

Payless Canada Entities

Canadian Employee Q&A

1. Is the loss of employment expected to be permanent?

You should expect the loss of employment to be permanent.

2. When will my termination date be?

The date the Company anticipates that your employment will be terminated will be between March 31 and April 30, 2019 for store employees and by May 31, 2019 for corporate employees. The Company will provide exact dates as soon as possible.

3. Is it possible my termination date could be changed?

It is possible that your termination date could change depending upon the liquidation plan that the Company is still diligently working on.

4. If I am terminated before the date listed on my notice, will I be paid?

Yes, if your last day of work is on or before the date in your notice, you will receive pay and benefits at your current regular rate for the period between your termination date and the date in your notice.

5. Is the decision to terminate my employment final?

Yes. The Company appreciates your hard work and dedicated service, but the decision to terminate your employment is necessary and is final as the Company will be ceasing all Canadian retail operations.

6. Who else is being terminated?

It is Company policy not to discuss personnel matters regarding one employee with another, but the Company anticipates ceasing all Canadian operations and terminating the employment of all Canadian employees.

7. Will I get severance or separation pay if/when my employment is terminated?

The Company is not modifying current Company policy. But all claims, including for severance and separation pay, will be handled as part of the *Companies' Creditors Arrangement Act* ("CCAA") proceedings. It is not yet known whether there will be a claims process in the CCAA proceeding. To the extent there is a claims process, to receive information about filing a claim for any further amounts that you wish to assert are owed to you, please contact the Monitor at paylesscanada@fticonsulting.com to provide your current personal email address.

8. What will happen to my group RRSP / DPSP if/when I am terminated or I resign from employment?

The assets in these plans are protected and will not be affected by the CCAA process.

9. Will I receive all or any of my accrued vacation pay?

Yes, you will receive your vacation pay accrued since 2018 that you have not taken and what you accrue through your last day of work.

10. How do the store closings impact employees?

There will be no impact on employee wages, salaries or healthcare benefits while employees continue to work.

11. Why should I keep working for Payless through my termination date?

You will continue to receive pay and benefits as usual through your termination date.

12. Can I apply to the Government of Canada to receive additional funds under the *Wage Earner Protection Program Act*?

At this time, employees are not eligible to receive payment under the *Wage Earner Protection Program Act*. Additional notices will be provided if employees whose employment is terminated become eligible for compensation under that government program in the future.

13. How can employees get updates and additional information?

The Monitor has also established an information hotline related to enquiries regarding the CCAA process at +1 855-718-5255. The Company will do its best to keep you informed about our progress as it moves forward with the CCAA process.