.00	675.00	Call with the client to discuss the CDTel matter. Corresponding with M. Woodside regarding the CDTel Factum. Reviewing the Supplement to the Forty-Fourth Report.
03/10/2021	Cobb, E	0.40	785.00	314.00	Email correspondence regarding status to counsel for creditor. Call with A. Merskey regarding CDTel matter.
03/10/2021	Merskey, A	3.20	850.00	2,720.00	Emails with J. Wolf. Call with B.

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					Church regarding CD-Tel. Call with D. Naymark regarding same. 
					Message from D. Ullmann regarding costs claim.
03/10/2021	Woodside, M	2.80	290.00	812.00	Reviewing the CDTel motion record. Drafting the CDTel factum. Reviewing the CDTel agreement and responding to P. Choi's questions.
03/11/2021	Choi, P	0.50	450.00	225.00	Corresponding with B. Church regarding a disputed claim. Internal correspondence regarding same.
03/11/2021	Cobb, E	1.40	785.00	1,099.00	Call with Service Canada regarding EI matters. Call with S. Bissell. Email correspondence.
03/11/2021	Schmitt, A	0.20	605.00	121.00	Correspondence with C. Hunter on employee records request.
03/11/2021	Woodside, M	3.10	290.00	899.00	Reviewing the CDTel motion record, supplementary report, and CDTel responding record. Drafting the CDTel motion factum. Editing the factum.
03/12/2021	Schmitt, A	0.80	605.00	484.00	Correspondence with codefendant counsel on personal injury settlement. Call with plaintiff's counsel on same personal injury matter.
03/12/2021	Merskey, A	0.30	850.00	255.00	Emails regarding  and CD-Tel. Follow-up on same.
03/12/2021	Cobb, E	0.70	785.00	549.50	Calls and emails regarding privacy question. Call regarding Aviva matter.

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03/12/2021	Choi, P	3.50	450.00	1,575.00	Drafting the Supplement to the Forty-Fourth Report. Internal correspondence regarding same. Reviewing the Claims Record of a disputed claim.
03/12/2021	Chiasson, D	0.40	980.00	392.00	Reviewing letter from RQ. Email correspondence with E. Cobb.
03/14/2021	Cobb, E	0.70	785.00	549.50	Reviewing claim brief regarding disputed claim.
03/14/2021	Nattrass, S	0.60	650.00	390.00	Considering [REDACTED] [REDACTED] Reviewing legislation. Corresponding with E. Cobb regarding the same.
03/15/2021	Bianchi, G	0.50	315.00	157.50	Setting up FTP for P. Choi.
03/15/2021	Choi, P	5.80	450.00	2,610.00	Drafting the Supplement to the Forty-Fourth Report. Call and correspondence with A. Merskey regarding same. Corresponding with the client regarding the CDTel Responding Record. Reviewing the Claims Record of a disputed claim.
03/15/2021	Cobb, E	1.30	785.00	1,020.50	Call with M. Switzer. Call with S. Bissell regarding warranty matters. Call with S. Nattrass regarding warranty matters.
03/15/2021	Merskey, A	1.30	850.00	1,105.00	Emails and calls regarding CD-Tel. Working on argument preparation and strategy.
03/15/2021	Nattrass, S	0.50	650.00	325.00	Call with E. Cobb regarding [REDACTED] [REDACTED] Reviewing previous versions of [REDACTED]
03/15/2021	Schmitt, A	5.40	605.00	3,267.00	Reviewing personal injury claim settlement offer response. Communicating recommendation on same to S. Bissell. Reviewing

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					D&O claim / NORD details and searching for copies of particular NORD on system further to request of H. Muhek and S. Bissell. Correspondence on same. Preparing draft settlement agreement on personal injury claim.
03/16/2021	Choi, P	1.20	450.00	540.00	Attending a call with the client to discuss outstanding claims. Reviewing the Supplement to the Forty-Fourth Report. Reviewing CD-Tel's Supplemental Record. Internal correspondence regarding same.
03/16/2021	Cobb, E	1.00	785.00	785.00	Conference call regarding plan implementation. Considering withholding issues.
03/16/2021	Merskey, A	1.20	850.00	1,020.00	Team call regarding outstanding claims. Working on CD-Tel supplementary report and case analysis.
03/16/2021	Woodside, M	6.40	290.00	1,856.00	Research for and drafting of CD-Tel Factum. Editing the factum. Reviewing the Monitor's supplementary report.
03/17/2021	Woodside, M	5.40	290.00	1,566.00	Drafting the CD-Tel factum. Editing the factum. Sending the factum to P. Choi.
03/17/2021	Merskey, A	2.20	850.00	1,870.00	Emails with J. Wolf. Reviewing and revising CD-Tel Supplementary Record. Team call regarding same. Emails regarding cross and hearing steps.
03/17/2021	Cobb, E	1.50	785.00	1,177.50	Conference call regarding withholding questions. Attending to file related. Matters. Reviewing CD-Tel Report and calls regarding same.
03/17/2021	Choi, P	4.00	450.00	1,800.00	Drafting the Supplement to the

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					Forty-Fourth Report. Call with A. Merskey and E. Cobb regarding same. Corresponding with the client regarding the Supplement to the Forty-Fourth Report.
03/17/2021	Chiasson, D	0.60	980.00	588.00	Telephone conversation with E. Cobb. Follow up regarding issuance of [REDACTED]
03/17/2021	Benoit-Guay, N	0.50	420.00	210.00	Reviewing administrative positions on [REDACTED]
03/18/2021	Bianchi, G	1.50	315.00	472.50	Preparing Supplemental Motion Record of the Monitor for CDTel motion and sending same to A. Merskey.
03/18/2021	Chiasson, D	0.30	980.00	294.00	Reviewing and considering email correspondence from S. Bissell.
03/18/2021	Choi, P	1.80	450.00	810.00	Reviewing and finalizing the Supplement to the Forty-Fourth Report. Call with S. Bissell and A. Merskey regarding same.
03/18/2021	Cobb, E	2.40	785.00	1,884.00	Drafting Confirmations and Directions regarding Plan Distributions. Emails regarding tax matters. Reviewing CDTel matters.
03/18/2021	Merskey, A	1.80	850.00	1,530.00	Emails regarding CD-Tel cross-examination. Reviewing and revising Supplementary Record. Emails with D. Ullmann on costs and settlement.
03/18/2021	Schmitt, A	3.20	605.00	1,936.00	Drafting settlement agreement for personal injury matter. Brief research on litigation guardianship procedure relevant to settlement approval requirements.
03/19/2021	Woodside, M	2.10	290.00	609.00	Revising the CDTel Factum based on the revised supplemental report; editing the factum; sending the factum to P.Choi.

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03/19/2021	Schmitt, A	0.80	605.00	484.00	Attending on call with co-defendant on insured litigation claim.
03/19/2021	Merskey, A	0.70	850.00	595.00	Call with D. Naymark regarding [REDACTED]. Considering position regarding same. Follow-up emails.
03/19/2021	Cobb, E	1.50	785.00	1,177.50	Conference calls and emails regarding tax matters. Emails regarding distribution matters.
03/19/2021	Choi, P	3.00	450.00	1,350.00	Drafting a report regarding a disputed claim. Reviewing the CDTel factum.
03/19/2021	Chiasson, D	1.00	980.00	980.00	Attending meeting with E. Cobb and S. Bissell regarding sales tax disclosure on distributions. Further consideration of same and treatment of assignees of claims.
03/21/2021	Choi, P	2.10	450.00	945.00	Drafting the CDTel cross-examination outline.
03/21/2021	Cobb, E	0.80	785.00	628.00	Reviewing CRA letter agreements and CCAA Plan in connection with same.
03/22/2021	Choi, P	5.00	450.00	2,250.00	Reviewing the CDTel cross-examination outline. Working on CDTel factum.
03/22/2021	Cobb, E	0.30	785.00	235.50	Various correspondence.
03/22/2021	Schmitt, A	2.00	605.00	1,210.00	Reviewing late filed insurance claims and correspondence with H. Muhek on same. Confirming insurance policy matters for co defendant on claim.
03/23/2021	Benoit-Guay, N	2.50	420.00	1,050.00	Call with D. Chiasson. Reviewing legislative framework on [REDACTED].
03/23/2021	Chiasson, D	1.30	980.00	1,274.00	Email correspondence and discussion with E. Cobb regarding

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					obligations [REDACTED]. Discussion with N. Benoit-Guay. Considering [REDACTED]
03/23/2021	Choi, P	8.50	450.00	3,825.00	Drafting the CDTel factum. Reviewing the Claims Record of a disputed claim. Preparing a Responding Report regarding same.
03/23/2021	Cobb, E	0.60	785.00	471.00	Calls and emails regarding various claim and distribution matters.
03/23/2021	Merskey, A	0.40	850.00	340.00	Preparing for CD-Tel cross-examination.
03/23/2021	Woodside, M	1.70	290.00	493.00	Speaking with P. Choi about a research task. Research regarding [REDACTED].
03/24/2021	Woodside, M	1.50	290.00	435.00	Research regarding [REDACTED]. Writing an email memo. Editing the memo. Sending the memo to P. Choi.
03/24/2021	Schmitt, A	1.80	605.00	1,089.00	Call and correspondence with A. Mojtahedi on proposed response to insurers on certain subrogated claims being made against estate. Responding to counsel to co-defendants on steps they wish to take in respect of personal injury matter not being advanced by claimant. Call with plaintiff on separate settling matter to respond to questions raised by plaintiffs on proposed settlement.
03/24/2021	Mojtahedi, A	0.80	515.00	412.00	Call with A. Schmitt about response to insurance claimant. Preliminary review of the letter received from Desjardins
03/24/2021	Merskey, A	1.60	850.00	1,360.00	Preparing for and attending on CD-Tel cross-examination.

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03/24/2021	Cobb, E	0.30	785.00	235.50	Email correspondence on various distribution matters.
03/24/2021	Cobb, E	1.60	785.00	1,256.00	Calls and emails regarding distribution issues. Reviewing Saskatchewan litigation matter.
03/24/2021	Choi, P	2.80	450.00	1,260.00	Preparing for and attending the CDTel cross-examination. Call with A. Merskey to discuss next steps. Reviewing the Claims Record of a disputed claim. Corresponding with the client regarding same.
03/24/2021	Chiasson, D	1.80	980.00	1,764.00	Various email correspondence with E. Cobb. Discussion with N. Benoit-Guay. Reviewing legislation and interpretations. Call regarding impact of assignment of claims.
03/24/2021	Benoit-Guay, N	6.30	420.00	2,646.00	Reviewing legislative framework and doctrine applying to [REDACTED] [REDACTED] Call with D. Chiasson to discuss research results.
03/25/2021	Choi, P	6.00	450.00	2,700.00	Preparing the Responding Record regarding a disputed claim. Reviewing answers to undertakings from the CDTel cross-examination. [REDACTED] Reviewing correspondence from counsel for CDTel. Reviewing relevant facts and law regarding [REDACTED] [REDACTED] Internal correspondence regarding same.
03/25/2021	Cobb, E	1.50	785.00	1,177.50	Reviewing CDTel correspondence and considering bankruptcy case law.
03/25/2021	Cobb, E	0.20	785.00	157.00	Correspondence with CRA.
03/25/2021	Merskey, A	0.80	850.00	680.00	Receiving and reviewing CD-Tel

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					undertakings and [REDACTED] Considering next steps.
03/25/2021	Schmitt, A	1.10	605.00	665.50	Correspondence with counsel on outstanding unfiled claim that co defendants seek to have dismissed. Confirming certain details on same claim and insurance matters relating to the same.
03/25/2021	Woodside, M	1.90	290.00	551.00	Research regarding limitation period matters and reporting on same.
03/26/2021	Choi, P	6.00	450.00	2,700.00	Drafting the Responding Report regarding a disputed claim. Internal correspondence regarding same. Drafting the CDTel Factum. Corresponding with M. Woodside regarding same.
03/26/2021	Cobb, E	1.60	785.00	1,256.00	Emails regarding distribution matters. Reviewing [REDACTED] Report.
03/26/2021	Merskey, A	1.60	850.00	1,360.00	Emails regarding CD-Tel [REDACTED] and considering same. Emails regarding [REDACTED] record and considering same.
03/26/2021	Poiré-Michaud, A	0.40	395.00	158.00	Listening to voicemails left by french speakers. Correspondence with H. Liu to schedule a period to call them back.
03/26/2021	Schmitt, A	0.50	605.00	302.50	Correspondence on release of codefendant landlords. Follow up with Chubb on the same.
03/26/2021	Woodside, M	3.60	290.00	1,044.00	Speaking with P. Choi about revising the factum. Revising and adding footnotes to the factum. Editing the factum. Sending the revised factum to P. Choi.

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03/27/2021	Choi, P	2.40	450.00	1,080.00	Drafting the Responding Report regarding a disputed claim. Call with E. Cobb to discuss same.
03/27/2021	Cobb, E	0.30	785.00	235.50	Call regarding disputed claim.
03/28/2021	Cobb, E	1.20	785.00	942.00	Reviewing and commenting on updated Disputed Claim.
03/28/2021	Choi, P	2.70	450.00	1,215.00	Drafting the CDTel Factum.
03/29/2021	Bianchi, G	0.50	315.00	157.50	Preparing FTP site for P. Choi.
03/29/2021	Choi, P	2.50	450.00	1,125.00	Drafting the CDTel Factum. Internal correspondence regarding same. Drafting the Responding Report regarding a disputed claim. Internal correspondence regarding same.
03/29/2021	Cobb, E	1.00	785.00	785.00	Final comments on draft Report to Claims Officer.
03/29/2021	Cobb, E	2.00	785.00	1,570.00	Reviewing CDTel factum and commenting on same. Reviewing and responding to CDTel inquiries.
03/29/2021	Merskey, A	1.70	850.00	1,445.00	Reviewing draft report. Working on CD-Tel factum and argument. Receiving and reviewing questions to Monitor. Reviewing ██████████ ██████████ claim background. Emails regarding same.
03/29/2021	Mojtahedi, A	2.60	515.00	1,339.00	Reviewing the letters and supporting evidence submitted by insurance adjusters. Correspondence with A. Schmitt regarding same. Drafting a response letter to claimants.
03/29/2021	Poiré-Michaud, A	0.70	395.00	276.50	Assisting with calls from french speakers.
03/29/2021	Schmitt, A	3.60	605.00	2,178.00	Reviewing and revising draft letter regarding subrogated insurance claims. Updating D&O claims chart

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					and considering treatment of same further to plans and settlement approval orders. Call with counsel on insured claim that remains outstanding. Correspondence with Chubb on same.
03/30/2021	Choi, P	5.50	450.00	2,475.00	Drafting the Responding Report regarding a disputed claim. Internal correspondence regarding same. Call with the client regarding Plan Distributions and outstanding claims. Drafting the CDTel Factum.
03/30/2021	Cobb, E	1.70	785.00	1,334.50	Working group call regarding claim and distribution matters. Reviewing case law for disputed claim. Email correspondence.
03/30/2021	Merskey, A	1.30	850.00	1,105.00	Reviewing record. Reviewing CD-Tel Record and considering arguments.
03/30/2021	Mojtahedi, A	0.80	515.00	412.00	Finalizing and sending letters to insurance companies who recently alleged Sears' liability in connection with damages caused by certain appliances.
03/30/2021	Schmitt, A	1.80	605.00	1,089.00	Attending on bi-weekly Plan implementation meeting. Correspondence with S. Bissell and H. Muhek on D&O claim resolution matters. Updating related chart and attending to correspondence with counsel to co-defendant on unfiled late claim.
03/31/2021	Bianchi, G	1.50	315.00	472.50	Compiling appendices for FTI report related to dispute and discussing same with P. Choi.
03/31/2021	Choi, P	7.00	450.00	3,150.00	Corresponding with G. Bianchi regarding the Responding Report of a disputed claim. Drafting and finalizing the CDTel Factum, Book

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					of Authorities and Second Supplemental Motion Record. Internal calls and correspondence with the client regarding same.
03/31/2021	Cobb, E	2.40	785.00	1,884.00	Reviewing and commenting on updated factum and report. Emails regarding distributions.
03/31/2021	Merskey, A	2.80	850.00	2,380.00	Working on CD-Tel factum and related emails. Considering issues and argument. Reviewing issues regarding [REDACTED] pre-trial.
03/31/2021	Parent, K	2.50	360.00	900.00	Preparing Book of Authorities. Blacklining cases in same. Preparing Second Supplemental Motion Record. Correspondence with P. Choi regarding same. Reviewing draft Factum footnotes and reporting to P. Choi regarding same.
Total		237.50		130,682.00	

TIME SUMMARY

<u>NAME</u>	<u>HOURS</u>	<u>RATE</u>	<u>AMOUNT</u>
Partner			
Nattrass, S	1.10	650.00	715.00
Merskey, A	23.50	850.00	19,975.00
Hunter, C	0.40	600.00	240.00
Cobb, E	36.50	785.00	28,652.50
Chiasson, D	6.50	980.00	6,370.00
		Sub Total	55,952.50
<u>NAME</u>	<u>HOURS</u>	<u>RATE</u>	<u>AMOUNT</u>

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Invoice Date	April 19, 2021	Invoice Number	9090335271	Page	17
Matter Description	(LD) Sears Canada Inc. (VAN 17-3401)				
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Senior Associate

Schmitt, A	31.50	605.00	19,057.50
Mojtahedi, A	4.20	515.00	2,163.00
		Sub Total	21,220.50

<u>NAME</u>	<u>HOURS</u>	<u>RATE</u>	<u>AMOUNT</u>
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Associate

Poiré-Michaud, A	3.20	395.00	1,264.00
Plante, M	0.50	530.00	265.00
Choi, P	78.70	450.00	35,415.00
Benoit-Guay, N	9.30	420.00	3,906.00
		Sub Total	40,850.00

<u>NAME</u>	<u>HOURS</u>	<u>RATE</u>	<u>AMOUNT</u>
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Paralegal

Parent, K	2.50	360.00	900.00
Bianchi, G	4.50	315.00	1,417.50
		Sub Total	2,317.50

<u>NAME</u>	<u>HOURS</u>	<u>RATE</u>	<u>AMOUNT</u>
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Trainee

Woodside, M	29.30	290.00	8,497.00
Anjum, F	4.30	290.00	1,247.00
		Sub Total	9,744.00

<u>NAME</u>	<u>HOURS</u>	<u>RATE</u>	<u>AMOUNT</u>
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Practice Support

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Parenteau, A	1.00	365.00	365.00
Fioriello, A	0.50	465.00	232.50
		Sub Total	597.50
Total		237.50	130,682.00

DISBURSEMENT SUMMARY

<u>DESCRIPTION</u>	<u>QTY</u>	<u>AMOUNT</u>
Montreal		
Non-Taxable		
Court Fee	1.00	320.00
Taxable		
Information Service Cost	1.00	10.95
TOTAL		330.95

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INVOICE

Invoice Number 9090343236
Matter Number 1000299972
Invoice Date May 14, 2021
NRF Contact Orestes Pasparakis

NORTON ROSE FULBRIGHT 216

Norton Rose Fulbright Canada LLP
222 Bay Street, Suite 3000, P.O. Box 53
Toronto ON M5K 1E7
Canada

Tel: +1 416-216-4000

Fax: +1 416-216-3930

www.nortonrosefulbright.com

GST/HST No. 111340006

Accounts Contact:

nrcreceivables@nortonrosefulbright.com

For the attention of: Mr. Greg Watson,
Senior Managing Director
greg.watson@fticonsulting.com

**FTI CONSULTING, AS COURT APPOINTED
MONITOR OF SEARS CANADA**

**79 Wellington Street West, Suite 2010
Toronto ON M5K 1G8**

(LD) Sears Canada Inc. (VAN 17-3401)

Professional Services Rendered to April 30, 2021

Charges
CAD

SUMMARY

Taxable Fees	79,917.50
Taxable Disbursements	20.95
Taxable Other Charges	445.00
	<hr/>
Taxable Amount	80,383.45
HST 13.000%	10,449.85
	<hr/>
Non-Taxable Disbursements	320.00
	<hr/>
TOTAL AMOUNT DUE AND PAYABLE	CAD 91,153.30
	<hr/> <hr/>

Payable in 30 days

PAYMENT INFORMATION

RBC Financial Group, 1 Place Ville Marie, Montreal, Québec, CANADA H3C 3B5, Bank 003, Transit 00001, ACC. No. 161-327-2, Swift Code # ROYCCAT2. Include invoice number on transfer order.

Invoice Date	May 14, 2021	Invoice Number	9090343236	Page	2
Matter Description	(LD) Sears Canada Inc. (VAN 17-3401)				
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(LD) Sears Canada Inc. (VAN 17-3401)

TIME DETAILS

<u>DATE</u>	<u>NAME</u>	<u>HOURS</u>	<u>RATE</u>	<u>AMOUNT</u>	<u>DESCRIPTION</u>
04/01/2021	Bianchi, G	0.50	315.00	157.50	Revising report for P. Choi and providing same for review.
04/01/2021	Chiasson, D	0.80	980.00	784.00	Reviewing distribution cover letter and comment on it. Email correspondence with E. Cobb. Attending meeting with FTI and E. Cobb.
04/01/2021	Choi, P	3.80	450.00	1,710.00	Corresponding with counsel for CDTel regarding the motion. Internal correspondence regarding same. Call with A. Merskey to discuss preparing further motion materials regarding the CDTel matter. Reviewing and finalizing the Responding Report of a disputed claim. Corresponding with A. Merskey and S. Bissell regarding same.
04/01/2021	Cobb, E	2.10	785.00	1,648.50	Commenting on Distribution Letter regarding tax issues. Conference calls.
04/01/2021	Merskey, A	1.60	850.00	1,360.00	Call with D. Naymark regarding [REDACTED]. Emails regarding limitation period allegation. Reviewing record regarding same. Emails with Justice Farley regarding [REDACTED] hearing materials.
04/01/2021	Parent, K	2.50	360.00	900.00	Paginating Second Supplemental Motion Record. Updating index. Attending to CaseLines matters for April 12 hearing. Preparing Affidavit of Service of P. Choi for swearing. Organizing motion materials for April 12. Attending to filing of same via Court online portal. Attending to uploading of

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					same to CaseLines. Reporting to P. Choi. Internal correspondence regarding motion materials and compendium.
04/01/2021	Schmitt, A	1.00	605.00	605.00	Correspondence with parties seeking discontinuance of claim against co-defendants to Sears. Follow-up correspondence with Chubb on same. Discussion with H. Muhek regarding certain D&O NORD sent out and confirming details in relation to the same.
04/04/2021	Cobb, E	0.30	785.00	235.50	Emails regarding distribution letter.
04/05/2021	Schmitt, A	1.10	605.00	665.50	Correspondence and questions for D. Pereira regarding new request for employee records. Locating copy of certain insurance policy for S. Bissell. Correspondence with S. Bissell regarding notice of discontinuance of action received by Monitor. Brief discussion with H. Muhek regarding further Sears mail received.
04/05/2021	Merskey, A	1.60	850.00	1,360.00	Working on CD-Tel settlement steps. Emails regarding [REDACTED] case conference steps and considering issues for same. Reviewing and considering Chubb lift stay request.
04/05/2021	Cobb, E	0.50	785.00	392.50	Reviewing lease discharge request and related documents. Emails regarding same.
04/05/2021	Cobb, E	0.20	785.00	157.00	Reviewing ERC and PRC claim summary and emails regarding same.

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Matter Description	(LD) Sears Canada Inc. (VAN 17-3401)				
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04/05/2021	Choi, P	0.50	450.00	225.00	Corresponding with the Claims Officer regarding a disputed claim. Internal correspondence regarding same.
04/05/2021	Chiasson, D	0.20	980.00	196.00	Email correspondence with S Bissell. Email correspondence with N. Benoit-Guay.
04/06/2021	Benoit-Guay, N	3.50	420.00	1,470.00	Reviewing provincial statutes for [REDACTED]
04/06/2021	Burt, J	0.50	595.00	297.50	Reviewing title. Reviewing caveats. Reviewing lease registration. Call with E. Cobb regarding same. Emails from and to E. Cobb regarding same.
04/06/2021	Chiasson, D	0.80	980.00	784.00	Email correspondence with R. Burr regarding [REDACTED] [REDACTED] Email correspondence with S. Bissell.
04/06/2021	Choi, P	1.00	450.00	450.00	Internal correspondence regarding fee approval. Corresponding with the Commercial List regarding the CDTel motion. Reviewing the CDTel Release.
04/06/2021	Cobb, E	3.80	785.00	2,983.00	Calls on various matters. Correspondence regarding TUV Fee Approval matters and drafting Report and Order. Reviewing and commenting on release.
04/06/2021	Merskey, A	1.60	850.00	1,360.00	Emails regarding [REDACTED] case conference. Preparing for same. Emails regarding SLH/Chubb lift stay. Emails regarding CD-Tel settlement. Reviewing release.
04/06/2021	Schmitt, A	0.90	605.00	544.50	Correspondence with H. Muhek on questions raised by claimant on potential lift stay. Correspondence with counsel on the same.

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04/07/2021	Schmitt, A	1.40	605.00	847.00	Preparing response to counsel on barred claim. Correspondence with A. Merskey in relation to the same. Follow-up on response to settlement offer for insured litigation claim.
04/07/2021	Merskey, A	3.80	850.00	3,230.00	Reviewing [REDACTED] and Monitor claims records. Preparing for and attending at case conference. Continuing settlement negotiations with [REDACTED]. Emails regarding settlement and release. Emails regarding SLH claim.
04/07/2021	Cobb, E	1.80	785.00	1,413.00	Correspondence regarding settlement of disputed claim. Drafting Notice of Motion. Reviewing and commenting on release. Email correspondence regarding distributions and April 28th Motion.
04/07/2021	Choi, P	4.80	450.00	2,160.00	Preparing for and attending a Pre-Trial Conference before the Claims Officer regarding a disputed claim. Corresponding with counsel regarding same. Drafting a Mutual Release. Internal correspondence regarding the TUV Fee Approval motion. Reviewing documents for same. Call with A. Schmitt regarding an outstanding claim.
04/07/2021	Chiasson, D	0.30	980.00	294.00	Email correspondence with N. Benoit-Guay regarding research results. Email correspondence with S. Bissell.
04/07/2021	Brook, T	0.30	515.00	154.50	Discuss litigation strategy with A. Schmitt regarding [REDACTED]
04/08/2021	Choi, P	2.00	450.00	900.00	Preparing a Mutual Release for a disputed claim. Call with A.

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Matter Description	(LD) Sears Canada Inc. (VAN 17-3401)				
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					Merskey to discuss same. Preparing fee affidavits in relation to the TUV Claim.
04/08/2021	Cobb, E	0.40	785.00	314.00	Email correspondence.
04/08/2021	Merskey, A	1.70	850.00	1,445.00	Reviewing and revising [REDACTED] release. Guidance to P. Choi regarding same. Emails regarding settlement steps. Guidance to A. Schmitt regarding insurance claim.
04/08/2021	Schmitt, A	2.00	605.00	1,210.00	Correspondence with counsel on barred claim. Considering potential procedural steps with A. Merskey in relation to the same.
04/09/2021	Cobb, E	0.60	785.00	471.00	Various email correspondence. Reviewing Fee Affidavit.
04/09/2021	Merskey, A	0.20	850.00	170.00	Emails and follow-up on [REDACTED] settlement steps.
04/12/2021	Schmitt, A	1.60	605.00	968.00	Preparing, and circulating draft response to counsel to employee to D. Pereira and S. Bissell. Finalizing and sending off same. Correspondence with counsel on barred claim regarding barring of further steps in litigation.
04/12/2021	Merskey, A	0.40	850.00	340.00	Emails and follow-up regarding [REDACTED] release.
04/12/2021	Cobb, E	1.70	785.00	1,334.50	Updating Court Materials. Various email correspondence.
04/12/2021	Choi, P	2.50	450.00	1,125.00	Preparing the TUV Fee Affidavits. Internal correspondence regarding same. Corresponding with the client regarding settlement of a disputed claim. Reviewing the Mutual Release regarding same.

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Matter Description	(LD) Sears Canada Inc. (VAN 17-3401)				
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04/12/2021	Bianchi, G	2.50	315.00	787.50	Drafting schedules to the Fee Affidavit of O. Pasparakis and discussing same with P. Choi.
04/13/2021	Bianchi, G	2.00	315.00	630.00	Completing schedules to the Fee Affidavit of O. Pasparakis and sending same to P. Choi.
04/13/2021	Bianchi, G	0.20	315.00	63.00	Updating core parties service list and sending same to client for posting to website.
04/13/2021	Choi, P	3.80	450.00	1,710.00	Call with the working group to discuss outstanding claims. Reviewing TUV Fee Affidavits. Corresponding with S. Bissell and A. Merskey regarding same. Reviewing the CDTel Release and Invoice. Internal correspondence regarding same. Corresponding with E. Cobb and the client regarding a construction claim. Corresponding with counsel regarding a disputed claim.
04/13/2021	Cobb, E	1.90	785.00	1,491.50	Conference call with working group. Emails regarding April 28th motion. Emails regarding lien claim. Considering response to DoJ. Reviewing CDTel invoice question.
04/13/2021	Merskey, A	1.20	850.00	1,020.00	Team call regarding claims and other status items. Emails regarding CD-Tel and [REDACTED] settlement steps. Working on same. Emails regarding creditor inquiries.
04/13/2021	Schmitt, A	2.60	605.00	1,573.00	Attending on bi-weekly claims and plan implementation meeting. Correspondence with counsel on barred claim. Confirming facts for resolution of outstanding insured litigation claim and preparing note regarding same for E. Cobb. Call with S. Bissell to walk through

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Matter Description	(LD) Sears Canada Inc. (VAN 17-3401)				
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					current D&O claim status and treatment and outline next steps. Work to prepare D&O counsel note in relation to the same.
04/14/2021	Caron, S	2.50	365.00	912.50	Translation of initial distribution cover letter.
04/14/2021	Choi, P	4.80	450.00	2,160.00	Call with counsel for CDTel. Reviewing the CDTel Mutual Release and Invoice. Corresponding with the client regarding same. Call with S. Bissell regarding the TUV Fee Affidavit and outstanding claims. Reviewing the Forty-Fifth Report, TUV Fee Affidavits and motion materials. Internal correspondence regarding same.
04/14/2021	Cobb, E	2.00	785.00	1,570.00	Reviewing and commenting on Employee / Retiree letter. Coordinating translation. Reviewing and commenting on fee approval materials. Attending to file matters.
04/14/2021	Fioriello, A	1.00	465.00	465.00	Reviewing translation from English into French of the Distribution Letter.
04/14/2021	Parent, K	0.70	360.00	252.00	Receiving instructions of P. Choi regarding preparing motion record. Preparing initial draft of motion record. Organizing invoices for supporting fee affidavit. Reporting to P. Choi.

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04/15/2021	Parent, K	1.00	360.00	360.00	Reviewing and organizing final fee affidavits for motion record. Correspondence with P. Choi regarding same and timing of service of motion record. Preparing cover pages for confidential appendix. Organizing balance of exhibits.
04/15/2021	Mojtahedi, A	1.20	515.00	618.00	Coordinating and reviewing the translation of the Sears distribution letter.
04/15/2021	Cobb, E	1.30	785.00	1,020.50	Final review of court materials. Reviewing comments on employee letter.
04/15/2021	Cobb, E	0.40	785.00	314.00	Reviewing Litigation Trustee materials and emails regarding same.
04/15/2021	Choi, P	2.40	450.00	1,080.00	Corresponding with the Commercial List. Reviewing the TUV Fee Affidavits. Call with A. Merskey to discuss and commission same. Revising the Forty-Fifth Report and TUV Fee Motion Materials. Correspondence with E. Cobb and the client same.
04/15/2021	Caron, S	0.20	365.00	73.00	Translation of initial distribution cover letter.
04/16/2021	Caron, S	0.70	365.00	255.50	Translation of initial distribution cover letter.
04/16/2021	Choi, P	2.00	450.00	900.00	Reviewing and finalizing the TUV Fee Approval Motion Materials. Internal correspondence regarding same. Corresponding with counsel and S. Bissell regarding the CDTel matter.
04/16/2021	Cobb, E	0.70	785.00	549.50	Reviewing and commenting on updated letter re. distributions. Coordinating updated translations. Reviewing service versions of court

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Matter Description	(LD) Sears Canada Inc. (VAN 17-3401)				
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					materials and emails regarding same.
04/16/2021	Fioriello, A	1.00	465.00	465.00	Reviewing translation from English into French of edits to the Distribution Letter.
04/16/2021	Mojtahedi, A	0.70	515.00	360.50	Continue coordinating, reviewing and finalizing the translation of the Sears distribution letter.
04/16/2021	Parent, K	1.50	360.00	540.00	Preparing and compiling Motion Record for motion returnable May 3, 2021. Correspondence with P. Choi regarding same.
04/19/2021	Schmitt, A	0.80	605.00	484.00	Correspondence with counsel on unfiled claim.
04/19/2021	Choi, P	1.70	450.00	765.00	Reviewing outstanding claims. Drafting a letter to counsel regarding a barred claim. Internal correspondence regarding same.
04/20/2021	Mojtahedi, A	1.50	515.00	772.50	Reviewing the presentation slides to employees and retirees of Sears. Conference call with S. Bissell and H. Muhek.
04/20/2021	Schmitt, A	0.90	605.00	544.50	Correspondence with E. Cobb on bar to insured claims and status of security held by Sears' CGL insurer.
04/21/2021	Cobb, E	0.60	785.00	471.00	Conference call on CRA matters.
04/21/2021	Mojtahedi, A	5.20	515.00	2,678.00	Translation of the presentation slides to employees and retirees of Sears into French. Conference call with S. Bissel and H. Muhek. Dry-run of the presentations with ERC and PRC.
04/21/2021	Schmitt, A	3.60	605.00	2,178.00	Reviewing email records on outstanding unresolved claim. Drafting lengthy D&O Claims status email for counsel to directors and officers.

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04/22/2021	Brodeur, P	0.10	395.00	39.50	Call with A. Poiré-Michaud to discuss the transfer of the file.
04/22/2021	Choi, P	0.30	450.00	135.00	Corresponding with counsel and the client regarding the settlement of a disputed claim.
04/22/2021	Mojtahedi, A	5.20	515.00	2,678.00	Preparing for and presentation at Pension Representative Counsel and Employee Representative Counsel webinar. Translation of webinar slides. Reviewing the translation of webinar slides. Correspondence with S. Bissell and H. Muhek. Reviewing letter requesting a release regarding a legal hypothec.
04/22/2021	Schmitt, A	3.40	605.00	2,057.00	Detailed review of certain remaining outstanding claim. Correspondence with L. Pearson on status and next steps.
04/23/2021	Schmitt, A	0.40	605.00	242.00	Follow-up call with counsel on approval of litigation guardian matters.
04/23/2021	Parent, K	0.60	360.00	216.00	Preparing affidavit of service of P. Choi. Attending to filing of Motion Record returnable May 3, 2021 with the Court. Correspondence with P. Choi regarding same. Revising service list.
04/23/2021	Mojtahedi, A	5.20	515.00	2,678.00	Preparing for and presentation at Pension Representative Counsel and Employee Representative Counsel French webinars. Translation of webinar slides. Reviewing the translation of webinar slides. Correspondence with S. Bissell and H. Muhek. Research on whether a legal hypothec is prescribed alongside the claim to which it is attached.

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Matter Description	(LD) Sears Canada Inc. (VAN 17-3401)				
Matter Number	1000299972				

04/23/2021	Cobb, E	0.80	785.00	628.00	Emails regarding various file matters. Call with S. Bissell.
04/23/2021	Choi, P	0.30	450.00	135.00	Corresponding with the client regarding the settlement of a disputed claim. Internal correspondence regarding filing of TUV Fee Approval motion materials.
04/26/2021	Brodeur, P	4.20	395.00	1,659.00	Reading of documents provided by A. Poiré-Michaud for the transfer of the file. Introduction call with H. Liu. Listening of the voicemail transferred by H. Liu. Calls with persons that left voicemail, to answer questions.
04/26/2021	Choi, P	0.30	450.00	135.00	Internal correspondence regarding the TUV Fee Approval motion.
04/27/2021	Choi, P	1.60	450.00	720.00	Call with the working group to discuss Initial Distributions and outstanding claims. Corresponding with the client and counsel regarding the CDTel matter. Reviewing the draft Order for the TUV Fee Approval motion. Internal correspondence regarding motion materials on Caselines. Corresponding with LOLG regarding same.
04/27/2021	Cobb, E	1.10	785.00	863.50	Conference call. Considering CRA issue. Emails regarding May 3rd hearing.
04/27/2021	Merskey, A	0.60	850.00	510.00	Team call regarding claims process and distribution steps. Follow-up on related issues.
04/27/2021	Mojtahedi, A	0.20	515.00	103.00	Correspondence with counsel for T. Coussins regarding potential release by the Monitor on behalf of Sears.
04/27/2021	Parent, K	0.40	360.00	144.00	Uploading May 3 motion material

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					and draft order to CaseLines. Providing access to counsel for Litigation Trustee. Correspondence with P. Choi regarding same.
04/27/2021	Schmitt, A	0.80	605.00	484.00	Attending regular plan implementation and claims resolution meeting.
04/28/2021	Mojtahedi, A	0.50	515.00	257.50	Call with R. Loiselle in connection with the requested release in favour of [REDACTED].
04/28/2021	Merskey, A	0.20	850.00	170.00	Emails and follow-up on [REDACTED] and fee approval steps.
04/28/2021	Cobb, E	0.60	785.00	471.00	Reviewing Lease Discharge documents and emails regarding same.
04/28/2021	Choi, P	0.80	450.00	360.00	Internal correspondence regarding database archives. Corresponding with counsel and the client regarding the CDTel matter. Corresponding with counsel and the client regarding a disputed claim.
04/28/2021	Burt, J	0.30	595.00	178.50	Reviewing discharge of lease and caveat. E-mails from and to E. Cobb regarding same.
04/28/2021	Bianchi, G	0.50	315.00	157.50	Carrying out steps to archive document management database further to request of P. Choi.
04/29/2021	Brodeur, P	2.50	395.00	987.50	Listening to voicemail messages and return of calls with H. Liu.
04/29/2021	Cobb, E	0.50	785.00	392.50	Conference call regarding EI matters.
04/29/2021	Mojtahedi, A	0.30	515.00	154.50	Phone call with S. Loiselle regarding the release for [REDACTED] and amending the release accordingly.
04/30/2021	Brodeur, P	1.80	395.00	711.00	Listening to voicemail messages and return of calls with H. Liu.

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04/30/2021	Choi, P	0.30	450.00	135.00	Corresponding with the Commercial List regarding the TUV Fee Approval motion. Advising the Service List regarding same. Internal correspondence regarding Service updates.
04/30/2021	Cobb, E	0.60	785.00	471.00	Email correspondence on various matters.
04/30/2021	Halstead, A	0.50	330.00	165.00	Receipt of instruction. Conducting various Alberta Corporate searches on Sears Canada Inc. and Simpsons-Sears Properties Ltd. Forwarding same to R. Li.
04/30/2021	Mojtahedi, A	0.30	515.00	154.50	Correspondence with E. Cobb regarding release for [REDACTED]. Final revision. Providing same to S. Bissell for signature.
Total		142.10		79,917.50	

TIME SUMMARY

<u>NAME</u>	<u>HOURS</u>	<u>RATE</u>	<u>AMOUNT</u>
Partner			
Merskey, A	12.90	850.00	10,965.00
Cobb, E	21.90	785.00	17,191.50
Chiasson, D	2.10	980.00	2,058.00
		Sub Total	30,214.50
Of Counsel			
Burt, J	0.80	595.00	476.00
		Sub Total	476.00

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<u>NAME</u>	<u>HOURS</u>	<u>RATE</u>	<u>AMOUNT</u>
Senior Associate			
Schmitt, A	20.50	605.00	12,402.50
Mojtahedi, A	20.30	515.00	10,454.50
		Sub Total	22,857.00

<u>NAME</u>	<u>HOURS</u>	<u>RATE</u>	<u>AMOUNT</u>
Associate			
Choi, P	32.90	450.00	14,805.00
Brook, T	0.30	515.00	154.50
Brodeur, P	8.60	395.00	3,397.00
Benoit-Guay, N	3.50	420.00	1,470.00
		Sub Total	19,826.50

<u>NAME</u>	<u>HOURS</u>	<u>RATE</u>	<u>AMOUNT</u>
Paralegal			
Parent, K	6.70	360.00	2,412.00
Halstead, A	0.50	330.00	165.00
Bianchi, G	5.70	315.00	1,795.50
		Sub Total	4,372.50

<u>NAME</u>	<u>HOURS</u>	<u>RATE</u>	<u>AMOUNT</u>
Practice Support			
Fioriello, A	2.00	465.00	930.00
Caron, S	3.40	365.00	1,241.00
		Sub Total	2,171.00

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Total		142.10	79,917.50
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DISBURSEMENT SUMMARY

<u>DESCRIPTION</u>	<u>QTY</u>	<u>AMOUNT</u>
Montreal		
Non-Taxable		
Court Fee	1.00	320.00
Taxable		
Information Service Cost	1.00	10.95
Search Fee	1.00	10.00
	Sub Total	340.95
Toronto		
Taxable		
Document Production	1,780.00	445.00
	Sub Total	445.00
TOTAL		785.95

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INVOICE

Invoice Number 9090353555
Matter Number 1000299972
Invoice Date June 15, 2021
NRF Contact Orestes Pasparakis

Norton Rose Fulbright Canada LLP
222 Bay Street, Suite 3000, P.O. Box 53
Toronto ON M5K 1E7
Canada

Tel: +1 416-216-4000

Fax: +1 416-216-3930

www.nortonrosefulbright.com

GST/HST No. 111340006

Accounts Contact:

nrcreceivables@nortonrosefulbright.com

For the attention of: Mr. Greg Watson,
Senior Managing Director
greg.watson@fticonsulting.com

**FTI CONSULTING, AS COURT APPOINTED
MONITOR OF SEARS CANADA
79 Wellington Street West, Suite 2010
Toronto ON M5K 1G8
(LD) Sears Canada Inc. (VAN 17-3401)**

Professional Services Rendered to May 31, 2021

Charges
CAD

SUMMARY

Taxable Fees	36,657.00
Taxable Disbursements	54.62
Taxable Amount	36,711.62
HST 13.000%	4,772.51
TOTAL AMOUNT DUE AND PAYABLE	CAD 41,484.13

Payable in 30 days
PAYMENT INFORMATION

RBC Financial Group, 1 Place Ville Marie, Montreal, Québec, CANADA H3C 3B5, Bank 003, Transit 00001, ACC. No. 161-327-2, Swift Code # ROYCCAT2. Include invoice number on transfer order.

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(LD) Sears Canada Inc. (VAN 17-3401)

TIME DETAILS

<u>DATE</u>	<u>NAME</u>	<u>HOURS</u>	<u>RATE</u>	<u>AMOUNT</u>	<u>DESCRIPTION</u>
05/02/2021	Li, R	1.20	290.00	348.00	Receiving instructions from J. Burt on assistance with tracing corporate history of Sears Canada Inc. for purposes of drafting letter to the Alberta Land Titles Office regarding discharging lease caveat. Emailing A. Halstead for assistance with pulling corporate searches. Reviewing corporate searches to trace back to Simpsons-Sears Properties Ltd. Reviewing precedent letter to the LTO and reviewing corporate searches. Emailing A. Halstead for further assistance with additional searches.
05/02/2021	Schmitt, A	0.10	605.00	60.50	Correspondence on resolution of claim.
05/03/2021	Brodeur, P	1.60	395.00	632.00	Listening to voicemail messages and return of calls with H. Liu.
05/03/2021	Choi, P	0.70	450.00	315.00	Corresponding with the Court and counsel regarding the TUV Fee Approval motion. Internal correspondence regarding same. Revising the draft Order.
05/03/2021	Halstead, A	0.50	330.00	165.00	Receipt of instruction. Conducting Federal Corporate searches to determine the connection between Sears Canada Inc. and Sears Properties Inc. including previous names for each entity. Forwarding same to R. Li.
05/03/2021	Li, R	0.90	290.00	261.00	Reviewing additional federal corporate searches. Drafting letter to the Alberta Land Titles Office regarding updating name on caveat/leases. Emailing draft to J. Burt to review.

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05/04/2021	Choi, P	1.00	450.00	450.00	Preparing for and attending the TUV Fee Approval motion. Corresponding with K. Parent and the Court regarding same.
05/04/2021	Cobb, E	2.90	785.00	2,276.50	Attending to matters in connection with Kingsway discharge. Emails to creditors regarding distribution inquiries. Preparing for and attending at motion for Fee Approval, Dividend Funds and Discharge Orders. Reviewing SRP letter.
05/04/2021	Parent, K	0.30	360.00	108.00	Preparing Participant Information Form for today's hearing. Reporting to P. Choi with same. Uploading to CaseLines.
05/05/2021	Choi, P	0.60	450.00	270.00	Corresponding with counsel for CDTel and the client regarding settlement matters. Corresponding with counsel regarding a disputed claim. Reviewing claim status requests. Internal correspondence regarding same.
05/05/2021	Cobb, E	0.50	785.00	392.50	Various email correspondence.
05/05/2021	El Haddad, J	0.50	465.00	232.50	Receiving of a new text for translation and recording, revising French version.
05/05/2021	Merskey, A	1.40	850.00	1,190.00	Follow-up on claims issues. Emails regarding [REDACTED] daycare claim.
05/05/2021	Parenteau, A	0.80	365.00	292.00	Translation of Employee and Retiree Voicemail Script updates.
05/05/2021	Schmitt, A	0.20	605.00	121.00	Correspondence on status of certain personal injury claims.
05/06/2021	Burt, J	0.30	595.00	178.50	Emails from and to E. Cobb regarding signed discharges of Sears instruments. Reviewing letter to LTO regarding corporate

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Invoice Date	June 15, 2021	Invoice Number	9090353555	Page	4
Matter Description	(LD) Sears Canada Inc. (VAN 17-3401)				
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					history. Letter to B. Futoransky regarding discharges of Sears instruments.
05/06/2021	Brodeur, P	3.80	395.00	1,501.00	Listening to voicemail messages and return of calls with H. Liu.
05/07/2021	Parent, K	0.20	360.00	72.00	Arranging for entering of Order dated May 4, 2021 with Court.
05/10/2021	Brodeur, P	0.60	395.00	237.00	Listening to voicemail messages and return of calls with H. Liu.
05/10/2021	Cobb, E	0.70	785.00	549.50	Reviewing issues in connection with late assigned claims.
05/11/2021	Choi, P	0.50	450.00	225.00	Call with the working group to discuss Plan distribution and outstanding claims.
05/11/2021	Cobb, E	2.30	785.00	1,805.50	Working group call. Calls and emails regarding late claim by assignee. Emails regarding AST dividend funds. Correspondence with CRA. Attending to file administration matters.
05/11/2021	Merskey, A	0.40	850.00	340.00	Update call with team on distribution and other status items. Reviewing issues for follow-up.
05/11/2021	Mojtahedi, A	0.30	515.00	154.50	Exchange of email with counsel for [REDACTED]. Consideration of release signed by S. Bissell and correspondence with the mail room regarding same.
05/11/2021	Parent, K	0.20	360.00	72.00	Follow up with Court regarding entered order. Correspondence with P. Choi regarding same.
05/11/2021	Schmitt, A	1.50	605.00	907.50	Attending regular claims resolution and plan implementation meeting. Follow up correspondence with L. Pearson on resolution of rug supplier claim. Reviewing historic file/correspondence on same.

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05/12/2021	Brodeur, P	1.50	395.00	592.50	Listening to voicemail messages and return of calls with H. Liu.
05/12/2021	Choi, P	0.20	450.00	90.00	Corresponding with LOLG regarding the TUV Fee Approval Order. Serving same on the Service List.
05/13/2021	Bianchi, G	0.50	315.00	157.50	Updating service list and providing copy of same to client.
05/13/2021	Choi, P	0.10	450.00	45.00	Internal correspondence regarding outstanding claims.
05/13/2021	Mojtahedi, A	1.00	515.00	515.00	Signature and forwarding the release of [REDACTED] to R. Loiselle.
05/14/2021	Cobb, E	1.80	785.00	1,413.00	Calls and emails regarding CRA matters. Drafting response to Department of Justice. Emails regarding employee distribution question.
05/15/2021	Cobb, E	0.60	785.00	471.00	Finalizing draft of response to Department of Justice.
05/17/2021	Brodeur, P	1.50	395.00	592.50	Listening to voicemail messages and return of calls with H. Liu.
05/17/2021	Cobb, E	3.50	785.00	2,747.50	Email correspondence regarding CRA Claim. Call with S. Bissell regarding CRA claim correspondence. Drafting Report. Reviewing late filed claim issues.
05/18/2021	Chiasson, D	0.60	980.00	588.00	Email correspondence with E. Cobb regarding [REDACTED] Review, consider, analyze and provide detailed comments on draft note letter to justice department.
05/18/2021	Cobb, E	1.80	785.00	1,413.00	Emails regarding CRA. Drafting CCAA Termination Order.
05/18/2021	Mojtahedi, A	0.40	515.00	206.00	Correspondence with H. Muhek and coordinating the translation of the cover letter to general unsecured creditors into French.

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05/18/2021	Schmitt, A	2.70	605.00	1,633.50	Correspondence and call with insurer making subrogated claim. Drafting letter with respect to same. Drafting note on D&O marker claims matters.
05/19/2021	Chiasson, D	0.30	980.00	294.00	Email correspondence and discussion with E. Cobb.
05/19/2021	Cobb, E	0.30	785.00	235.50	Calls regarding distribution and tax matters.
05/19/2021	El Haddad, J	1.20	465.00	558.00	Revising translation of the cover letter - general creditors.
05/19/2021	Gallop, A	0.20	675.00	135.00	Telephone call with E. Cobb regarding the payment of the lifetime discount claim.
05/19/2021	Mojtahedi, A	0.30	515.00	154.50	Reviewing the translation of the French translation of the letter to be sent to unsecured creditors. Correspondence with H. Muhek regarding same.
05/19/2021	Schmitt, A	1.40	605.00	847.00	Drafting briefing note on D&O marker claims. Preparing correspondence to insurer on subrogated claim.
05/19/2021	Tardif, H	3.50	365.00	1,277.50	Translation of a letter regarding Initial Plan Distribution to Affected Unsecured Creditors of the Sears Canada Entities.
05/20/2021	Schmitt, A	3.10	605.00	1,875.50	Reviewing and preparing markup of draft litigation guardian settlement approval order for particular claimant under legal disability. Correspondence with counsel on same. Correspondence with S. Bissell. Drafting note regarding Notices of Revision and/or Disallowance for directors' marker claims.
05/20/2021	Cobb, E	1.40	785.00	1,099.00	Reviewing and confirming

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					settlement documentation. Call regarding CRA" without prejudice" communications. Updating CRA email correspondence. Call with A. Schmitt regarding D&O Claims.
05/20/2021	Chiasson, D	0.60	980.00	588.00	Discussion with E. Cobb.
05/21/2021	Brodeur, P	1.00	395.00	395.00	Listening to voicemail messages and return of calls with H. Liu.
05/24/2021	Merskey, A	0.20	850.00	170.00	Reviewing [REDACTED] NORD. Related emails. Considering outstanding claims.
05/25/2021	Choi, P	0.40	450.00	180.00	Reviewing court materials posted on the Monitor's website. Corresponding with H. Muhek regarding a resolved claim.
05/26/2021	Chiasson, D	0.60	980.00	588.00	Discussion with E. Cobb regarding letter to justice o [REDACTED]
05/26/2021	Cobb, E	0.60	785.00	471.00	Correspondence regarding CRA matters.
05/26/2021	Schmitt, A	0.70	605.00	423.50	Correspondence with counsel to claimant on settlement funds amount. Correspondence with H. Muhek on same. Confirming authority to have funds sent directly to counsel.
05/28/2021	Brodeur, P	2.20	395.00	869.00	Listening to voicemail messages and return of calls with H. Liu.
05/28/2021	Choi, P	0.20	450.00	90.00	Corresponding with H. Muhek regarding distributions.
05/28/2021	Cobb, E	0.30	785.00	235.50	Conference call regarding fee question.
05/28/2021	Cobb, E	0.20	785.00	157.00	Call with A. Schmitt.
05/28/2021	Pasparakis, O	1.00	1,340.00	1,340.00	Addressing strategy.

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Invoice Date	June 15, 2021	Invoice Number	9090353555	Page	8
Matter Description	(LD) Sears Canada Inc. (VAN 17-3401)				
Matter Number	1000299972				

05/28/2021	Schmitt, A	1.20	605.00	726.00	Correspondence on request for lift stay request. Locating relevant insurance policy. Preparing draft lift stay consent and circulating copy of same to S. Bissell.
05/31/2021	Brodeur, P	0.60	395.00	237.00	Listening to voicemail messages and return of calls with H. Liu.
05/31/2021	Choi, P	0.20	450.00	90.00	Corresponding with creditors regarding distributions. Internal correspondence regarding same.
Total		61.90		36,657.00	

TIME SUMMARY

<u>NAME</u>	<u>HOURS</u>	<u>RATE</u>	<u>AMOUNT</u>
Partner			
Pasparakis, O	1.00	1,340.00	1,340.00
Merskey, A	2.00	850.00	1,700.00
Gallop, A	0.20	675.00	135.00
Cobb, E	16.90	785.00	13,266.50
Chiasson, D	2.10	980.00	2,058.00
		Sub Total	18,499.50

<u>NAME</u>	<u>HOURS</u>	<u>RATE</u>	<u>AMOUNT</u>
Of Counsel			
Burt, J	0.30	595.00	178.50
		Sub Total	178.50

<u>NAME</u>	<u>HOURS</u>	<u>RATE</u>	<u>AMOUNT</u>
Senior Associate			

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Invoice Date	June 15, 2021	Invoice Number	9090353555	Page	9
Matter Description	(LD) Sears Canada Inc. (VAN 17-3401)				
Matter Number	1000299972				

Schmitt, A	10.90	605.00	6,594.50
Mojtahedi, A	2.00	515.00	1,030.00
		Sub Total	7,624.50

<u>NAME</u>	<u>HOURS</u>	<u>RATE</u>	<u>AMOUNT</u>
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Associate

Choi, P	3.90	450.00	1,755.00
Brodeur, P	12.80	395.00	5,056.00
		Sub Total	6,811.00

<u>NAME</u>	<u>HOURS</u>	<u>RATE</u>	<u>AMOUNT</u>
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Paralegal

Parent, K	0.70	360.00	252.00
Halstead, A	0.50	330.00	165.00
Bianchi, G	0.50	315.00	157.50
		Sub Total	574.50

<u>NAME</u>	<u>HOURS</u>	<u>RATE</u>	<u>AMOUNT</u>
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Trainee

Li, R	2.10	290.00	609.00
		Sub Total	609.00

<u>NAME</u>	<u>HOURS</u>	<u>RATE</u>	<u>AMOUNT</u>
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Practice Support

Tardif, H	3.50	365.00	1,277.50
Parenteau, A	0.80	365.00	292.00
El Haddad, J	1.70	465.00	790.50

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Invoice Date	June 15, 2021	Invoice Number	9090353555	Page	10
Matter Description	(LD) Sears Canada Inc. (VAN 17-3401)				
Matter Number	1000299972				

	Sub Total	2,360.00
Total	61.90	36,657.00

DISBURSEMENT SUMMARY

<u>DESCRIPTION</u>	<u>QTY</u>	<u>AMOUNT</u>
Montreal		
Taxable		
Courier Fee	1.00	19.62
Search Fee	1.00	35.00
TOTAL		54.62

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

Court File No.: CV-17-11846-00CL

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SEARS
CANADA INC., et al.

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

Proceeding commenced at TORONTO

**AFFIDAVIT OF ALAN MERSKEY
(Sworn July 15, 2021)**

NORTON ROSE FULBRIGHT CANADA LLP
222 Bay Street, Suite 3000, P.O. Box 53
Toronto, ON M5K 1E7

Orestes Pasparakis, LSO#: 36851T
orestes.pasparakis@nortonrosefulbright.com

Tel: +1 416.216.4815

Alan Merskey, LSO#: 41377I

alan.merskey@nortonrosefulbright.com

Tel: +1 416.216.4805

Evan Cobb, LSO#: 55787N

evan.cobb@nortonrosefulbright.com

Tel: +1 416.216.1929

Fax: +1 416.216.3930

Lawyers for FTI Consulting Canada Inc., in its
capacity as Monitor

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Court File No. CV-17-11846-00CL

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**FORTY-SIXTH REPORT TO THE COURT
SUBMITTED BY FTI CONSULTING CANADA INC.,
IN ITS CAPACITY AS MONITOR**

NORTON ROSE FULBRIGHT CANADA LLP

222 Bay Street, Suite 3000
P.O. Box 53
Toronto, Ontario M5K 1E7 CANADA

Orestes Pasparakis, LSO#: 36851T

Tel: +1 416.216.4815

Alan Merskey, LSO#: 41377I

Tel: +1 416.216.4805

Evan Cobb, LSO#: 55787N

Tel: +1 416.216.1929

Fax: +1 416.216.3930

orestes.pasparakis@nortonrosefulbright.com

alan.merskey@nortonrosefulbright.com

evan.cobb@nortonrosefulbright.com

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**MOTION RECORD
(Stay Extension and Fee Approval)
(returnable July 30, 2021)**

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222 Bay Street, Suite 3000
P.O. Box 53
Toronto, Ontario M5K 1E7 CANADA

Orestes Pasparakis, LSO#: 36851T

Tel: +1 416.216.4815

Alan Merskey LSO#: 41377I

Tel: +1 416.216.4805

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Tel: +1 416.216.1929

Fax: +1 416.216.3930

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alan.merskey@nortonrosefulbright.com
evan.cobb@nortonrosefulbright.com

Lawyers for the Monitor, FTI Consulting
Canada Inc.