

**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  
(CCAA Termination and Fee Approval)  
(returnable October 25, 2021)**

October 18, 2021

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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**

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

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Applicants

**NOTICE OF MOTION  
(returnable October 25, 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 Monday, October 25, 2021, at 12:30 p.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 Katie Parent at [katie.parent@nortonrosefulbright.com](mailto:katie.parent@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) if necessary, abridging the time for service of this Notice of Motion and the forty-seventh report of the Monitor dated October 18, 2021 (the “**Forty-Seventh Report**”), and dispensing with service on any person other than those served;
- (b) extending the Stay Period (as defined below) until such date as the Monitor delivers the CCAA Termination Certificate (as defined below);
- (c) approving the fees and disbursements of the Monitor and its counsel, Norton Rose Fulbright Canada LLP, for the period from June 1, 2021 until September 30, 2021;
- (d) approving this Forty-Seventh Report and the Prior Reports (as defined below) and the Monitor’s activities as described therein;
- (e) terminating the CCAA proceedings and discharging and releasing the Monitor and the Receiver on a date to be determined by the Monitor as evidenced by the filing of the CCAA Termination Certificate; and
- (f) 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 multiple times, most recently until and including October 30, 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 The Monitor believes that additional time will be required to complete the following matters:

- (a) Resolution of remaining disputed claims;
- (b) Completing final distributions under the Plan;
- (c) Preparing and distributing tax reporting related documents in respect of plan distributions; and
- (d) Responding to information requests from former employees, retirees, other creditors, Employee Representative Counsel, Pension Representative Counsel and other stakeholders

(collectively, the “**Remaining Matters**”);

7 The Applicants have sufficient liquidity to complete the Remaining Matters;

8 To limit cost and reduce court attendances, the Monitor proposes that the Stay Period be extended until such time as the Remaining Matters are completed;

### **Fee Approval**

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

10 The Forty-Seventh 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 period from and after June 1, 2021 to September 30, 2021;

11 Barring unforeseen circumstances, the Monitor's and NRFC's fees from October 1, 2021 up to the completion of the Remaining Matters are estimated not to exceed \$550,000 (excluding HST and disbursements);

12 The Monitor believes that the Monitor's and its counsel's fees and disbursements, and estimated amounts to completion of the proceedings, are reasonable in the circumstances and have been or will be validly incurred in accordance with the provisions of the Orders in these CCAA proceedings;

### **Approval of Reports and Activities**

13 In addition to the Forty-Seventh Report, the Monitor has filed forty-six reports and twenty-five supplemental reports in these CCAA proceedings (the "**Prior Reports**");

14 The Forty-Seventh Report and the Prior Reports set out in detail the activities of the Monitor during these CCAA proceedings;



15 Approval of the Monitor's activities and reports is proposed to be limited such that only the Monitor, in its personal capacity and with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval;

### **CCAA Termination and Release**

16 The Monitor would advise the Service List of the completion of the Remaining Matters, and thereafter deliver a certificate confirming such completion to the Service List and to the Court (the "**CCAA Termination Certificate**")

17 Upon delivery of the CCAA Termination Certificate:

- (a) the Stay Period would terminate;
- (b) the CCAA proceedings would terminate; and
- (c) FTI Consulting Canada Inc. would be discharged from its role as Monitor and receiver (the "**Receiver**") and released on customary terms;

18 The proposed Order contemplates releases in favour of the Monitor and the Receiver effective to the date of such Order, if granted, and separate releases for the period between the date of such Order and the date of the CCAA Termination Certificate (the "**Subsequent Releases**");

19 The Monitor's proposed approach to the termination of these proceedings has been used in other CCAA proceedings including *Timminco Limited* and *Nelson Education Ltd.*;

20 The Monitor proposes this termination procedure to further limit costs of additional court attendances and believes the procedure is appropriate in the current case;

## Other Grounds

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

22 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

23 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-Seventh Report of the Monitor; and

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

October 18, 2021

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Lawyers for the Monitor

TO: **THE SERVICE LIST**

**SCHEDULE "A"**  
**VIDEOCONFERENCE DETAILS**

Join Zoom Meeting

<https://nortonrosefulbright.zoom.us/j/97982052374?pwd=UTJWem5HY2hCM0FoeVRsMTluRHBOU09>

Meeting ID: 979 8205 2374

Password: 730790

One tap mobile

+16465588656,,97982052374#,1#,730790# US (New York)

+16699009128,,97982052374#,1#,730790# US (San Jose)

Dial by your location:

+1 646 558 8656 US (New York)

+1 669 900 9128 US (San Jose)

+1 253 215 8782 US (Tacoma)

+1 301 715 8592 US (Washington DC)

+1 312 626 6799 US (Chicago)

+1 346 248 7799 US (Houston)

877 853 5257 US Toll-free

888 475 4499 US Toll-free

833 548 0276 US Toll-free

833 548 0282 US Toll-free

Meeting ID: 979 8205 2374

Password: 730790

Find your local number: <https://nortonrosefulbright.zoom.us/j/97982052374?pwd=UTJWem5HY2hCM0FoeVRsMTluRHBOU09>

Join by SIP

[97982052374@zoomcrc.com](https://nortonrosefulbright.zoom.us/j/97982052374?pwd=UTJWem5HY2hCM0FoeVRsMTluRHBOU09)

**SCHEDULE "B"**  
**FORM OF DRAFT ORDER**

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

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE	)	MONDAY, THE 25TH
	)	
JUSTICE MCEWEN	)	DAY OF OCTOBER, 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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168886 CANADA INC., AND 3339611 CANADA INC.

Applicants

**ORDER  
(CCAA TERMINATION ORDER)**

**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-Seventh Report of the Monitor dated October 18, 2021 (the "**Forty-Seventh Report**"), filed, including the Affidavit of Steven Bissell, sworn October 15, 2021, and the Affidavit of Orestes Pasparakis, sworn October 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-Seventh 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 (the “**Amended and Restated Initial Order**”)) be and is hereby extended to and including the CCAA Termination Time (as defined below).

## TERMINATION OF CCAA PROCEEDINGS

3. **THIS COURT ORDERS** that upon the filing, on at least seven days prior notice to the Service List, of a certificate of the Monitor substantially in the form attached hereto as Schedule “A” (the “**CCAA Termination Certificate**”) certifying that the Remaining Matters (as defined in the Forty-Seventh Report) have been completed, the within CCAA proceedings shall be terminated without any other act or formality (the “**CCAA Termination Time**”).

4. **THIS COURT ORDERS** that each of the Charges (as defined in the Amended and Restated Initial Order) shall be and are hereby terminated, released and discharged at the CCAA Termination Time.

## DISCHARGE OF MONITOR AND RECEIVER

5. **THIS COURT ORDERS AND DECLARES** that effective at the CCAA Termination Time, FTI Consulting Canada Inc. shall be and is hereby discharged as Monitor, and as Receiver pursuant to the Amended and Restated Receivership Order granted in these proceedings on

October 16, 2018 (in such capacity, the “**Receiver**”) and shall have no further duties, obligations or responsibilities as Monitor or Receiver from and after the CCAA Termination Time.

6. **THIS COURT ORDERS** that effective as of the date of this Order, in addition to the protections in favour of the Monitor and the Receiver in any Order of this Court in these proceedings or under the CCAA or the *Bankruptcy and Insolvency Act (Canada)*, the Monitor, the Receiver, Norton Rose Fulbright Canada LLP, in its capacity as counsel to the Monitor and the Receiver, and each of their respective affiliates and officers, directors, partners, employees and agents (collectively, the “**Released Parties**”) are hereby released and discharged from any and all claims that any person may have or be entitled to assert against the Released Parties, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the date of this Order in any way relating to, arising out of or in respect of the within proceedings, the appointment of the Receiver or the Monitor, or with respect to their respective conduct in the within proceedings (collectively, the “**Released Claims**”), and any such Released Claims are hereby released, stayed, extinguished and forever barred and the Released Parties shall have no liability in respect thereof, provided that the Released Claims shall not include any claim or liability arising out of any gross negligence or willful misconduct on the part of the Released Parties.

7. **THIS COURT ORDERS** that effective as of the CCAA Termination Time, in addition to the protections in favour of the Monitor and the Receiver in any Order of this Court in these proceedings or under the CCAA or the *Bankruptcy and Insolvency Act (Canada)*, the Released Parties are hereby released and discharged from any and all claims that any person may have or be entitled to assert against the Released Parties, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place following

the date of this Order and up to and including the CCAA Termination Time in any way relating to, arising out of or in respect of the within proceedings, the appointment of the Receiver or the Monitor, or with respect to their respective conduct in the within proceedings (collectively, the “**Subsequent Released Claims**”), and any such Subsequent Released Claims are hereby released, stayed, extinguished and forever barred and the Released Parties shall have no liability in respect thereof, provided that the Subsequent Released Claims shall not include any claim or liability arising out of any gross negligence or willful misconduct on the part of the Released Parties.

8. **THIS COURT ORDERS** that in the event that any person objects to the release of the Subsequent Released Claims pursuant to paragraph 7 hereof, that person must send a written notice of objection and the grounds therefor to the Monitor at the address set out on the Service List such that the objection is received by the Monitor prior to the proposed CCAA Termination Time. If no objection is received by the Monitor prior to the proposed CCAA Termination Time, the release of Subsequent Released Claims pursuant to paragraph 7 hereof shall be automatically deemed effective upon the CCAA Termination Time up to and including the CCAA Termination Time, without further Order of the Court.

9. **THIS COURT ORDERS** that if an objection to the release of the Subsequent Released Claims pursuant to paragraph 7 hereof is received by the Monitor in accordance with paragraph 8 hereof, the release of the Subsequent Released Claims pursuant to paragraph 7 hereof shall only become effective if the objection is resolved or upon further Order of the Court. For greater certainty, no objection received in accordance with paragraph 8 hereof shall affect the release of the Released Claims pursuant to paragraph 6 hereof, which shall be effective as of the date of this Order.



10. **THIS COURT ORDERS** that no action or other proceeding shall be commenced against any of the Released Parties in any way arising from or related to the within proceedings, the appointment of the Receiver or the Monitor, or with respect to their respective conduct in the within proceedings except with prior leave of this Court on at least seven days' prior written notice to the applicable Released Party, and provided that any such Order granting leave includes a term granting the applicable Released Party security for its costs and the costs of its counsel in connection with any proposed action or proceeding, such security to be on terms this Court deems just and appropriate.

11. **THIS COURT ORDERS** that, notwithstanding any provision of this Order and the termination of the within proceedings, nothing herein shall affect, vary, derogate from, limit or amend, and the Monitor and the Receiver shall continue to have the benefit of, any of the protections in favour of the Monitor or the Receiver at law or pursuant to the CCAA, the *Bankruptcy and Insolvency Act* (Canada), or any Order of this Court in the within proceedings or otherwise.

15. **THIS COURT ORDERS** that the Forty-Seventh Report of the Monitor and the Prior Reports (as defined in the Forty-Seventh Report), and the actions, conduct and activities of the Monitor and the Receiver described therein are hereby approved; provided, however, that only the Monitor and the Receiver, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

#### **APPROVAL OF FEES**

12. **THIS COURT ORDERS** that (i) the fees and disbursements of the Monitor for the period from June 1, 2021 to and including September 30, 2021 totalling \$454,871.20 (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 June 1, 2021 to and including September 30, 2021 totalling \$123,271.75 (including applicable taxes), be and are hereby approved and the Monitor and its counsel shall no longer be required to pass their accounts pursuant to the CCAA and the Amended and Restated Initial Order granted in these proceedings.

## **GENERAL**

13. **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 Applicants, the Monitor and the Receiver and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants, the Monitor and the Receiver, and their respective agents as may be necessary or desirable to give effect to this Order or to assist the Applicants, the Monitor and the Receiver, and their respective agents, in carrying out the terms of this Order.

14. **THIS COURT ORDERS** that each of the Applicants, the Monitor and the Receiver 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 of 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*, 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.

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## Schedule "A"

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

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Applicants

**CCAA TERMINATION CERTIFICATE**

**WHEREAS** on [October 25], 2021, the Honourable Justice [McEwen] made an order (the "**CCAA Termination Order**") authorizing the discharge of FTI Consulting Canada Inc. in its capacity as monitor (the "**Monitor**") and receiver (the "**Receiver**") in the *Companies' Creditors Arrangement Act* proceedings of Sears Canada Inc., among others, (the "**CCAA Proceedings**") and terminating the CCAA Proceedings effective upon the filing with this Court of a certificate in which the Monitor certifies that all Remaining Matters (as defined in the Forty-Seventh Report of the Monitor dated October 18, 2021) have been completed.

**THE MONITOR HEREBY CERTIFIES** that all Remaining Matters are now completed and the CCAA Proceedings are terminated pursuant to the CCAA Termination Order.

**DATED** at the City of Toronto, in the Province of Ontario, this ● day of ●, 2021.

**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 and without personal or corporate liability

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

**ORDER  
(CCA Termination Order)**

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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  
(CCA TERMINATION ORDER)  
(returnable October 25, 2021)**

**NORTON ROSE FULBRIGHT CANADA LLP**  
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Lawyers to the Monitor, FTI Consulting Canada Inc.

**TAB 2**



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

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

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

**October 18, 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  
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

**FORTY-SEVENTH 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; and
  - (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 October 30, 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 October 16, 2018, FTI Consulting Canada Inc. was appointed receiver (in such capacity, the “**Receiver**”), without security, of certain bank accounts of the Applicants to a maximum of \$500, collectively, in all such accounts, and no other property of the Applicants. The primary purpose of the Receiver’s appointment was to allow for payments from the Federal Government to eligible former employees of the Sears

Canada Entities pursuant to the *Wage Earner Protection Program Act* (Canada). A copy of the Amended and Restated Receivership Order dated October 16, 2018 is attached hereto as **Appendix “B”**.

8. 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.
9. 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 approved by the Court and implemented.
10. 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 “C”** and “**D**”.
11. In connection with the CCAA Proceedings, the Monitor has provided forty-six 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](http://cfcanada.fticonsulting.com/searscanada).

## B. PURPOSE

12. The purpose of this forty-seventh report of the Monitor (the “**Forty-Seventh 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 “**CCAA Termination Order**”):
    - (i) extending the Stay Period (as defined in the Initial Order) until such date as the Monitor delivers the CCAA Termination Certificate (as defined below);
    - (ii) approving the fees and disbursements of the Monitor and its counsel, Norton Rose Fulbright Canada LLP, for the period from June 1, 2021 until September 30, 2021;
    - (iii) approving this Forty-Seventh Report and the Prior Reports and the Monitor’s activities as described herein and therein; and
    - (iv) terminating the CCAA Proceedings and discharging and releasing the Monitor and the Receiver on a date to be determined by the Monitor as evidenced by the filing of the CCAA Termination Certificate.

## C. TERMS OF REFERENCE

13. In preparing this Forty-Seventh 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**”).

14. Except as otherwise described in this Forty-Seventh 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-Seventh Report in a manner that would comply with the procedures described in the *Chartered Professional Accountants of Canada Handbook*.
15. Future-oriented financial information reported in or relied on in preparing this Forty-Seventh Report is based on assumptions regarding future events. Actual results will vary from these forecasts and such variations may be material.
16. The Monitor has prepared this Forty-Seventh Report in connection with its request for the CCAA Termination Order. The Forty-Seventh Report should not be relied on for any other purpose.
17. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars.
18. 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*

19. In order to distribute the proceeds from the liquidation of the assets of the Sears Canada Entities and the Estate 2013 Dividend Litigation to creditors in accordance with their entitlements, the Monitor developed the Plan.
20. A detailed description of the Plan is included in the Twenty-Ninth Report of the Monitor dated February 6, 2019 and the Supplements thereto.
21. 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.
22. The Plan Implementation Date (as defined in the Plan) occurred on December 14, 2020.
23. The initial distributions to substantially all unsecured creditors with proven claims against the Sears Canada Entities have been made under the Plan.
24. In total, \$180.9 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 included approximately \$8.2 million in distributions to former employees, retirees and other creditors that were either returned to the Monitor due to outdated banking information or mailing addresses or which have not been cashed as of the date of this report. As of the date of this report, the Monitor has successfully re-issued approximately \$4.5 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.



25. 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%
  - (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.
26. 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 costs of the remaining administrative steps to complete the CCAA Proceedings.

#### *Claims Process*

27. 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.
28. 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.

29. 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.
30. There is only one claim filed against the Sears Canada Entities that has not yet been resolved. The claim was asserted by a former customer in a maximum aggregate amount of \$1,000,000. The Monitor is in discussions with counsel to the former customer creditor and expects to resolve this remaining claim in the near future. The Monitor is also aware that additional claims not filed in these proceedings are being pursued solely for the purpose of recovering from any insurance available to the Sears Canada Entities.
31. 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.<sup>1</sup>

*Other Activities of the Monitor*

32. 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) Provided regular updates to Employee Representative Counsel (“**ERC**”) and Pension Representative Counsel (“**PRC**”) with respect to CCAA matters including the status of initial distributions to former employees and retirees;

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<sup>1</sup> 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.

- (e) Participated on multiple calls and corresponded with representatives from Canada Revenue Agency to discuss and coordinate tax related matters;
- (f) Responded to over 4,700 calls and emails from former employees and retirees inquiring as to the status of, and other matters related to, their initial Plan Distributions;
- (g) Coordinated reissuing approximately 550 initial Plan Distributions to former employee and retiree creditors, the majority of which had been rejected due to outdated mailing or banking information;
- (h) Worked closely with the Warranty Claims Administrator to continue to implement the Pre-Filing Warranty Claims process including responding to email and voicemail requests from potential Pre-Filing Warranty Claim holders, reviewing claims and coordinating the issuance of distributions in respect of Proven Claims from the Warranty Reimbursement Pool; and
- (i) Corresponded with Pension Representative Counsel, counsel to the Financial Services Regulatory Authority 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 THIRTEEN WEEK PERIOD ENDING OCTOBER 9, 2021**

33. The Sears Canada Entities’ actual net operating cash flows, before Plan Distributions, for the thirteen week period ending October 9, 2021 totalled approximately \$2.4 million resulting in a positive variance of \$3.2 million compared to forecast net operating cash out flows of \$0.8 million. During the period, the Monitor, on behalf of the Sears Canada Entities, administered Plan Distributions totaling \$3.8 million. A comparison of the actual versus forecast cash flows for the period ending October 9, 2021 is presented in the table below:

<b>VARIANCE REPORT</b>			
	<b>Actual</b>	<b>Forecast</b>	<b>Variance</b>
(CAD in Millions)			
<b>Receipts</b>	<b>2.6</b>	<b>-</b>	<b>2.6</b>
<b>Operating Disbursements</b>			
Payroll and Employee Related Costs	(0.0)	(0.0)	0.0
Non-Merchandise Vendors	(0.2)	(0.8)	0.6
IT and Data Storage Costs	-	(0.0)	0.0
<b>Total Operating Disbursements</b>	<b>(0.3)</b>	<b>(0.8)</b>	<b>0.6</b>
<b>Net Operating Cash Inflows / (Outflows)</b>	<b>2.4</b>	<b>(0.8)</b>	<b>3.2</b>
Professional Fees	(0.8)	(0.6)	(0.2)
CCAA Plan Distributions	(3.8)	-	(3.8)
<b>Net Cash Inflows / (Outflows)</b>	<b>(2.2)</b>	<b>(1.4)</b>	<b>(0.8)</b>

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

- (a) The positive variance in Receipts of \$2.6 million is a permanent difference compared to the forecast and consists primarily of sales tax refunds that were not included in the forecast due to uncertainty in respect of the timing and amount of any refunds;
- (b) The positive variance in non-merchandise vendors of \$0.6 million consists primarily of differences between actual and forecast disbursements in respect of workplace insurance premiums for the post-filing period; and
- (c) The negative variance in restructuring fees of \$0.2 million is a timing difference which is expected to reverse in future reporting periods.

As noted above, actual cash flow results include certain delayed initial Plan Distributions to creditors with proven unsecured claims in accordance with the Plan.

## **F. SUMMARY OF RECEIPTS AND DISBURSEMENTS**

35. The Sears Canada Entities' cumulative receipts and disbursements since the commencement of the CCAA Proceedings through the week ended October 9, 2021 are reflected in the table below:

<b>CUMULATIVE RECEIPTS AND DISBURSEMENTS</b>	
(CAD in Millions)	
<b>For the Period Ending October 9, 2021</b>	
<b>Receipts</b>	<b>1,429.1</b>
<b>Operating Disbursements</b>	
Payroll and Employee Related Costs	(268.3)
Merchandise Vendors	(289.4)
Owned Real Property - Carrying Costs	(4.5)
Non-Merchandise Vendors	(186.8)
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)
<b>Total Operating Disbursements</b>	<b>(864.8)</b>
<b>Net Operating Cash Inflows / (Outflows)</b>	<b>564.3</b>
Professional Fees	(113.7)
Repayments of Existing Credit Facilities	(283.3)
DIP Fees and Interest Paid	(19.7)
CCAA Plan Distributions	(187.1)
<b>Net Cash Inflows / (Outflows)</b>	<b>(39.5)</b>
<b>Cash</b>	
Beginning Balance	126.5
Net Cash Inflows / (Outflows)	(39.5)
DIP Draws / (Repayments)	(32.0)
Others incl. FX Valuation	(3.0)
<b>Ending Balance</b>	<b>52.0</b>

36. 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. CCAA TERMINATION ORDER

### *Stay Extension and CCAA Termination*

37. The Stay Period currently expires on October 30, 2021.
38. The Monitor believes that additional time will be required to complete the following matters:
  - (a) Resolution of remaining disputed claims;
  - (b) Completing final distributions under the Plan;
  - (c) Preparing and distributing tax reporting related documents in respect of plan distributions; and
  - (d) Responding to information requests from former employees, retirees, other creditors, ERC, PRC and other stakeholders

(collectively, the "**Remaining Matters**").
39. The activities of the Receiver in connection with its appointment, and in particular, the Wage Earner Protection Program, are substantially completed.
40. To limit cost and reduce court attendances, the Monitor proposes that the Stay Period be extended until such time as the Remaining Matters are completed.
41. 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.

42. The Applicants have sufficient liquidity to fund these proceedings in order to complete the Remaining Matters.
43. The Monitor does not believe any creditor would be materially prejudiced by the extension of the Stay Period to permit the completion of the Remaining Matters.
44. The Monitor will advise the Service List of the completion of the Remaining Matters, and thereafter deliver a certificate confirming such completion to the Service List and to the Court (the “**CCAA Termination Certificate**”).
45. Upon delivery of the CCAA Termination Certificate:
  - (a) the Stay Period would terminate;
  - (b) the CCAA Proceedings would terminate; and
  - (c) FTI Consulting Canada Inc. would be discharged from its role as Monitor and Receiver and released on customary terms.
46. The proposed CCAA Termination Order contemplates releases in favour of the Monitor and the Receiver effective to the date of the CCAA Termination Order, if granted, and separate releases for the period between the date of the CCAA Termination Order and the date of the CCAA Termination Certificate (the “**Subsequent Releases**”). The proposed Order provides that the Monitor shall, at least seven days prior to the delivery of the CCAA Termination Certificate, provide notice to the Service List so that any party with an interest may object to the Subsequent Releases if they wish to do so. If no objections are received before the proposed date for delivery of the CCAA Termination Certificate, the Subsequent Releases shall become effective on the date of delivery of the CCAA Termination Certificate.
47. The Monitor’s proposed approach to the termination of these proceedings has been used in other cases, including the CCAA proceedings of *Timminco Limited* and *Nelson Education Ltd.* The termination orders granted in those proceedings are attached hereto as **Appendices “E”** and **“F”**. The Monitor proposes this termination procedure to further limit costs of additional court attendances and believes the procedure is

appropriate in the current case, where the operations of the Applicants have been terminated for over three years, the Plan was approved several months ago, and distributions and claim resolution are substantially completed.

*Approval of Monitor's Reports and Activities*

48. The Monitor has filed forty-seven reports and twenty-five supplemental reports in these CCAA Proceedings.
49. The Forty-Seventh Report and the Prior Reports set out in detail the activities of the Monitor during these CCAA Proceedings.
50. The Monitor notes that the approval of its activities and reports is limited such that only the Monitor, in its personal capacity and with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

*Fee Approvals*

51. 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.
52. 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 May 31, 2021.
53. Attached as Exhibit “A” to the Affidavit of Steven Bissell sworn October 15, 2021 that is attached as **Appendix “G”** to this Forty-Seventh Report (the “**Bissell Affidavit**”) are copies of the invoices rendered by the Monitor in respect of the CCAA Proceedings for the period June 1, 2021 to September 30, 2021. The Monitor’s accounts for the period from June 1, 2021 to September 30, 2021 total \$401,468.50 in fees, \$1,072.38 in disbursements, and \$52,330.32 in HST for a total amount of \$454,871.20. 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.



54. Attached as Appendix “H” to this Forty-Seventh Report is the Affidavit of Orestes Pasparakis, sworn October 15, 2021 (the “**Pasparakis Affidavit**” and, together with the Bissell Affidavit, the “**Fee Affidavits**”). NRFC’s accounts in connection with the CCAA Proceedings for the period from June 1, 2021 to September 30, 2021 total \$108,392.60 in fees, \$1,118.70 in disbursements and \$13,760.45 in HST for a total amount of \$123,271.75. At Exhibit “C” to the Pasparakis Affidavit are copies of the invoices rendered by NRFC as counsel to the Monitor for such amounts, while Exhibits “A” and “B” to the Pasparakis Affidavit contain a summary of the personnel, hours, and hourly rates charged by NRFC in respect of the CCAA Proceedings during the applicable period.
55. The Monitor’s and NRFC’s fees and disbursements for the period from October 1, 2021 to the completion of the Remaining Matters will be calculated and billed at standard hourly rates currently in effect. Barring any unforeseen matters, the Monitor’s and NRFC’s fees up to the completion of the Remaining Matters are estimated not to exceed \$550,000, plus taxes and disbursements.
56. As indicated in the invoices included in the Fee Affidavits and the description of activities contained in this Forty-Seventh 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.
57. The Monitor respectfully submits that the respective fees and disbursements of the Monitor and NRFC, including the estimated fees and disbursements to completion of the proceedings, are reasonable in the circumstances and have been or will be 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-Seventh Report.

Dated this 18<sup>th</sup> day of October, 2021.

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

A handwritten signature in black ink, appearing to read 'S. Bissell', is written over a faint, light-colored circular stamp or watermark.

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 22<sup>ND</sup>

JUSTICE LAINEY )

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 ScarsConnect (the “**Partnership**”, and collectively with the Applicants, the “**Sears Canada**

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**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 Retirement 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;



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- (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

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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.

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

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.

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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

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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](http://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.

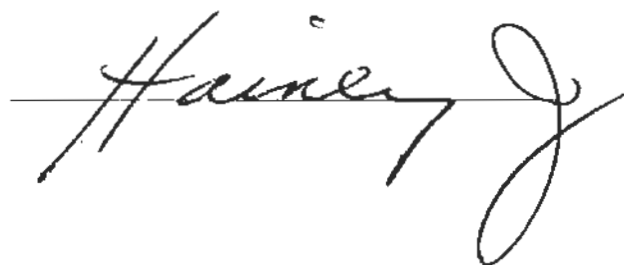
68. **THIS COURT ORDERS** that any interested party (including the Sears Canada Entities and the Monitor) may apply to this Court to vary or amend this Order at the Comeback Motion

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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.

A handwritten signature in black ink, appearing to read "Haimy J.", written over a horizontal line.

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

JUL 13 2017

PER / PAR:

Handwritten initials "PL" in black ink.

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**

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Lawyers for the Applicants



APPENDIX "B"

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

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

THE HONOURABLE MR.	)	TUESDAY, THE 16TH
	)	
JUSTICE HAINEY	)	DAY OF OCTOBER 2018



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

AND IN THE MATTER OF SECTION 243 OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C., 1985, c. B-3, 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., 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 RECEIVERSHIP ORDER**

THIS MOTION made by Ursel Phillips Fellows Hopkinson LLP, as Employee Representative Counsel (as defined in the Employee Representative Counsel Order granted by this Court on July 13, 2017), for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3 as amended (the "**BIA**") appointing FTI Consulting Canada Inc. as receiver (in such capacity, the "**Receiver**") without security, of the bank accounts described in **Schedule "B"** to this Order, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Affidavit of Karen Ensslen, sworn October 11, 2018, the 26<sup>th</sup> Report of FTI Consulting Canada Inc., in its capacity as monitor (the "**Monitor**"), and on hearing the submissions of counsel for the Applicants, the Monitor, FTI Consulting Canada Inc. (as the proposed Receiver), and Employee Representative Counsel, no one else appearing although duly served as appears from the affidavit of service of Christien Lam sworn October 12, 2018 and on reading the consent of FTI Consulting Canada Inc. to act as the Receiver,

### **SERVICE**

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

### **LIFTING OF THE STAY**

2. THIS COURT ORDERS that the stay of proceedings granted by this Court under the Amended and Restated Initial Order dated June 22, 2017, (the "**Initial Order**") is hereby lifted with respect to the Applicants and the Receivership Property (as defined below) solely to allow: (i) the appointment of the Receiver over the Receivership Property on the Receivership Effective Date (as defined below); and (ii) the Receiver to act in respect of the Receivership Property in accordance with the provisions of this Order.

### **APPOINTMENT**

3. THIS COURT ORDERS that pursuant to section 243(1) of the BIA, and effective two (2) business days following service on the Service List (as defined in the Initial Order) of the certificate attached as **Schedule "A"** hereto (the "**Receivership Effective Date**"), FTI Consulting Canada Inc. will hereby be appointed Receiver, without security, of the bank accounts described in **Schedule "B"** to this Order (the "**Receivership Property**") to a maximum of five hundred dollars (\$500) collectively in all accounts, and of no other property of the Applicants.

4. THIS COURT DECLARES that the Receiver is a receiver within the meaning of Section 243(1) of the BIA.

## RECEIVER'S POWERS

5. THIS COURT ORDERS that, from and after the Receivership Effective Date, the Receiver will be empowered and authorized, but not obligated, to act at once in respect of the Receivership Property and the Receiver will be expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- a) subject to paragraphs 12 and 13 of this Order, to exercise control over the Receivership Property;
- b) to perform its statutory obligations under the *Wage Earner Protection Program Act* (Canada) (the "WEPPA");
- c) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations; and
- d) to engage counsel to assist with the exercise of the Receiver's powers conferred by this Order.

6. THIS COURT ORDERS that the Receiver be and is hereby relieved from compliance with the provision of Sections 245(1), 245(2) and 246 of the BIA, provided that the Receiver shall provide notice of its appointment in the prescribed form and manner to the Superintendent of Bankruptcy, accompanied by the prescribed fee.

## DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

7. THIS COURT ORDERS that (i) the Applicants, (ii) all of their current and former directors, officers, employees, agents, accountants, legal counsel and members, and all other persons acting on their instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any Receivership Property in such Person's possession or control and shall grant immediate and continued access to the Receivership Property to the Receiver.

8. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the Receivership Property, the employees of the Applicants for the purposes of complying with the Receiver's

statutory obligations under the WEPPA, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 8 or in paragraph 9 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to applicable laws prohibiting such disclosure.

9. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

#### **NO PROCEEDINGS AGAINST THE RECEIVER**

10. THIS COURT ORDERS that the stay of proceedings in effect in accordance with paragraphs 14 and 17 of the Initial Order shall apply *mutatis mutandis* to any Proceedings (as defined in the Initial Order) or any right or remedy against or in respect of the Receiver and the Receivership Property and nothing herein shall derogate from the stay of proceedings in effect pursuant to the Initial Order, except to the extent necessary to give effect to the appointment of the Receiver.

#### **EMPLOYEES**

11. THIS COURT ORDERS that all employees of the Applicants shall remain the employees of the Applicants until such time as the Applicants may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities or obligations, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA.

### **LIMITATION ON ENVIRONMENTAL LIABILITIES**

12. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Receivership Property or any of the Applicants' other assets, property or undertaking, including (without limitation) 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**").

### **POSSESSION OF RECEIVERSHIP PROPERTY**

13. The Receiver shall take no part whatsoever in the management or the supervision of the management of the Business (as defined in the Initial Order) and the Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in possession of or be deemed to have taken any steps to dispose of any of the Receivership Property, or of any other assets, property or undertaking of the Applicants, including (without limitation) within the meaning of any Environmental Legislation, unless it is actually in possession. Any distribution of the Receivership Property shall be made only upon further Order of this Court following service and notice as required by the Initial Order; provided, however, that the Receiver is authorized and directed to permit the Applicants' access to sufficient funds from the Receivership Property as requested by the Applicants to operate the Business in compliance with the Initial Order.

### **LIMITATION ON THE RECEIVER'S LIABILITY**

14. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its delivery of the Receivership Certificate, its appointment or the carrying out the provisions of this Order or the Applicants' operation of their Business, including any liability or obligation in respect of taxes, withholdings, interest, penalties, or other like claims, save and except for any gross negligence or wilful misconduct on its part, and it shall have no obligations under sections 81.4(5) or 81.6(3) of the BIA. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

**COSTS OF ADMINISTRATION**

15. THIS COURT ORDERS that paragraphs 35, 36 and 37 of the Initial Order shall apply *mutatis mutandis* to the Receiver and the Receiver's legal counsel. The Receiver and the Receiver's legal counsel shall be entitled to the benefit of the Administration Charge on the Property (each as defined in the Initial Order) as security for their professional fees and disbursements incurred at their standard rates and charges subject to the maximum amount set out in the Initial Order and with the priority set out in the Initial Order. The fees and disbursements of the Receiver and the Receiver's counsel shall not be subject to Section 246(3) of the BIA.

**SERVICE AND NOTICE**

16. THIS COURT ORDERS that, subject to further Order of the Court, service and notice with respect to this Order and the appointment of the Receiver shall be in accordance with Paragraphs 60, 61 and 62 of the Initial Order.

**INITIAL ORDER**

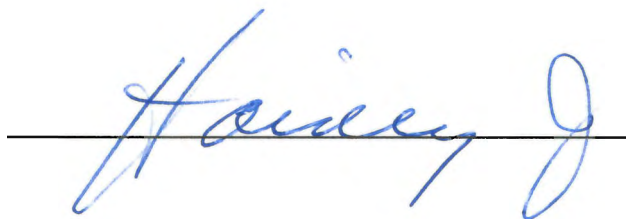
17. THIS COURT ORDERS that, except as expressly stated herein with respect to the Receivership Property, nothing herein amends the terms of the Initial Order, including the powers, authorizations, obligations and protections for the Monitor, the Applicants and the Applicants' directors and officers contained in the Initial Order.

**GENERAL**

18. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

19. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Applicants (or any of them).

20. THIS COURT ORDERS that this Order and all of its provisions are effective as of 12:01 p.m. Eastern Time on October 16, 2018.



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

DEC 18 2018

PER / PAR: *RW*



**Schedule "A"  
Receivership Certificate**

**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 SECTION 243 OF THE *BANKRUPTCY  
AND INSOLVENCY ACT*, R.S.C., 1985, c. B-3, 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., 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.

**RECEIVERSHIP CERTIFICATE**

The undersigned confirm that this is the "Receivership Certificate" referred to in the Receivership Order of the Ontario Superior Court of Justice (Commercial List) made on October 16, 2018, and that in accordance with paragraph 3 of the Receivership Order, the Receivership Effective Date shall be **[insert date that is two (2) business days following service of this certificate on the Service List]**.

**FTI CONSULTING CANADA INC., IN  
ITS CAPACITY AS PROPOSED  
RECEIVER, AND NOT IN ITS  
PERSONAL OR CORPORATE  
CAPACITY**

**URSEL, PHILLIPS, FELLOWS HOPKINSON  
LLP, IN ITS CAPACITY AS EMPLOYEE  
REPRESENTATIVE COUNSEL IN THE  
WITHIN PROCEEDINGS**

Per: \_\_\_\_\_  
Name:  
Title:

Per: \_\_\_\_\_  
Name:  
Title:

**Schedule "B"****Receivership Property**

1. Account in the name of Sears Canada Inc. located at Royal Bank of Canada, Toronto, ON and ending with 151-129-4.
2. Account in the name of 191020 Canada Inc. located at Royal Bank of Canada, Toronto, ON and ending with 139-332-1.
3. Account in the name of 9370-2751 Québec Inc. located at Royal Bank of Canada, Toronto, ON and ending with 139-330-5.
4. Account in the name of 168886 Canada Inc. located at Royal Bank of Canada, Toronto, ON and ending with 139-333-9.
5. Account in the name of Sears Contact Services Inc. located at Royal Bank of Canada, Toronto, ON and ending with 135-672-4.

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

AND IN THE MATTER OF SECTION 243 OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C., 1985, c. B-3, 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

**RECEIVERSHIP ORDER**

**Ursel Phillips Fellows Hopkinson LLP**  
555 Richmond St. W., Suite 1200  
Toronto, Ontario M5V 3B1

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Tel: (416) 969-3507

Fax: (416) 968-0325

Employee Representative Counsel

APPENDIX "C"

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.

A handwritten signature in cursive script, appearing to read "Harry J.", written over a horizontal line.

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

NOV 24 2020

PER / PAR:

A handwritten signature in cursive script, appearing to be a stylized "A" or similar mark.

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**

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

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**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 17<sup>th</sup> 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](http://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 <sup>th</sup> 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 <sup>th</sup> 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/](http://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**

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orestes.pasparakis@nortonrosefulbright.com

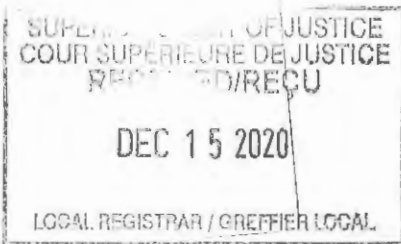
alan.merskey@nortonrosefulbright.com

evan.cobb@nortonrosefulbright.com

Lawyers for FTI Consulting Canada Inc., as Monitor

CAN\_DMS: 125952367

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 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)**

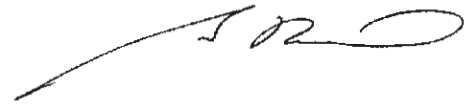
All capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Order of the Honourable Justice Hailey made in these proceedings on November 23, 2020 (the "**Sanction Order**").

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**  
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orestes.pasparakis@nortonrosefulbright.com  
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evan.cobb@nortonrosefulbright.com

Lawyers for FTI Consulting Canada Inc., as Monitor

APPENDIX "E"

Court File No. CV-12-9539-00CL

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

THE HONOURABLE	)	WEDNESDAY, THE 23 <sup>RD</sup>
JUSTICE	)	DAY OF DECEMBER, 2015
<i>HAINES</i>	)	

**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  
TIMMINCO LIMITED AND BÉCANCOUR SILICON INC.**

Applicants

**CCAA TERMINATION ORDER**

**THIS MOTION** made by FTI Consulting Canada Inc. in its capacity as Court-appointed monitor (the "**Monitor**") of Timminco Limited and its wholly owned subsidiary, Bécancour Silicon Inc. ("**BSI**", and together with Timminco Limited, the "**Timminco Entities**") was heard this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the Thirtieth Report of the Monitor dated December 16, 2015, filed (the "**Thirtieth Report**"), the affidavit of Nigel Meakin, sworn December 16, 2016, filed (the "**Meakin Affidavit**") and the affidavit of Linc Rogers, sworn December 16, 2016, filed (the "**Rogers Affidavit**"), and on hearing the submissions of counsel for the Monitor, no one appearing for any other person on the Service List, although properly served as appears from the affidavit of service of Nancy Thompson sworn December 17, 2015, filed,

## SERVICE

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

## DEFINED TERMS

2. **THIS COURT ORDERS** that, unless otherwise defined herein, capitalized terms used in this Order shall have the meaning given to them in the Order of Mr. Justice Morawetz dated January 3, 2012, made in these proceedings (the "**Initial Order**").

## STAY EXTENSION

3. **THIS COURT ORDERS** that the Stay Period be and is hereby extended to the CCAA Termination Time (as defined below), subject to the July 7, 2014 Order of the Honourable Mr. Justice Morawetz granted in these proceedings, partially lifting the stay of proceedings in respect of St. Clair Peunyfeather.

## TERMINATION OF CCAA PROCEEDINGS

4. **THIS COURT ORDERS** that upon the filing of a certificate of the Monitor substantially in the form attached hereto as Schedule "A" (the "**Monitor's Completion Certificate**") certifying that, to the best of the knowledge and belief of the Monitor, all matters to be attended to in connection with the CCAA proceedings have been completed, the within CCAA proceedings shall be terminated without any other act or formality (the "**CCAA Termination Time**").

5. **THIS COURT ORDERS** that the Administration Charge, the KERP Charge (as defined in the Order of Mr. Justice Morawetz dated January 16, 2012) and the DIP Lender's Charge (as defined in the Order of Mr. Justice Morawetz dated February 8, 2012) shall be and are hereby terminated, released and discharged at the CCAA Termination Time.



## DISCHARGE OF MONITOR

6. **THIS COURT ORDERS** that the Monitor shall, at least seven (7) days prior to the proposed CCAA Termination Time, provide notice to the Service List of the Monitor's intention to file the Monitor's Completion Certificate and that upon the filing of the Monitor's Completion Certificate, the release and discharge of the Subsequent Released Claims (as defined below) shall be deemed effective unless any objection is received by the Monitor in accordance with paragraph 10 hereof.

7. **THIS COURT ORDERS AND DECLARES** that effective at the CCAA Termination Time, FTI shall be and is hereby discharged as Monitor and shall have no further duties, obligations or responsibilities as Monitor from and after the CCAA Termination Time.

8. **THIS COURT ORDERS** that effective as of the date of this Order, in addition to the protections in favour of the Monitor in any Order of this Court in these CCAA proceedings or the CCAA, the Monitor, Blake, Cassels & Graydon LLP, in its capacity as counsel to the Monitor, and each of their respective affiliates and officers, directors, partners, employees and agents (collectively, the "**Released Parties**") are hereby released and discharged from any and all claims that any person may have or be entitled to assert against the Released Parties, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the date of this Order in any way relating to, arising out of or in respect of the within CCAA proceedings or with respect to their respective conduct in the within CCAA proceedings (collectively, the "**Released Claims**"), and any such Released Claims are hereby released, stayed, extinguished and forever barred and the Released Parties shall have no liability in respect thereof, provided that the Released Claims shall not include any claim or liability arising out of any gross negligence or willful misconduct on the part of the Released Parties.

9. **THIS COURT ORDERS** that effective as of the CCAA Termination Time, in addition to the protections in favour of the Monitor in any Order of this Court in these CCAA proceedings or the CCAA, the Released Parties are hereby released and discharged from any and all claims that any person may have or be entitled to assert against the Released Parties, whether known or

unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place following the date of this Order in any way relating to, arising out of or in respect of the within CCAA proceedings or with respect to their respective conduct in the within CCAA proceedings (collectively, the “**Subsequent Released Claims**”), and any such Subsequent Released Claims are hereby released, stayed, extinguished and forever barred and the Released Parties shall have no liability in respect thereof, provided that the Subsequent Released Claims shall not include any claim or liability arising out of any gross negligence or willful misconduct on the part of the Released Parties.

10. **THIS COURT ORDERS** that in the event that any person objects to the release and discharge of the Subsequent Released Claims pursuant to paragraph 9 hereof, that person must send a written notice of objection and the grounds therefor to the Monitor at the address set out on the Service List such that the objection is received by the Monitor prior to the proposed CCAA Termination Time. If no objection is received by the Monitor prior to the proposed CCAA Termination Time, the release and discharge of Subsequent Released Claims pursuant to paragraph 9 hereof shall be automatically deemed effective upon the CCAA Termination Time up to and including the CCAA Termination Time, without further Order of the Court.

11. **THIS COURT ORDERS** that if an objection to the release of the Subsequent Released Claims pursuant to paragraph 9 hereof is received by the Monitor in accordance with paragraph 10 hereof, the release and discharge of the Subsequent Released Claims pursuant to paragraph 9 hereof shall only become effective if the objection is resolved or upon further Order of the Court. For greater certainty, no objection received in accordance with paragraph 10 hereof shall affect the release and discharge of the Released Claims pursuant to paragraph 8 hereof, which shall be effective as of the date of this Order.

12. **THIS COURT ORDERS** that no action or other proceeding shall be commenced against any of the Released Parties in any way arising from or related to the within CCAA proceedings, except with prior leave of this Court on at least seven days’ prior written notice to the applicable Released Party, and provided that any such Order granting leave includes a term granting the applicable Released Party security for its costs and the costs of its counsel in connection with any

proposed action or proceeding, such security to be on terms this Court deems just and appropriate.

13. **THIS COURT ORDERS** that, notwithstanding any provision of this Order and the termination of the within CCAA proceedings, nothing herein shall affect, vary, derogate from, limit or amend, and the Monitor shall continue to have the benefit of, any of the protections in favour of the Monitor at law or pursuant to the CCAA or any Order of this Court in the within CCAA proceedings or otherwise.

#### **APPROVAL OF ACTIVITIES, FEES AND DISBURSEMENTS**

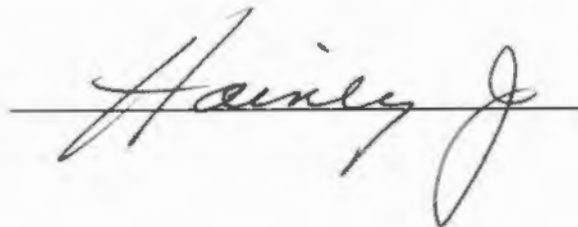
14. **THIS COURT ORDERS** that the Twenty-Fourth Report of the Monitor dated March 3, 2014, the Twenty-Fifth Report of the Monitor dated June 9, 2014, the Twenty-Sixth Report of the Monitor dated September 24, 2014, the Twenty-Seventh Report of the Monitor dated December 18, 2014, the Twenty-Eighth Report of the Monitor dated March 25, 2015, the Twenty-Ninth Report of the Monitor dated June 16, 2015, and the Thirtieth Report, and the actions, conduct and activities of the Monitor described therein are hereby approved.

15. **THIS COURT ORDERS** that the fees and disbursements of the Monitor, and the fees and disbursements of the Monitor's counsel, Blake, Cassels & Graydon LLP, for the period from November 1, 2013 to November 30, 2015, inclusive, and the Monitor's fees and disbursements, and the fees and disbursements of the Monitor's counsel, estimated not to exceed CDN\$15,000, to complete the Monitor's remaining duties and administration of these proceedings pursuant to the CCAA, all as set out or described in the Meakin Affidavit and the Thirtieth Report, are hereby approved.

#### **GENERAL**

16. **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, or in any other foreign jurisdiction, to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Monitor, as an officer of this Court, as

may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

A handwritten signature in cursive script, reading "Hainley J.", is written over a horizontal line.

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



DEC 23 2015

**Schedule A – Form of Monitor’s Completion Certificate**

Court File No. CV-12-9539-00CL

**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  
TIMMINCO LIMITED AND BÉCANCOUR SILICON INC.**

Applicants

**MONITOR’S COMPLETION CERTIFICATE**

**RECITALS**

- A. Pursuant to an Order of the Honourable Mr. Justice Morawetz of the Ontario Superior Court of Justice (the “**Court**”), on January 3, 2012, FTI Consulting Canada Inc. was appointed as the monitor (the “**Monitor**”) of the Applicants. The proceedings commenced by the Applicants under the CCAA will be referred to herein as the “**CCAA Proceedings**”.
- B. The CCAA Proceedings have been completed in accordance with the Orders of this Court and under the supervision of the Monitor.
- C. Pursuant to the Order of this Court dated December 23, 2015 (the “**CCAA Termination Order**”), the Monitor shall be discharged and the CCAA Proceedings shall be terminated upon the filing of this Monitor’s Completion Certificate with the Court.
- D. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the CCAA Termination Order.

THE MONITOR CERTIFIES the following:

1. To the best of the Monitor's knowledge and belief, all matters to be attended to in connection with the CCAA Proceedings have been completed.

ACCORDINGLY, the CCAA Termination Time as defined in the CCAA Termination Order has occurred.

DATED at Toronto, Ontario this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

**FTI Consulting Canada Inc., in its capacity as  
Monitor of the Applicants, and not in its  
personal capacity**

Per: \_\_\_\_\_  
Name:  
Title:

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 TIMMINCO  
LIMITED AND BÉCANCOUR SILICON INC.

Court File No: CV-12-9539-00CL

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

Proceeding commenced at Toronto

**CCAA TERMINATION ORDER**

**BLAKE, CASSELS & GRAYDON LLP**  
Barristers and Solicitors  
199 Bay Street  
Suite 4000, Commerce Court West  
Toronto, Ontario M5L 1A9

**Steven J. Weisz, LSUC #32102C**  
Tel: 416-863-2616  
Fax: 416-863-2653  
Email: [steven.weisz@blakes.com](mailto:steven.weisz@blakes.com)

**Chris Burr, LSUC #5517211**  
Tel: 416-863-3261  
Fax: 416-863-2653  
Email: [chris.burr@blakes.com](mailto:chris.burr@blakes.com)

Lawyers for the Monitor,  
FTI Consulting Canada Inc.

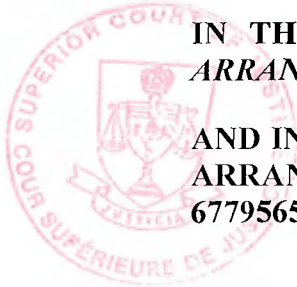
APPENDIX "F"



Court File No. CV15-10961-00CL

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

THE HONOURABLE MR.	)	TUESDAY, THE 15 <sup>TH</sup>
	)	
JUSTICE NEWBOULD	)	DAY OF DECEMBER, 2015



**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 6778666 CANADA LTD. AND  
6779565 CANADA LTD.**

Applicants

**CCAA TERMINATION ORDER**

**THIS MOTION** made by 6778666 Canada Ltd., formerly Nelson Education Ltd., and 6779565 Canada Ltd., formerly Nelson Education Holdings Ltd. (collectively, 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 Notice of Motion, the Sixth Report of FTI Consulting Canada Inc. (“**FTI**”) in its capacity as the Court-appointed Monitor of the Applicants (the “**Monitor**”) dated December 8, 2015 (the “**Sixth Report**”), and on hearing the submissions of counsel for the Applicants, the Monitor, Royal Bank of Canada in its capacity as Second Lien Agent and Second Lien Lender (collectively “**RBC**”), and such other counsel present, and no one else appearing although duly served as appears from the affidavit of service of Sydney Young sworn December 8, 2015, filed,

**SERVICE**

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

**DEFINED TERMS**

2. **THIS COURT ORDERS** that, unless otherwise defined herein, capitalized terms used in this Order shall have the meaning given to them in the Approval and Vesting Order of this Court dated September 8, 2015 (the “**Approval and Vesting Order**”) or the Sale Agreement (as defined in the Approval and Vesting Order), as applicable.

**STAY EXTENSION**

3. **THIS COURT ORDERS** that the Stay Period (as defined in the Amended and Restated Initial Order of this Court dated June 8, 2015 (the “**Amended and Restated Initial Order**”)) be and is hereby extended to and including the time that is the earlier of (i) 11:59 p.m. on March 31, 2016, and (ii) the CCAA Termination Time (as defined below).

**TERMINATION OF CCAA PROCEEDINGS**

4. **THIS COURT ORDERS** that upon either (i) the filing of assignments into bankruptcy for the Applicants (the “**Bankruptcy Assignments**”) pursuant to the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”) pursuant to and in accordance with paragraph 16 hereof, or (ii) the filing, on at least seven (7) days prior notice to the Service List, of a certificate of the Monitor substantially in the form attached hereto as Schedule “A” (the “**Monitor’s Certificate**”) certifying that the Applicants have confirmed to the Monitor that all matters to be attended to in connection with the CCAA proceedings have been completed, the within CCAA proceedings shall be terminated without any other act or formality (the “**CCAA Termination Time**”).

5. **THIS COURT ORDERS** that the Administration Charge, the Directors’ Charge and the Cash Management Charge (each as defined in the Amended and Restated Initial Order) shall be and are hereby terminated, released and discharged at the CCAA Termination Time.

6. **THIS COURT ORDERS** that during the continuation of these CCAA proceedings until the CCAA Termination Time, the Applicants shall provide such assistance as may be reasonably requested by RBC with respect to any further transaction, at RBC's sole cost in the case of any such request, and the Applicants shall incur no liability in providing such assistance.

#### **DISCHARGE OF MONITOR**

7. **THIS COURT ORDERS AND DECLARES** that effective at the CCAA Termination Time, FTI shall be and is hereby discharged as Monitor and shall have no further duties, obligations or responsibilities as Monitor from and after the CCAA Termination Time, subject to paragraph 8 hereof.

8. **THIS COURT ORDERS** that notwithstanding the termination of the CCAA proceedings pursuant to the terms of this Order, paragraph 5 of the Approval and Vesting Order shall continue to apply to FTI, *mutatis mutandis*, until such time as any remaining funds in the Cash Reserve are delivered to the Purchaser, as directed by the Applicants pursuant to the Sale Agreement and the Approval and Vesting Order.

9. **THIS COURT ORDERS** that effective as of the date of this Order, in addition to the protections in favour of the Monitor in any Order of this Court in these CCAA proceedings or the CCAA, the Monitor, Norton Rose Fulbright Canada LLP, in its capacity as counsel to the Monitor, Alvarez & Marsal Canada Inc., in its capacity as monitor of the Applicants pursuant to the Initial Order dated May 12, 2015 until May 29, 2015 ("**A&M Canada**"), and Davies Ward Phillips & Vineberg LLP, in its capacity as counsel to A&M Canada, and each of their respective affiliates and officers, directors, partners, employees and agents (collectively, the "**Released Parties**") are hereby released and discharged from any and all claims that any person may have or be entitled to assert against the Released Parties, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the date of this Order in any way relating to, arising out of or in respect of the within CCAA proceedings or with respect to their respective conduct in the within CCAA proceedings (collectively, the "**Released Claims**"), and any such Released Claims are hereby released, stayed, extinguished and forever barred and the Released Parties shall have no liability in respect

thereof, provided that the Released Claims shall not include any claim or liability arising out of any gross negligence or willful misconduct on the part of the Released Parties.

10. **THIS COURT ORDERS** that effective as of the CCAA Termination Time, in addition to the protections in favour of the Monitor in any Order of this Court in these CCAA proceedings or the CCAA, the Released Parties are hereby released and discharged from any and all claims that any person may have or be entitled to assert against the Released Parties, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place following the date of this Order in any way relating to, arising out of or in respect of the within CCAA proceedings or with respect to their respective conduct in the within CCAA proceedings (collectively, the “**Subsequent Released Claims**”), and any such Subsequent Released Claims are hereby released, stayed, extinguished and forever barred and the Released Parties shall have no liability in respect thereof, provided that the Subsequent Released Claims shall not include any claim or liability arising out of any gross negligence or willful misconduct on the part of the Released Parties.

11. **THIS COURT ORDERS** that in the event that any person objects to the release of the Subsequent Released Claims pursuant to paragraph 10 hereof, that person must send a written notice of objection and the grounds therefor to the Monitor at the address set out on the Service List such that the objection is received by the Monitor prior to the proposed CCAA Termination Time. If no objection is received by the Monitor prior to the proposed CCAA Termination Time, the release of Subsequent Released Claims pursuant to paragraph 10 hereof shall be automatically deemed effective upon the CCAA Termination Time up to and including the CCAA Termination Time, without further Order of the Court.

12. **THIS COURT ORDERS** that if an objection to the release of the Subsequent Released Claims pursuant to paragraph 10 hereof is received by the Monitor in accordance with paragraph 11 hereof, the release of the Subsequent Released Claims pursuant to paragraph 10 hereof shall only become effective if the objection is resolved or upon further Order of the Court. For greater certainty, no objection received in accordance with paragraph 11 hereof shall affect the release of

the Released Claims pursuant to paragraph 9 hereof, which shall be effective as of the date of this Order.

13. **THIS COURT ORDERS** that no action or other proceeding shall be commenced against any of the Released Parties in any way arising from or related to the within CCAA proceedings, except with prior leave of this Court on at least seven days' prior written notice to the applicable Released Party, and provided that any such Order granting leave includes a term granting the applicable Released Party security for its costs and the costs of its counsel in connection with any proposed action or proceeding, such security to be on terms this Court deems just and appropriate.

14. **THIS COURT ORDERS** that, notwithstanding any provision of this Order and the termination of the within CCAA proceedings, nothing herein shall affect, vary, derogate from, limit or amend, and the Monitor shall continue to have the benefit of, any of the protections in favour of the Monitor at law or pursuant to the CCAA or any Order of this Court in the within CCAA proceedings or otherwise.

15. **THIS COURT ORDERS** that the Fourth Report of the Monitor dated August 25, 2015, the Fifth Report of the Monitor dated September 24, 2015 and the Sixth Report, and the actions, conduct and activities of the Monitor described therein are hereby approved.

#### **BANKRUPTCY OF THE APPLICANTS**

16. **THIS COURT ORDERS** that the Applicants are authorized to file the Bankruptcy Assignments, subject to: (i) the prior consent of the Monitor being received; and (ii) the provision of at least seven (7) days' prior notice to the Service List of the intention to file the Bankruptcy Assignments, pursuant to paragraph 4 hereof; provided that if a written objection to the filing of the Bankruptcy Assignments is received by the Applicants and the Monitor which is not resolved, the Applicants shall not, without further Order of the Court being obtained by the Applicants, on notice to the Service List and in accordance with paragraph 36 of the Amended and Restated Initial Order, confirming such authorization, file the Bankruptcy Assignments until the objection is resolved to the satisfaction of the objecting party, the Applicants and the Monitor. FTI is hereby authorized to act as trustee in bankruptcy (in such capacity, the


“Trustee”) in respect of any Applicant that makes an assignment in bankruptcy pursuant to the BIA.

17. **THIS COURT ORDERS** that, notwithstanding anything else herein or elsewhere (but subject in all respects to the Approval and Vesting Order), the delivery to the Purchaser of funds remaining in the Cash Reserve and the Cash Holdback, and any funds that have been or may be deposited into any account of the Seller from time to time after the completion of the Transaction, as authorized and directed by the Approval and Vesting Order, shall be made to the Purchaser at the times required under the Sale Agreement and the Approval and Vesting Order and free and clear of any Claims or Encumbrances, all in accordance with the Approval and Vesting Order and the Sale Agreement.

18. **THIS COURT ORDERS** that any receivables, receipts, reimbursements, refunds, payments or other sums of money received by or on behalf of any Applicant following the bankruptcy of such Applicant that is, in the opinion of the Trustee or as determined by the Court, a “Purchased Asset” within the meaning of that term in the Sale Agreement, including for greater certainty any tax payment, refund, credit or reimbursement that is a Purchased Asset, shall not constitute property of the applicable Applicant and shall not vest in the Trustee pursuant to section 67 of the BIA, and the Trustee is hereby authorized and directed to pay any such amount to the Purchaser.

**GENERAL**

19. **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, or in any other foreign jurisdiction, to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.



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

DEC 15 2015



Schedule A – Form of Monitor’s Certificate

Court File No. CV15-10961-00CL

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 6778666 CANADA LTD. AND  
6779565 CANADA LTD.**

Applicants

**MONITOR’S CERTIFICATE**

**RECITALS**

- A. Pursuant to an Order of the Honourable Mr. Justice Newbould of the Ontario Superior Court of Justice (the “**Court**”), on May 29, 2015, FTI Consulting Canada Inc. was appointed as the monitor (the “**Monitor**”) of the Applicants. The proceedings commenced by the Applicants under the CCAA will be referred to herein as the “**CCAA Proceedings**”.
- B. The CCAA Proceedings have been completed in accordance with the Orders of this Court and under the supervision of the Monitor.
- C. Pursuant to the Order of this Court dated ● (the “**CCAA Termination Order**”) the Monitor shall be discharged and the CCAA Proceedings shall be terminated upon the filing of this Monitor’s Certificate with the Court.
- D. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the CCAA Termination Order.



- 2 -

THE MONITOR CERTIFIES the following:

1. The fees and disbursements of the Monitor and of the Monitor's counsel, Norton Rose Fulbright Canada LLP, have been paid in full.
2. The Applicants have confirmed to the Monitor that all matters to be attended to in connection with the CCAA Proceedings have been completed.

ACCORDINGLY, the CCAA Termination Time as defined in the CCAA Termination Order has occurred.

DATED at Toronto, Ontario this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

**FTI Consulting Canada Inc., in its capacity as  
Monitor of the Applicants, and not in its  
personal capacity**

Per: \_\_\_\_\_  
Name:  
Title:

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

Court File No: CV15-10961-00CL

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT  
OF 6778666 CANADA LTD. AND 6779565 CANADA LTD.

Applicants

**ONTARIO  
SUPERIOR COURT OF JUSTICE-  
COMMERCIAL LIST**

Proceeding commenced at Toronto

**CCAA TERMINATION ORDER**

**GOODMANS LLP**

Barristers & Solicitors  
333 Bay Street, Suite 3400  
Toronto, Canada M5H 2S7

Robert J. Chadwick LSUC#: 35165K  
rchadwick@goodmans.ca  
Caroline Descours LSUC#: 58251A  
cdescours@goodmans.ca  
Tel: (416) 979-2211  
Fax: (416) 979-1234

Lawyers for the Applicants

APPENDIX "G"

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 October 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 June 1, 2021 to September 30, 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 47<sup>th</sup> Report) 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 \$401,468.50, expenses of \$1,072.38 and HST of \$52,330.32.

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



A Commissioner for taking affidavits in Ontario



STEVEN BISSELL

Katie Marie Parent, a Commissioner, etc.  
Province of Ontario,  
for Norton Rose Fulbright Canada LLP /  
S.E.N.C.R.L., s.r.l., Barristers and Solicitors.  
Expires July 8, 2024.

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



---

*A Commissioner for taking Affidavits in Ontario*

Katie Marie Parent, a Commissioner, etc.  
Province of Ontario,  
for Norion Rose Football Canada LLP /  
S.E.N.C.R.L., s.r.l., Barristers and Solicitors.  
Expires July 8, 2024



FTI Consulting Canada Inc.  
TD Waterhouse Tower  
79 Wellington Street West  
Suite 2010, P.O. Box 104  
Toronto ON M5K1G8

June 15, 2021

Sears Canada Inc.  
c/o Osler, Hoskin & Harcourt LLP  
100 King Street West, Suite #6200  
Toronto, Ontario M5X 1B8

Re: FTI Job No. 420956.0003  
Invoice # 29004873

Enclosed is our invoice for professional services rendered in connection with the above referenced matter. This invoice covers professional fees and expenses through June 13, 2021.

Please do not hesitate to call me to discuss this invoice or any other matter.

Sincerely yours,

A handwritten signature in blue ink, appearing to read 'Gregory Watson', written over a horizontal line.

Gregory Watson  
Senior Managing Director

Enclosures



## Invoice Remittance

Sears Canada Inc.  
 c/o Osler, Hoskin & Harcourt LLP  
 100 King Street West, Suite #6200  
 Toronto, Ontario M5X 1B8

June 15, 2021  
 FTI Invoice No. 29004873  
 FTI Job No. 420956.0003  
 Terms: Payment on Presentation

Current Invoice Period: Charges Posted through June 13, 2021

	<i>CAD (\$)</i>
Professional Services.....	\$85,905.50
Expenses.....	\$249.58
Total Fees and Expenses.....	\$86,155.08
HST Registration No. 835718024RT0001 .....	\$11,200.16
Total Amount Due this Period.....	\$97,355.24
Previous Balance Due.....	\$109,216.76
<b>Total Amount Due.....</b>	<b><u>\$206,572.00</u></b>

*Please Wire Transfer To:*

**Bank of Nova Scotia**  
**Scotia Plaza, 44 King Street West**  
**Toronto, ONT M5H 1H1**  
**Swift Code: NOSCCATT**  
**Bank Number: 002**  
**Beneficiary: FTI Consulting Canada Inc.**  
**Beneficiary account number: 476960861715**





## Invoice Summary

Sears Canada Inc.  
 c/o Osler, Hoskin & Harcourt LLP  
 100 King Street West, Suite #6200  
 Toronto, Ontario M5X 1B8

June 15, 2021  
 FTI Invoice No. 29004873  
 FTI Job No. 420956.0003  
 Terms: Payment on Presentation

Current Invoice Period: Charges Posted through June 13, 2021

Name	Title	Rate	Hours	Total
Paul Bishop	Senior Managing Director	\$1,055.00	3.1	\$3,270.50
Steven Bissell	Managing Director	\$885.00	7.0	\$6,195.00
Hrvoje Muhek	Senior Director	\$770.00	45.6	\$35,112.00
Hailey Liu	Senior Consultant	\$520.00	74.9	\$38,948.00
Alissa Owen	Senior Consultant	\$400.00	1.6	\$640.00
Kathleen Foster	Executive Assistant I	\$145.00	12.0	\$1,740.00
<b>Total Hours and Fees</b>			<b>144.2</b>	<b>\$85,905.50</b>
Other/Miscellaneous				\$249.58
<b>Total Expenses</b>				<b>\$249.58</b>
<b>HST Registration No. 835718024RT0001</b>				<b>\$11,200.16</b>
<b>Invoice Total for Current Period</b>				<b>\$97,355.24</b>

**Reconciliation of Hours Incurred vs. Hours Invoiced: Travel Time Discount  
Invoice #29004873**

<b>Professional</b>	<b>Hours</b>	<b>Standard Rates</b>	<b>Amount</b>
Paul Bishop	3.10	1,055	3,270.50
Steven Bissell	7.00	885	6,195.00
Hrvoje Muhek	45.60	770	35,112.00
Hailey Liu	74.90	520	38,948.00
Alissa Owen	1.60	400	640.00
Kathleen Foster	12.00	145	1,740.00
Total Hours and Fees	144.20		\$ 85,905.50
Courtesy Discount (Travel Time)	0.0		-
Total Expenses			249.58
<b>Total Fees and Expenses</b>			86,155.08
13% HST #835718024RT0001			11,200.16
<b>TOTAL DUE AND PAYABLE UPON RECEIPT</b>			<b>\$ 97,355.24</b>



FTI Consulting Canada Inc.  
TD Waterhouse Tower  
79 Wellington Street West  
Suite 2010, P.O. Box 104  
Toronto ON M5K1G8

June 30, 2021

Sears Canada Inc.  
c/o Osler, Hoskin & Harcourt LLP  
100 King Street West, Suite #6200  
Toronto, Ontario M5X 1B8

Re: FTI Job No. 420956.0003  
Invoice # 29004890

Enclosed is our invoice for professional services rendered in connection with the above referenced matter. This invoice covers professional fees and expenses through June 30, 2021.

Please do not hesitate to call me to discuss this invoice or any other matter.

Sincerely yours,

A handwritten signature in blue ink, appearing to read 'Gregory Watson', written over a light blue horizontal line.

Gregory Watson  
Senior Managing Director

Enclosures



## Invoice Remittance

Sears Canada Inc.  
 c/o Osler, Hoskin & Harcourt LLP  
 100 King Street West, Suite #6200  
 Toronto, Ontario M5X 1B8

June 30, 2021  
 FTI Invoice No. 29004890  
 FTI Job No. 420956.0003  
 Terms: Payment on Presentation

Current Invoice Period: Charges Posted through June 30, 2021

	<i>CAD (\$)</i>
Professional Services.....	\$102,799.00
Expenses.....	\$0.00
Total Fees and Expenses.....	\$102,799.00
HST Registration No. 835718024RT0001 .....	\$13,363.87
Total Amount Due this Period.....	\$116,162.87
<b>Total Amount Due.....</b>	<b><u>\$116,162.87</u></b>

*Please Wire Transfer To:*

**Bank of Nova Scotia**  
**Scotia Plaza, 44 King Street West**  
**Toronto, ONT M5H 1H1**  
**Swift Code: NOSCCATT**  
**Bank Number: 002**  
**Beneficiary: FTI Consulting Canada Inc.**  
**Beneficiary account number: 476960861715**



## Invoice Summary

Sears Canada Inc.  
 c/o Osler, Hoskin & Harcourt LLP  
 100 King Street West, Suite #6200  
 Toronto, Ontario M5X 1B8

June 30, 2021  
 FTI Invoice No. 29004890  
 FTI Job No. 420956.0003  
 Terms: Payment on Presentation

Current Invoice Period: Charges Posted through June 30, 2021

Name	Title	Rate	Hours	Total
Paul Bishop	Senior Managing Director	\$1,055.00	3.8	\$4,009.00
Steven Bissell	Managing Director	\$885.00	9.4	\$8,319.00
Hrvoje Muhek	Senior Director	\$770.00	57.5	\$44,275.00
Hailey Liu	Senior Consultant	\$520.00	85.8	\$44,616.00
Alissa Owen	Senior Consultant	\$400.00	2.5	\$1,000.00
Kathleen Foster	Executive Assistant I	\$145.00	4.0	\$580.00
<b>Total Hours and Fees</b>			<b>163.0</b>	<b>\$102,799.00</b>

HST Registration No. 835718024RT0001 \$13,363.87

**Invoice Total for Current Period** **\$116,162.87**

**Reconciliation of Hours Incurred vs. Hours Invoiced: Travel Time Discount**  
**Invoice #29004890**

<u>Professional</u>	<u>Hours</u>	<u>Standard Rates</u>	<u>Amount</u>
Paul Bishop	3.80	1,055	4,009.00
Steven Bissell	9.40	885	8,319.00
Hrvoje Muhek	57.50	770	44,275.00
Hailey Liu	85.80	520	44,616.00
Alissa Owen	2.50	400	1,000.00
Kathleen Foster	4.00	145	580.00
Total Hours and Fees	163.00		\$ 102,799.00
Courtesy Discount (Travel Time)	0.0		-
Total Expenses			-
<b>Total Fees and Expenses</b>			102,799.00
13% HST #835718024RT0001			13,363.87
<b>TOTAL DUE AND PAYABLE UPON RECEIPT</b>			<b>\$ 116,162.87</b>



FTI Consulting Canada Inc.  
TD Waterhouse Tower  
79 Wellington Street West  
Suite 2010, P.O. Box 104  
Toronto ON M5K1G8

July 20, 2021

Sears Canada Inc.  
c/o Osler, Hoskin & Harcourt LLP  
100 King Street West, Suite #6200  
Toronto, Ontario M5X 1B8

Re: FTI Job No. 420956.0003  
Invoice # 29004916

Enclosed is our invoice for professional services rendered in connection with the above referenced matter. This invoice covers professional fees and expenses through July 20, 2021.

Please do not hesitate to call me to discuss this invoice or any other matter.

Sincerely yours,

A handwritten signature in blue ink, appearing to read 'Gregory Watson', with a stylized flourish extending to the right.

Gregory Watson  
Senior Managing Director

Enclosures



## Invoice Remittance

Sears Canada Inc.  
 c/o Osler, Hoskin & Harcourt LLP  
 100 King Street West, Suite #6200  
 Toronto, Ontario M5X 1B8

July 20, 2021  
 FTI Invoice No. 29004916  
 FTI Job No. 420956.0003  
 Terms: Payment on Presentation

Current Invoice Period: Charges Posted through July 20, 2021

	<i>CAD (\$)</i>
Professional Services.....	\$70,193.00
Expenses.....	<u>\$272.37</u>
Total Fees and Expenses.....	\$70,465.37
HST Registration No. 835718024RT0001 .....	\$9,160.50
Total Amount Due this Period.....	\$79,625.87
Previous Balance Due.....	<u>\$116,162.87</u>
<b>Total Amount Due.....</b>	<b><u>\$195,788.74</u></b>

*Please Wire Transfer To:*

**Bank of Nova Scotia**  
**Scotia Plaza, 44 King Street West**  
**Toronto, ONT M5H 1H1**  
**Swift Code: NOSCCATT**  
**Bank Number: 002**  
**Beneficiary: FTI Consulting Canada Inc.**  
**Beneficiary account number: 476960861715**





## Invoice Summary

Sears Canada Inc.  
 c/o Osler, Hoskin & Harcourt LLP  
 100 King Street West, Suite #6200  
 Toronto, Ontario M5X 1B8

July 20, 2021  
 FTI Invoice No. 29004916  
 FTI Job No. 420956.0003  
 Terms: Payment on Presentation

Current Invoice Period: Charges Posted through July 20, 2021

Name	Title	Rate	Hours	Total
Paul Bishop	Senior Managing Director	\$1,055.00	6.3	\$6,646.50
Steven Bissell	Managing Director	\$885.00	19.4	\$17,169.00
Hrvoje Muhek	Senior Director	\$770.00	25.8	\$19,866.00
Hailey Liu	Senior Consultant	\$520.00	50.9	\$26,468.00
Kathleen Foster	Executive Assistant I	\$145.00	0.3	\$43.50
<b>Total Hours and Fees</b>			<b>102.7</b>	<b>\$70,193.00</b>
Other/Miscellaneous				\$272.37
<b>Total Expenses</b>				<b>\$272.37</b>
<b>HST Registration No. 835718024RT0001</b>				<b>\$9,160.50</b>
<b>Invoice Total for Current Period</b>				<b>\$79,625.87</b>

**Reconciliation of Hours Incurred vs. Hours Invoiced: Travel Time Discount**  
**Invoice #29004916**

<u>Professional</u>	<u>Hours</u>	<u>Standard Rates</u>	<u>Amount</u>
Paul Bishop	6.30	1,055	6,646.50
Steven Bissell	19.40	885	17,169.00
Hrvoje Muhek	25.80	770	19,866.00
Hailey Liu	50.90	520	26,468.00
Kathleen Foster	0.30	145	43.50
Total Hours and Fees	102.70		\$ 70,193.00
Courtesy Discount (Travel Time)	0.0		-
Total Expenses			272.37
<b>Total Fees and Expenses</b>			70,465.37
13% HST #835718024RT0001			9,160.50
<b>TOTAL DUE AND PAYABLE UPON RECEIPT</b>			<b>\$ 79,625.87</b>



FTI Consulting Canada Inc.  
TD Waterhouse Tower  
79 Wellington Street West  
Suite 2010, P.O. Box 104  
Toronto ON M5K1G8

July 31, 2021

Sears Canada Inc.  
c/o Osler, Hoskin & Harcourt LLP  
100 King Street West, Suite #6200  
Toronto, Ontario M5X 1B8

Re: FTI Job No. 420956.0003  
Invoice # 29004939

Enclosed is our invoice for professional services rendered in connection with the above referenced matter. This invoice covers professional fees and expenses through July 31, 2021.

Please do not hesitate to call me to discuss this invoice or any other matter.

Sincerely yours,

A handwritten signature in blue ink, appearing to read 'Gregory Watson', written over a light blue horizontal line.

Gregory Watson  
Senior Managing Director

Enclosures



## Invoice Remittance

Sears Canada Inc.  
 c/o Osler, Hoskin & Harcourt LLP  
 100 King Street West, Suite #6200  
 Toronto, Ontario M5X 1B8

July 31, 2021  
 FTI Invoice No. 29004939  
 FTI Job No. 420956.0003  
 Terms: Payment on Presentation

Current Invoice Period: Charges Posted through July 31, 2021

	<i>CAD (\$)</i>
Professional Services.....	\$23,705.00
Expenses.....	\$0.00
Total Fees and Expenses.....	\$23,705.00
HST Registration No. 835718024RT0001 .....	\$3,081.65
Total Amount Due this Period.....	\$26,786.65
<b>Total Amount Due.....</b>	<b><u>\$26,786.65</u></b>

*Please Wire Transfer To:*

**Bank of Nova Scotia**  
**Scotia Plaza, 44 King Street West**  
**Toronto, ONT M5H 1H1**  
**Swift Code: NOSCCATT**  
**Bank Number: 002**  
**Beneficiary: FTI Consulting Canada Inc.**  
**Beneficiary account number: 476960861715**



## Invoice Summary

Sears Canada Inc.  
 c/o Osler, Hoskin & Harcourt LLP  
 100 King Street West, Suite #6200  
 Toronto, Ontario M5X 1B8

July 31, 2021  
 FTI Invoice No. 29004939  
 FTI Job No. 420956.0003  
 Terms: Payment on Presentation

Current Invoice Period: Charges Posted through July 31, 2021

Name	Title	Rate	Hours	Total
Gregory Watson	Senior Managing Director	\$1,055.00	1.0	\$1,055.00
Paul Bishop	Senior Managing Director	\$1,055.00	2.0	\$2,110.00
Steven Bissell	Managing Director	\$885.00	5.9	\$5,221.50
Hrvoje Muhek	Senior Director	\$770.00	9.1	\$7,007.00
Hailey Liu	Senior Consultant	\$520.00	15.9	\$8,268.00
Kathleen Foster	Executive Assistant I	\$145.00	0.3	\$43.50
<b>Total Hours and Fees</b>			<b>34.2</b>	<b>\$23,705.00</b>
<b>HST Registration No. 835718024RT0001</b>				<b>\$3,081.65</b>
<b>Invoice Total for Current Period</b>				<b>\$26,786.65</b>



FTI Consulting Canada Inc.  
TD Waterhouse Tower  
79 Wellington Street West  
Suite 2010, P.O. Box 104  
Toronto ON M5K1G8

August 18, 2021

Sears Canada Inc.  
c/o Osler, Hoskin & Harcourt LLP  
100 King Street West, Suite #6200  
Toronto, Ontario M5X 1B8

Re: FTI Job No. 420956.0003  
Invoice # 29004965

Enclosed is our invoice for professional services rendered in connection with the above referenced matter. This invoice covers professional fees and expenses through August 15, 2021.

Please do not hesitate to call me to discuss this invoice or any other matter.

Sincerely yours,

A handwritten signature in blue ink, appearing to read 'Gregory Watson', written over a light blue horizontal line.

Gregory Watson  
Senior Managing Director

Enclosures



## Invoice Remittance

Sears Canada Inc.  
 c/o Osler, Hoskin & Harcourt LLP  
 100 King Street West, Suite #6200  
 Toronto, Ontario M5X 1B8

August 18, 2021  
 FTI Invoice No. 29004965  
 FTI Job No. 420956.0003  
 Terms: Payment on Presentation

Current Invoice Period: Charges Posted through August 15, 2021

	<i>CAD (\$)</i>
Professional Services.....	\$25,159.00
Expenses.....	\$241.17
Total Fees and Expenses.....	\$25,400.17
HST Registration No. 835718024RT0001 .....	\$3,302.02
Total Amount Due this Period.....	\$28,702.19
Previous Balance Due.....	\$26,786.65
<b>Total Amount Due.....</b>	<b><u>\$55,488.84</u></b>

*Please Wire Transfer To:*

**Bank of Nova Scotia**  
**Scotia Plaza, 44 King Street West**  
**Toronto, ONT M5H 1H1**  
**Swift Code: NOSCCATT**  
**Bank Number: 002**  
**Beneficiary: FTI Consulting Canada Inc.**  
**Beneficiary account number: 476960861715**



## Invoice Summary

Sears Canada Inc.  
 c/o Osler, Hoskin & Harcourt LLP  
 100 King Street West, Suite #6200  
 Toronto, Ontario M5X 1B8

August 18, 2021  
 FTI Invoice No. 29004965  
 FTI Job No. 420956.0003  
 Terms: Payment on Presentation

Current Invoice Period: Charges Posted through August 15, 2021

Name	Title	Rate	Hours	Total
Paul Bishop	Senior Managing Director	\$1,055.00	1.7	\$1,793.50
Steven Bissell	Managing Director	\$885.00	1.3	\$1,150.50
Hrvoje Muhek	Senior Director	\$770.00	11.9	\$9,163.00
Hailey Liu	Senior Consultant	\$520.00	25.1	\$13,052.00
<b>Total Hours and Fees</b>			<b>40.0</b>	<b>\$25,159.00</b>
Other/Miscellaneous				\$241.17
<b>Total Expenses</b>				<b>\$241.17</b>
<b>HST Registration No. 835718024RT0001</b>				<b>\$3,302.02</b>
<b>Invoice Total for Current Period</b>				<b>\$28,702.19</b>



**Reconciliation of Hours Incurred vs. Hours Invoiced: Travel Time Discount  
Invoice #29004965**

<b>Professional</b>	<b>Hours</b>	<b>Standard Rates</b>	<b>Amount</b>
Paul Bishop	1.70	1,055	1,793.50
Steven Bissell	1.30	885	1,150.50
Hrvoje Muhek	11.90	770	9,163.00
Hailey Liu	25.10	520	13,052.00
<b>Total Hours and Fees</b>	<b>40.00</b>		<b>\$ 25,159.00</b>
Courtesy Discount (Travel Time)	0.0		-
Total Expenses			241.17
<b>Total Fees and Expenses</b>			<b>25,400.17</b>
13% HST #835718024RT0001			3,302.02
<b>TOTAL DUE AND PAYABLE UPON RECEIPT</b>			<b>\$ 28,702.19</b>



FTI Consulting Canada Inc.  
TD Waterhouse Tower  
79 Wellington Street West  
Suite 2010, P.O. Box 104  
Toronto ON M5K1G8

August 31, 2021

Sears Canada Inc.  
c/o Osler, Hoskin & Harcourt LLP  
100 King Street West, Suite #6200  
Toronto, Ontario M5X 1B8

Re: FTI Job No. 420956.0003  
Invoice # 29004982

Enclosed is our invoice for professional services rendered in connection with the above referenced matter. This invoice covers professional fees and expenses through August 31, 2021.

Please do not hesitate to call me to discuss this invoice or any other matter.

Sincerely yours,

A handwritten signature in blue ink, appearing to read 'Gregory Watson', written over a light blue horizontal line.

Gregory Watson  
Senior Managing Director

Enclosures



## Invoice Remittance

Sears Canada Inc.  
 c/o Osler, Hoskin & Harcourt LLP  
 100 King Street West, Suite #6200  
 Toronto, Ontario M5X 1B8

August 31, 2021  
 FTI Invoice No. 29004982  
 FTI Job No. 420956.0003  
 Terms: Payment on Presentation

Current Invoice Period: Charges Posted through August 31, 2021

	<i>CAD (\$)</i>
Professional Services.....	\$24,973.50
Expenses.....	\$47.98
Total Fees and Expenses.....	\$25,021.48
HST Registration No. 835718024RT0001 .....	\$3,252.79
Total Amount Due this Period.....	\$28,274.27
<b>Total Amount Due.....</b>	<b><u>\$28,274.27</u></b>

*Please Wire Transfer To:*

**Bank of Nova Scotia**  
**Scotia Plaza, 44 King Street West**  
**Toronto, ONT M5H 1H1**  
**Swift Code: NOSCCATT**  
**Bank Number: 002**  
**Beneficiary: FTI Consulting Canada Inc.**  
**Beneficiary account number: 476960861715**



## Invoice Summary

Sears Canada Inc.  
 c/o Osler, Hoskin & Harcourt LLP  
 100 King Street West, Suite #6200  
 Toronto, Ontario M5X 1B8

August 31, 2021  
 FTI Invoice No. 29004982  
 FTI Job No. 420956.0003  
 Terms: Payment on Presentation

Current Invoice Period: Charges Posted through August 31, 2021

Name	Title	Rate	Hours	Total
Paul Bishop	Senior Managing Director	\$1,055.00	2.2	\$2,321.00
Steven Bissell	Managing Director	\$885.00	8.1	\$7,168.50
Hrvoje Muhek	Senior Director	\$770.00	6.4	\$4,928.00
Hailey Liu	Senior Consultant	\$520.00	20.3	\$10,556.00
<b>Total Hours and Fees</b>			<b>37.0</b>	<b>\$24,973.50</b>
Other/Miscellaneous				\$47.98
<b>Total Expenses</b>				<b>\$47.98</b>
<b>HST Registration No. 835718024RT0001</b>				<b>\$3,252.79</b>
<b>Invoice Total for Current Period</b>				<b>\$28,274.27</b>



FTI Consulting Canada Inc.  
TD Waterhouse Tower  
79 Wellington Street West  
Suite 2010, P.O. Box 104  
Toronto ON M5K1G8

September 21, 2021

Sears Canada Inc.  
c/o Osler, Hoskin & Harcourt LLP  
100 King Street West, Suite #6200  
Toronto, Ontario M5X 1B8

Re: FTI Job No. 420956.0003  
Invoice # 29005022

Enclosed is our invoice for professional services rendered in connection with the above referenced matter. This invoice covers professional fees and expenses through September 19, 2021.

Please do not hesitate to call me to discuss this invoice or any other matter.

Sincerely yours,

A handwritten signature in blue ink, appearing to read 'Gregory Watson', written over a horizontal line.

Gregory Watson  
Senior Managing Director

Enclosures



## Invoice Remittance

Sears Canada Inc.  
 c/o Osler, Hoskin & Harcourt LLP  
 100 King Street West, Suite #6200  
 Toronto, Ontario M5X 1B8

September 21, 2021  
 FTI Invoice No. 29005022  
 FTI Job No. 420956.0003  
 Terms: Payment on Presentation

Current Invoice Period: Charges Posted through September 19, 2021

	<i>CAD (\$)</i>
Professional Services.....	\$32,794.00
Expenses.....	\$261.28
Total Fees and Expenses.....	\$33,055.28
HST Registration No. 835718024RT0001 .....	\$4,297.19
Total Amount Due this Period.....	\$37,352.47
Previous Balance Due.....	\$28,274.27
<b>Total Amount Due.....</b>	<b><u>\$65,626.74</u></b>

*Please Wire Transfer To:*

**Bank of Nova Scotia**  
**Scotia Plaza, 44 King Street West**  
**Toronto, ONT M5H 1H1**  
**Swift Code: NOSCCATT**  
**Bank Number: 002**  
**Beneficiary: FTI Consulting Canada Inc.**  
**Beneficiary account number: 476960861715**



## Invoice Summary

Sears Canada Inc.  
 c/o Osler, Hoskin & Harcourt LLP  
 100 King Street West, Suite #6200  
 Toronto, Ontario M5X 1B8

September 21, 2021  
 FTI Invoice No. 29005022  
 FTI Job No. 420956.0003  
 Terms: Payment on Presentation

Current Invoice Period: Charges Posted through September 19, 2021

Name	Title	Rate	Hours	Total
Paul Bishop	Senior Managing Director	\$1,055.00	4.1	\$4,325.50
Steven Bissell	Managing Director	\$885.00	5.8	\$5,133.00
Hrvoje Muhek	Senior Director	\$770.00	19.0	\$14,630.00
Hailey Liu	Senior Consultant	\$520.00	16.1	\$8,372.00
Kathleen Foster	Executive Assistant I	\$145.00	2.3	\$333.50
<b>Total Hours and Fees</b>			<b>47.3</b>	<b>\$32,794.00</b>
Other/Miscellaneous				\$261.28
<b>Total Expenses</b>				<b>\$261.28</b>
<b>HST Registration No. 835718024RT0001</b>				<b>\$4,297.19</b>
<b>Invoice Total for Current Period</b>				<b>\$37,352.47</b>



FTI Consulting Canada Inc.  
TD Waterhouse Tower  
79 Wellington Street West  
Suite 2010, P.O. Box 104  
Toronto ON M5K1G8

September 30, 2021

Sears Canada Inc.  
c/o Osler, Hoskin & Harcourt LLP  
100 King Street West, Suite #6200  
Toronto, Ontario M5X 1B8

Re: FTI Job No. 420956.0003  
Invoice # 29005059

Enclosed is our invoice for professional services rendered in connection with the above referenced matter. This invoice covers professional fees and expenses through September 30, 2021.

Please do not hesitate to call me to discuss this invoice or any other matter.

Sincerely yours,

A handwritten signature in blue ink, appearing to read 'Gregory Watson', written over a light blue horizontal line.

Gregory Watson  
Senior Managing Director

Enclosures





## Invoice Remittance

Sears Canada Inc.  
 c/o Osler, Hoskin & Harcourt LLP  
 100 King Street West, Suite #6200  
 Toronto, Ontario M5X 1B8

September 30, 2021  
 FTI Invoice No. 29005059  
 FTI Job No. 420956.0003  
 Terms: Payment on Presentation

Current Invoice Period: Charges Posted through September 30, 2021

	<i>CAD (\$)</i>
Professional Services.....	\$35,939.50
Expenses.....	\$0.00
Total Fees and Expenses.....	\$35,939.50
HST Registration No. 835718024RT0001 .....	\$4,672.14
Total Amount Due this Period.....	\$40,611.64
<b>Total Amount Due.....</b>	<b><u>\$40,611.64</u></b>

*Please Wire Transfer To:*

**Bank of Nova Scotia**  
**Scotia Plaza, 44 King Street West**  
**Toronto, ONT M5H 1H1**  
**Swift Code: NOSCCATT**  
**Bank Number: 002**  
**Beneficiary: FTI Consulting Canada Inc.**  
**Beneficiary account number: 476960861715**



## Invoice Summary

Sears Canada Inc.  
 c/o Osler, Hoskin & Harcourt LLP  
 100 King Street West, Suite #6200  
 Toronto, Ontario M5X 1B8

September 30, 2021  
 FTI Invoice No. 29005059  
 FTI Job No. 420956.0003  
 Terms: Payment on Presentation

Current Invoice Period: Charges Posted through September 30, 2021

<b>Name</b>	<b>Title</b>	<b>Rate</b>	<b>Hours</b>	<b>Total</b>
Paul Bishop	Senior Managing Director	\$1,055.00	1.7	\$1,793.50
Steven Bissell	Managing Director	\$885.00	4.2	\$3,717.00
Hrvoje Muhek	Senior Director	\$770.00	29.8	\$22,946.00
Hailey Liu	Senior Consultant	\$520.00	10.9	\$5,668.00
Alissa Owen	Senior Consultant	\$400.00	2.0	\$800.00
Kathleen Foster	Executive Assistant I	\$145.00	7.0	\$1,015.00
<b>Total Hours and Fees</b>			<b>55.6</b>	<b>\$35,939.50</b>
<b>HST Registration No. 835718024RT0001</b>				<b>\$4,672.14</b>
<b>Invoice Total for Current Period</b>				<b>\$40,611.64</b>

**Sears Canada (420956.0003)**  
**June 1, 2021 to September 30, 2021**

Date	TK#	Name	Hours	Amount Billed	Narrative
06/01/21	32475	Hailey Liu	9.30	4,836.00	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.
06/01/21	32475	Hailey Liu	0.90	468.00	Review and respond to email and voicemail inquires in respect to warranty claims.
06/01/21	27455	Hrvoje Muhek	3.20	2,464.00	Review and processing of employee EI benefit overpayment data received from Service Canada. Updated the Monitor's claims and distributions models and associated records.
06/01/21	27455	Hrvoje Muhek	1.20	924.00	Correspondence and phone calls with several creditors and their representatives. Updated the Monitor's creditor records.
06/01/21	14856	Steven Bissell	0.20	177.00	Review of draft invoices and email correspondence re same.
06/02/21	32475	Hailey Liu	8.30	4,316.00	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.
06/02/21	27455	Hrvoje Muhek	2.70	2,079.00	Reconciliation of re-issued employee and retiree Plan Distribution payments. Call with ADP and Sears HR regarding Plan Distribution matters. Email correspondence with ERC and ADP regarding Plan Distribution matters.
06/02/21	27455	Hrvoje Muhek	1.70	1,309.00	Responded to multiple creditor emails and phone calls in the Monitor's mailbox. Updated the Monitor's creditor records and log of re-issued Plan Distribution payments.
06/03/21	32475	Hailey Liu	7.20	3,744.00	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.
06/03/21	32475	Hailey Liu	0.70	364.00	Review and respond to email and voicemail inquires in respect to warranty claims.
06/03/21	27455	Hrvoje Muhek	2.80	2,156.00	Call with ADP regarding Plan Distribution matters. Call with the Monitor's counsel regarding re-issued Plan Distribution payments. Preparation of Plan Distribution transactions records for bank reconciliation and bookkeeping purposes.
06/03/21	27455	Hrvoje Muhek	1.20	924.00	Responded to multiple creditor emails and phone calls in respect of May 31 Plan Distribution. Updated the Monitors creditor and Plan Distribution payment records.
06/04/21	32475	Hailey Liu	6.40	3,328.00	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.
06/04/21	32475	Hailey Liu	0.40	208.00	Review and respond to email and voicemail inquires in respect to warranty claims.
06/04/21	27455	Hrvoje Muhek	2.60	2,002.00	Reconciliation of returned employee and retiree Plan Distribution cheque payments.
06/04/21	27455	Hrvoje Muhek	0.80	616.00	Responded to multiple creditor emails and phone calls regarding May 31 Plan Distribution.
06/06/21	32475	Hailey Liu	1.20	624.00	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.
06/06/21	27455	Hrvoje Muhek	2.80	2,156.00	Further updates to the E&R Plan Distribution model with EI overpayments received from Service Canada. Employee Plan Distribution payment analysis for June 7 call with ERC.
06/07/21	32475	Hailey Liu	0.80	416.00	Review and respond to email and voicemail inquires in respect to pre-filing warranty claims, coordinating instruction for claims approaching the bar date June 12, 2021. Write up post-bar date responses.
06/07/21	32475	Hailey Liu	7.40	3,848.00	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.
06/07/21	27455	Hrvoje Muhek	1.80	1,386.00	Second FTI internal call regarding Plan implementation matters. Call with Service Canada regarding EI overpayment adjustment. Email correspondence with the Dealers Plaintiff and ERC. Email correspondence with the Monitor's counsel, FTI Marketing, Sears HR, and Sears Treasury on Plan Distribution matters. Review of individuals with EI overpayments.
06/07/21	27455	Hrvoje Muhek	1.30	1,001.00	Responded to multiple creditor email and phone inquires in the Monitor's mailbox in connection with the May 31 Initial Plan Distribution.
06/07/21	27455	Hrvoje Muhek	2.30	1,771.00	Preparation of payroll files for ADP to release the Plan Distribution payments to approximately 4700 former employees and retirees cleared by Service Canada on May 31.
06/07/21	27455	Hrvoje Muhek	3.20	2,464.00	Review and edits to June 11 payroll preview files produced by ADP. FTI internal call regarding the Initial Plan Distribution. Call with Sears Management regarding various Plan Distribution matters. Reconciliation of the Plan Distributions in Monitor's bank accounts.
06/07/21	14800	Paul Bishop	1.80	1,899.00	Status update review of payments
06/07/21	14856	Steven Bissell	1.20	1,062.00	Call with representatives from ERC and Financial Advisor to ERC to discuss Plan Distributions to ERC clients. Follow-up call with H. Muhek (FTI) re same. Review and comments on draft letter to PRC re fees. Email to Monitor's counsel re same.
06/08/21	32475	Hailey Liu	7.80	4,056.00	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.

**Sears Canada (420956.0003)**  
**June 1, 2021 to September 30, 2021**

Date	TK#	Name	Hours	Amount Billed	Narrative
06/08/21	32475	Hailey Liu	0.50	260 00	Review and respond to email and voicemail inquires in respect to pre-filing warranty claims, coordinating instruction for claims approaching the bar date June 12, 2021. Write up post-bar date responses.
06/08/21	27455	Hrvoje Muhek	3.40	2,618 00	Further edits and preparation of June 18 payroll files for ADP. Call with the Monitor's counsel regarding Plan implementation matters. FTI internal call regarding Plan implementation matters. Amalgamated records of returned Plan Distribution cheques and email to Sears HR.
06/08/21	27455	Hrvoje Muhek	2.70	2,079 00	Preparation of Plan Distribution mail and email blast lists for FTI Marketing and an external contractor. Call with the Monitor's counsel regarding a litigation insurance claim. Correspondence with Service Canada WEPP.
06/08/21	27455	Hrvoje Muhek	2.40	1,848 00	Preparation of consolidated claims and Plan Distribution payments database of all individuals represented by ERC.
06/08/21	24354	Kathleen Foster	3.00	435 00	Adding distribution payments for Sears to Ascend.
06/08/21	14856	Steven Bissell	2.10	1,858 50	Preparation for and participation on bi-weekly update call with Monitor's legal counsel. Update call with H. Muhek re Sears pending matters. Review of lift stay request re insured claim.
06/09/21	32475	Hailey Liu	6.20	3,224 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.
06/09/21	32475	Hailey Liu	2.10	1,092 00	Building the retiree and employee plan distribution payment status, including rejected payment, outstanding payment.
06/09/21	27455	Hrvoje Muhek	1.60	1,232 00	Correspondence with the Monitor's counsel regarding litigation insurance claims. Reconciliation and preparation of [REDACTED] to be executed by the Monitor. Correspondence with ADP regarding Plan Distribution matters.
06/09/21	24354	Kathleen Foster	2.00	290 00	Adding distribution payments for Sears to Ascend.
06/09/21	14856	Steven Bissell	1.20	1,062 00	Review of summary of initial Plan Distributions to former employees. Review of updated email correspondence to counsel to D&Os re proposed treatment of marker claims. Review of email correspondence and follow-up re various CCAA-related matters.
06/10/21	32475	Hailey Liu	0.40	208 00	Review and respond to email and voicemail inquires in respect to pre-filing warranty claims, coordinating instruction for claims approaching the bar date June 12, 2021. Write up post-bar date responses.
06/10/21	32475	Hailey Liu	7.30	3,796 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.
06/10/21	27455	Hrvoje Muhek	3.20	2,464 00	Call with ADP regarding Plan Distribution payments scheduled for June 18. Preparation of Plan distribution wire payments to ADP and [REDACTED]. Review and provide feedback for Plan Distribution letters scheduled for distribution on June 11. Distributed [REDACTED]. Review and provide feedback for Plan Distribution email scheduled for distribution on June 15.
06/10/21	24354	Kathleen Foster	2.00	290 00	Adding distribution payments for Sears to Ascend.
06/10/21	14856	Steven Bissell	1.20	1,062 00	Execution of [REDACTED].
06/11/21	25944	Alissa Owen	1.60	640 00	Updates to claims portal.
06/11/21	32475	Hailey Liu	6.10	3,172 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.
06/11/21	32475	Hailey Liu	0.90	468 00	Review and respond to email and voicemail inquires in respect to pre-filing warranty claims, coordinating instruction for claims approaching the bar date June 12, 2021. Write up post-bar date responses.
06/11/21	27455	Hrvoje Muhek	2.90	2,233 00	Review and final approval of June 18 Plan Distribution payrolls. Email correspondence with ERC and Sears HRS regarding Plan Distribution payments. Email correspondence with ADP regarding tax matters.
06/11/21	27455	Hrvoje Muhek	0.40	308 00	Review and provide feedback for Plan Distribution email blasts scheduled for distribution on June 15.
06/11/21	27455	Hrvoje Muhek	1.40	1,078 00	Respond to multiple creditor email and phone call inquires in the Monitor's mailbox in connection with the May 31 Initial Plan Distribution.
06/11/21	24354	Kathleen Foster	2.00	290 00	Adding distribution payments for Sears to Ascend.
06/11/21	14800	Paul Bishop	1.30	1,371 50	Review of payments.
06/11/21	14856	Steven Bissell	1.10	973 50	Review and preparation of response to email in respect of Warranty Claims process. Call with Steffen B. (Sears Canada) re same. Call with Warranty Claim holder.
06/12/21	24354	Kathleen Foster	3.00	435 00	Adding distribution payments for Sears to Ascend.
06/13/21	32475	Hailey Liu	0.80	416 00	Building the retiree and employee plan distribution payment status, including rejected payment, outstanding payment.
06/13/21	32475	Hailey Liu	0.20	104 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.
06/14/21	25944	Alissa Owen	2.00	800.00	Updates to claims portal.
06/14/21	32475	Hailey Liu	6.50	3,380 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.

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Date	TK#	Name	Hours	Amount Billed	Narrative
06/14/21	32475	Hailey Liu	0.30	156 00	Review and respond to email and voicemail inquires in respect to pre-filing warranty claims, coordinate with EPIQ and Sears around claim procedure around bar date
06/14/21	27455	Hrvoje Muhek	3.10	2,387 00	Preparation of 15 post-filing claim wire payments to landlords. Preparation of stop cheque payments and coordination of new payments with respect to Plan Distributions issued on May 31.
06/14/21	27455	Hrvoje Muhek	2.90	2,233 00	Draft Plan Distribution cover letter for employees of The Cut entity. Update the Monitor's reconciliation of outstanding Plan Distribution cheques issued on May 31. Review and approve email blasts to employees and retirees paid on June 18. Call with ERC regarding employee matters. Correspondence with PRC, Sears HR, and Sears Treasury on Plan Distribution matters.
06/14/21	24354	Kathleen Foster	4.00	580 00	Adding distribution payments for Sears to Ascend.
06/14/21	14800	Paul Bishop	0.80	844 00	Payment review and approvals
06/14/21	14856	Steven Bissell	0.30	265 50	Review of Sears Canada employee time and expenses and follow-up re same.
06/15/21	32475	Hailey Liu	8.30	4,316 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.
06/15/21	32475	Hailey Liu	0.50	260 00	Review and respond to email and voicemail inquires in respect to pre-filing warranty claims, coordinate with EPIQ and Sears around claim procedure around bar date
06/15/21	27455	Hrvoje Muhek	0.90	693 00	FTI internal call regarding outstanding Plan Distribution work streams items. Correspondence with Sears Treasury regarding cash flow matters.
06/15/21	27455	Hrvoje Muhek	1.90	1,463 00	Responded to multiple creditor email and phone inquires with respect to Initial Plan Distributions issued on May 31. Updated the Monitors creditor records.
06/15/21	14856	Steven Bissell	0.40	354 00	Review of email correspondence and follow-up re various CCAA-related matters. Call with H. Muhek (FTI) to review updated cash available for distribution analysis.
06/16/21	32475	Hailey Liu	8.40	4,368 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.
06/16/21	27455	Hrvoje Muhek	1.40	1,078 00	Three FTI internal calls regarding various Plan implementation workstreams. Correspondence with Sears HR and Service Canada regarding employees who are still being reviewed for EI overpayment. Correspondence with ERC on employee matters. Correspondence with the Monitor's counsel regarding various Plan matters.
06/16/21	27455	Hrvoje Muhek	1.60	1,232 00	Responded to multiple creditor phone and email inquires in the Monitors mailbox with respect to Plan Distributions issued on May 31.
06/16/21	14856	Steven Bissell	0.70	619 50	Review of return payments from ADP and email correspondence with H. Muhek re same. Review and comments re cover letter to non-Canadian former employees re distributions.
06/17/21	25944	Alissa Owen	0.50	200 00	Updates to claims portal.
06/17/21	32475	Hailey Liu	7.10	3,692 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.
06/17/21	32475	Hailey Liu	0.40	208 00	Review and respond to email and voicemail inquires in respect to pre-filing warranty claims, coordinate with EPIQ and Sears around claim procedure around bar date
06/17/21	27455	Hrvoje Muhek	0.50	385 00	Call with ADP regarding employee and retiree Plan Distributions to be re-issued on June 25th.
06/17/21	27455	Hrvoje Muhek	1.90	1,463 00	Responded to multiple creditor phone and email inquires in respect of Plan Distributions issued on May 31.
06/17/21	27455	Hrvoje Muhek	1.80	1,386 00	Continued to respond to multiple creditor phone and email inquires in respect of Plan Distributions issued on May 31.
06/17/21	14800	Paul Bishop	0.70	738 50	Status review
06/17/21	14856	Steven Bissell	0.30	265 50	Review of email correspondence in respect of distributions to former employees located in the United States.
06/18/21	32475	Hailey Liu	7.80	4,056 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.
06/18/21	27455	Hrvoje Muhek	1.70	1,309 00	Calculation of funds transfers to be made between Sears, SLH, Litigation Recoveries, and Corbeil cash pools to align cash and accounting balances.
06/18/21	27455	Hrvoje Muhek	2.20	1,694.00	Responded to multiple creditor phone and email inquires in the Monitor's mailbox in respect of Plan Distributions issued on May 31.
06/21/21	32475	Hailey Liu	0.30	156 00	Review and respond to email and voicemail inquires in respect to pre-filing warranty claims.
06/21/21	32475	Hailey Liu	7.90	4,108 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.
06/21/21	27455	Hrvoje Muhek	2.40	1,848 00	Review of payroll preview files for payroll dated June 25 and comments to Sears HR and ADP. Call with ADP and Sears HR regarding the payroll dated June 25.

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Date	TK#	Name	Hours	Amount Billed	Narrative
06/21/21	27455	Hrvoje Muhek	1.30	1,001 00	Two FTI internal calls to review estimated proceeds available for the Final Plan Distribution. Preparation of Initial Plan Distribution cheques to be sent to updated creditor addresses. Provide comments for draft letter to PRC in respect of the Final Plan Distribution.
06/21/21	27455	Hrvoje Muhek	2.70	2,079 00	Responded to multiple creditors phone and email inquires in the Monitor's mailbox in respect of Plan Distributions issued on May 31.
06/21/21	27455	Hrvoje Muhek	1.60	1,232 00	Updates to the Monitor's cash flow forecast from June 2021 to July 2022.
06/21/21	14856	Steven Bissell	1.50	1,327 50	Update call with H. Muhek (FTI) to discuss status of subsequent Plan Distributions including review of updated distribution model. Review of draft final distribution model.
06/22/21	32475	Hailey Liu	8.30	4,316 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.
06/22/21	27455	Hrvoje Muhek	0.90	693 00	FTI internal call regarding reconciliation of unclaimed April 30 and June 18 Plan Distributions to former employees and retirees.
06/22/21	27455	Hrvoje Muhek	1.30	1,001 00	Final review and comments for the payroll run dated June 25. Correspondence with Sears HR regarding re-issued employee Plan Distributions. Call with the Monitor's counsel on unresolved claims.
06/22/21	27455	Hrvoje Muhek	1.10	847 00	Respond to multiple creditors phone and email inquiries in the Monitor's mailbox.
06/22/21	14856	Steven Bissell	2.70	2,389 50	Administration of document destruction request re Sears Canada TUV related documents. Reconciliation of workers compensation board claim.
06/23/21	32475	Hailey Liu	7.60	3,952 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.
06/23/21	32475	Hailey Liu	0.30	156 00	Review and respond to email and voicemail inquires in respect to pre-filing warranty claims.
06/23/21	27455	Hrvoje Muhek	0.90	693 00	Preparation of transaction records for Plan Distribution payments issued from May 1 to June 23.
06/23/21	27455	Hrvoje Muhek	0.60	462 00	Correspondence with Service Canada on WEPP and EI matters. Correspondence with ADP regarding Plan Distribution refunds received up to June 18.
06/23/21	27455	Hrvoje Muhek	1.20	924.00	Respond to multiple creditor phone and email inquiries in the Monitor's mailbox.
06/23/21	27455	Hrvoje Muhek	1.60	1,232 00	Prepare bank transfers to align bank and accounting cash. Prepare stop payment for re-issued Plan Distribution cheque payments to general unsecured creditors. Prepare Plan Distribution wire payments to general unsecured creditors and ADP to fund employee/retiree Plan Distributions. Reconciliation of returned employee Plan Distributions up to June 18.
06/23/21	27455	Hrvoje Muhek	2.80	2,156.00	Preparation of amended Receiver Information Forms for approximately 3,500 former employees who are eligible under the WEPP but haven't applied and received a Plan Distribution payment on June 18. Correspondence with the Monitor's counsel regarding payment direction for several claimants. Call with Sears Management regarding five late claims.
06/23/21	14800	Paul Bishop	0.70	738 50	Review and approve payments, transfers and stop payments
06/23/21	14856	Steven Bissell	0.30	265.50	Call with H. Muhek and Monitor's counsel to discuss distributions to former employees located outside of Canada.
06/24/21	32475	Hailey Liu	3.50	1,820 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.
06/24/21	27455	Hrvoje Muhek	1.60	1,232 00	Reconciliation of the Plan Distribution refunds backup data received from ADP. Call with ADP regarding Plan Distribution payment re-issuance run on July 2 and refunds received in the Monitor's account up to June 18. Correspondence with Service Canada (EI) regarding various Plan Distribution matters.
06/24/21	27455	Hrvoje Muhek	1.20	924.00	Respond to multiple creditor phone and email inquiries in the Monitor's mailbox with respect to Plan Distribution issued on May 31.
06/24/21	14856	Steven Bissell	0.20	177.00	Review of draft letter to PRC and email correspondence with Monitor's counsel re same.
06/25/21	32475	Hailey Liu	0.10	52 00	Review and respond to email and voicemail inquires in respect to pre-filing warranty claims.
06/25/21	32475	Hailey Liu	2.60	1,352 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.
06/25/21	27455	Hrvoje Muhek	1.20	924 00	Logged approximately 50 returned employee Plan Distribution cheques. Correspondence with Sears HR regarding returned Plan Distribution cheques to date. Correspondence with Sears HR, PRC, and Service Canada regarding employee Plan Distribution matters.
06/25/21	27455	Hrvoje Muhek	1.40	1,078.00	Preparation of Actual vs. Budget cash flow reports for January and February of 2021.
06/25/21	27455	Hrvoje Muhek	1.40	1,078.00	Prepared and distributed [REDACTED] Notices of Revision or Disallowance to [REDACTED]
06/25/21	27455	Hrvoje Muhek	1.10	847.00	Respond to multiple creditor phone and email inquires in the Monitor's mailbox with respect to Plan Distributions issued to general unsecured creditors on May 31.

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Date	TK#	Name	Hours	Amount Billed	Narrative
06/25/21	27455	Hrvoje Muhek	2.40	1,848.00	Review and provide comments for the ADP payroll preview reports for payment run scheduled on July 2. Correspondence with Sears HR regarding the July 2 payment run.
06/28/21	32475	Hailey Liu	6.20	3,224.00	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.
06/28/21	27455	Hrvoje Muhek	3.40	2,618.00	Review July 2 Plan Distribution payroll comments from Sears HR. Email correspondence with Sears HR. Update the Monitor's reconciliation of cashed and deposited Plan Distributions and email to Sears Treasury. Review and reconcile ADP returned deposits / cheques and email to ADP. Reach out to creditors with returned Plan Distribution cheques. Update the Monitor's listing of returned employee and retiree Plan Distribution cheques.
06/28/21	14800	Paul Bishop	0.70	738.50	Call with AH of KM, call with Counsel
06/29/21	32475	Hailey Liu	0.30	156.00	Review and respond to email and voicemail inquires in respect to pre-filing warranty claims.
06/29/21	32475	Hailey Liu	4.70	2,444.00	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.
06/29/21	27455	Hrvoje Muhek	2.30	1,771.00	Respond to multiple creditor email and phone inquires with respect to May 31 Plan Distribution to general unsecured creditors. Coordinate re-issuance of Plan Distribution payments.
06/29/21	27455	Hrvoje Muhek	0.70	539.00	Correspondence with Service Canada, ADP, and Sears HR regarding employee distribution matters.
06/29/21	14800	Paul Bishop	0.90	949.50	Review and approve payments (includes payments on other dates)
06/29/21	14856	Steven Bissell	0.80	708.00	Review and comments on draft letter to PRC.
06/30/21	32475	Hailey Liu	4.30	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.
06/30/21	32475	Hailey Liu	0.40	208.00	Review and respond to email and voicemail inquires in respect to post-filing warranty claims.
06/30/21	27455	Hrvoje Muhek	0.70	539.00	Call with ADP regarding upcoming Plan Distribution payrolls on July 2 and July 9. Correspondence with Sears HR regarding employee distribution matters.
06/30/21	27455	Hrvoje Muhek	1.10	847.00	Respond to multiple creditor inquiries in the Monitor's mailbox. Coordinate re-issuance of Plan Distribution payments to general creditors.
06/30/21	27455	Hrvoje Muhek	0.70	539.00	Review of a late filed creditor claim and correspondence with Sears Management. Process creditor updates in the claims portal.
06/30/21	14856	Steven Bissell	1.30	1,150.50	Call with Monitor's counsel to discuss draft letter to PRC. Review of draft letter to PRC and email correspondence with P. Bishop re same. Review of proposed co-tenancy language for Monitor's report in support of stay extension. Review of claim filed by Italian vendor. Email correspondence re same.
06/30/21	14856	Steven Bissell	0.90	796.50	Review of [REDACTED] for Monitor's report in support of stay extension. Review of claim filed by [REDACTED]. Email correspondence re same.
07/02/21	27455	Hrvoje Muhek	0.90	693.00	Preparation and mailing of re-issued Plan Distribution cheques to general creditors.
07/05/21	32475	Hailey Liu	4.50	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.
07/05/21	32475	Hailey Liu	2.10	1,092.00	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.
07/05/21	32475	Hailey Liu	0.60	312.00	Review and respond to email inquires in respect to pre-filing warranty claims and provide information.
07/05/21	27455	Hrvoje Muhek	0.50	385.00	Respond to multiple creditor email and phone inquiries in the Monitor's mailbox.
07/05/21	27455	Hrvoje Muhek	1.70	1,309.00	Review of July 9 payroll preview files. Correspondence with Sears HR and ADP. Reconciliation of cashed Plan Distribution payments.
07/05/21	14800	Paul Bishop	1.90	2,004.50	Review of correspondence re pension matters, review of payments, review of docs re pension matter
07/05/21	14856	Steven Bissell	3.40	3,009.00	Review of PRC Letter to FSRA re SLH employees. Review of email correspondence from Monitor's counsel and related materials in respect of SLH FSRA matters. Review and comments on draft 46th report of the Monitor.
07/06/21	32475	Hailey Liu	3.40	1,768.00	Review and comments on draft 46th report of the Monitor. 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.
07/06/21	32475	Hailey Liu	2.40	1,248.00	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.
07/06/21	32475	Hailey Liu	0.40	208.00	Review and respond to email inquires in respect to pre-filing warranty claims and provide information.

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Date	TK#	Name	Hours	Amount Billed	Narrative
07/06/21	27455	Hrvoje Muhek	1.40	1,078.00	Call with the Monitor's counsel regarding stay extension, outstanding claims, and other estate matters. Internal FTI call regarding open work streams for the week of July 5. Preparation of several wire payments. Correspondence with ADP and Sears HR.
07/06/21	14856	Steven Bissell	1.50	1,327.50	Update call with H. Muhek to discuss stay extension and plan distribution matters. Further review and comments on draft 46th report of the Monitor.
07/07/21	32475	Hailey Liu	3.80	1,976.00	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.
07/07/21	32475	Hailey Liu	2.90	1,508.00	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.
07/07/21	27455	Hrvoje Muhek	0.60	462.00	Review of draft fee order exhibits and internal email correspondence regarding the same.
07/07/21	27455	Hrvoje Muhek	0.50	385.00	Reconciliation of ADP Plan Distribution returns to Sears bank accounts received after June 23. Reconciliation of cashed Plan Distributions for July 5 and 6.
07/07/21	27455	Hrvoje Muhek	0.60	462.00	Respond to multiple creditor emails and phone calls in the Monitor's mailbox.
07/07/21	14800	Paul Bishop	1.20	1,266.00	Review of payments, review of draft perc correspondence, review of correspondence re case conference
07/07/21	14856	Steven Bissell	1.40	1,239.00	Review and comments on draft ERC letter to former employees. Further updates and edits to the 46th Report of the Monitor. Call with Monitor's counsel and representative from PRC to discuss SLH pension related matter. Follow-up call with Monitor's counsel.
07/08/21	32475	Hailey Liu	4.20	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.
07/08/21	32475	Hailey Liu	0.90	468.00	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.
07/08/21	14800	Paul Bishop	0.50	527.50	Call re pension matter review of correspondence
07/08/21	14856	Steven Bissell	0.70	619.50	Review of email correspondence. Update call with Warranty Claims Administrator and S. Binder (Sears Canada) to discuss status of pre- and post-filing warranty claims procedures.
07/09/21	32475	Hailey Liu	3.10	1,612.00	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.
07/09/21	32475	Hailey Liu	1.80	936.00	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.
07/09/21	32475	Hailey Liu	0.30	156.00	Review and respond to email inquires in respect to pre-filing warranty claims and provide information.
07/09/21	27455	Hrvoje Muhek	1.10	847.00	Review and coordinate amendments to the fee order exhibits and other supporting materials.
07/09/21	24354	Kathleen Foster	0.30	43.50	Website updates performed for FTI Case Sites for Sears. Requested by Steve Bissell.
07/09/21	14856	Steven Bissell	2.10	1,858.50	Email correspondence with Company counsel re return of balance of retainer. Review of revised draft of 46th report of the Monitor. Preparation of summary of Monitor's activities. Review of draft Fee Approval motion materials.
07/12/21	32475	Hailey Liu	4.60	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.
07/12/21	27455	Hrvoje Muhek	0.60	462.00	Respond to several creditor inquires in the Monitor's mailbox.
07/12/21	27455	Hrvoje Muhek	2.40	1,848.00	Prepare actual vs. budget cash flow variance reports for March and April.
07/12/21	27455	Hrvoje Muhek	2.70	2,079.00	Prepare actual vs. budget cash flow variance reports for May, June, and July.
07/12/21	14800	Paul Bishop	1.30	1,371.50	Review of payments, review of correspondence re [REDACTED]
07/12/21	14856	Steven Bissell	3.60	3,186.00	Updates and edits to draft letter [REDACTED]. Review of draft distribution model in respect of Final Distributions. Update call with H. Muhek (FTI) to discuss pending matters. Review of email correspondence and follow-up re various CCAA-related matters. Updated cash flow forecast in support of the stay extension motion.
07/13/21	32475	Hailey Liu	4.10	2,132.00	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.
07/13/21	32475	Hailey Liu	0.40	208.00	Review and respond to email and voicemail inquires in respect to post-filing warranty claims.
07/13/21	27455	Hrvoje Muhek	2.90	2,233.00	Updates to the calculation of estimated proceeds available for Final Plan Distribution. Internal regarding the same estimated proceeds available for Final Plan Distribution.



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Date	TK#	Name	Hours	Amount Billed	Narrative
07/13/21	27455	Hrvoje Muhek	4.70	3,619.00	Review and provide comments for draft 46th report of the Monitor. Prepare the cash flow forecast up to October 30. Prepare cumulative Actual vs. Budget cash flow variance analysis up to July 10. Prepare a cumulative summary of disbursements from the CCAA filing date to July 10.
07/13/21	27455	Hrvoje Muhek	3.80	2,926.00	Update the calculation of estimated proceeds available for Final Plan Distribution. Update the calculation model of Final Plan Distribution amounts to employees & retirees. Provide comments for Monitor's for letter to PRC.
07/13/21	14856	Steven Bissell	3.30	2,920.50	Review and comments on updated draft of 46th Report of the Monitor. Review of draft model re estimated funds available for distribution. Review of final information for 46th report of the Monitor, including review of distribution models. Updates and edits to the draft letter to PRC. Confirmation of net Warranty Claims Reserve available to the estate.
07/14/21	32475	Hailey Liu	3.60	1,872.00	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.
07/14/21	14800	Paul Bishop	1.40	1,477.00	Review of report, review of correspondence, payment approvals
07/14/21	14856	Steven Bissell	2.10	1,858.50	Execution of release agreement for former debtor to Sears Canada. Review and edits to draft actual vs budget and cash flow forecast for 46th Report of the Monitor. Email correspondence with P. Bishop re same. Review of ADP outstanding payments and processing of disbursements in respect of same.
07/15/21	32475	Hailey Liu	3.80	1,976.00	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.
07/15/21	32475	Hailey Liu	0.70	364.00	Review and respond to email and voicemail inquires in respect to post-filing warranty claims.
07/15/21	27455	Hrvoje Muhek	0.60	462.00	Email correspondence with Service Canada and the Monitor's counsel regarding various estate matters.
07/15/21	14856	Steven Bissell	1.00	885.00	Review and comments on draft fee approval affidavit. Signing of fee approval affidavit. Updates and edits to the 46th Report of the Monitor.
07/16/21	32475	Hailey Liu	3.30	1,716.00	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.
07/16/21	27455	Hrvoje Muhek	0.80	616.00	Respond to multiple creditor inquiries in the Monitor's mailbox.
07/16/21	14856	Steven Bissell	0.30	265.50	Final review of the 46th report and sign off with Monitor's counsel.
07/19/21	32475	Hailey Liu	2.30	1,196.00	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.
07/19/21	27455	Hrvoje Muhek	0.90	693.00	Review Plan Distribution scheduled to be re-issued on July 23. Prepare ADP pay forms for new Plan Distribution to be paid on July 30. Correspondence with Sears Treasury regarding ITC returns on Plan Distributions.
07/19/21	14856	Steven Bissell	0.20	177.00	Review of email correspondence and follow-up in respect of various CCAA-related matters including follow-up with counsel in respect of insurance claim, review and approval of employee payroll.
07/20/21	32475	Hailey Liu	1.70	884.00	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.
07/20/21	27455	Hrvoje Muhek	0.60	462.00	Respond to multiple creditor inquires regarding Plan Distributions issued on May 31.
07/20/21	27455	Hrvoje Muhek	1.20	924.00	Reconcile June transactions in the Monitor's accounts and prepare associated transaction records for estate administration.
07/20/21	14856	Steven Bissell	3.50	3,097.50	Follow-up with document storage vendor to terminate storage agreement. Review of email correspondence and follow-up in respect of various CCAA-related matters. Preparation for, and attendance on Monitor's counsel status update call. Call with B. Church to discuss tax related matters in respect of distributions. Call with Monitor's counsel to discuss distributions in respect of former employees outside of Canada. Email correspondence with Monitor's counsel re same. Review of draft invoice and follow-up with FTI team re same.
07/21/21	32475	Hailey Liu	1.50	780.00	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.
07/21/21	27455	Hrvoje Muhek	0.40	308.00	Prepare wire payments to fund July 23 re-issued Plan Distribution payments to former employees and retirees.
07/21/21	27455	Hrvoje Muhek	1.10	847.00	Call with a creditor regarding 9 late filed claims. Review supporting claims documents in respect of 4 late filed claims. Correspondence with Sears Management regarding claims matters.
07/21/21	24354	Kathleen Foster	0.30	43.50	Website updates performed for FTI Case Sites for Sears. Requested by Steve Bissell.
07/21/21	14800	Paul Bishop	0.90	949.50	Review of payments and status update
07/21/21	14856	Steven Bissell	0.30	265.50	Updates to the Monitor's website in respect of motion record for stay extension and fee approval.
07/22/21	14798	Gregory Watson	1.00	1,055.00	Review of general estate administration matters.

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Date	TK#	Name	Hours	Amount Billed	Narrative
07/22/21	32475	Hailey Liu	1.80	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.
07/23/21	32475	Hailey Liu	2.20	1,144.00	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.
07/23/21	14856	Steven Bissell	0.30	265.50	Review of email correspondence from Sears insurance counsel re pre-Filing damage claim litigation.
07/26/21	32475	Hailey Liu	2.30	1,196.00	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.
07/26/21	27455	Hrvoje Muhek	0.50	385.00	Call with the Monitor's counsel regarding claims matters. Correspondence with a creditor regarding the claims process.
07/26/21	27455	Hrvoje Muhek	0.80	616.00	Correspondence with Sears Treasury and Sears HR regarding Plan Distribution matters. Correspondence with executors of deceased retirees regarding returned Plan Distribution cheques and revised ADP pay statements.
07/26/21	27455	Hrvoje Muhek	0.80	616.00	Correspondence with Sears Treasury regarding ITC filings related to Plan Distributions. Correspondence with Sears HR regarding employee Plan Distribution matters.
07/26/21	14800	Paul Bishop	1.10	1,160.50	Review of payments and status update
07/26/21	14856	Steven Bissell	0.20	177.00	Call with Monitor's counsel in respect of insurance claim for product damages.
07/27/21	32475	Hailey Liu	0.30	156.00	Review and respond to email and voicemail inquires in respect to post-filing warranty claims to reissue warranty cheques.
07/27/21	32475	Hailey Liu	1.90	988.00	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.
07/27/21	27455	Hrvoje Muhek	2.40	1,848.00	Draft letter to former employees whose Plan Distributions have been adjusted to \$0 due to WEPP subrogated debt or EI overpayment adjustment. Correspondence with ERC and Sears HR regarding Plan Distribution matters. Correspondence with the Monitor's counsel regarding Plan Distributions issued to litigation insurance claimants.
07/28/21	32475	Hailey Liu	1.70	884.00	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.
07/28/21	32475	Hailey Liu	0.20	104.00	Review and respond to email and voicemail inquires in respect to post-filing warranty claims to reissue warranty cheques.
07/28/21	14856	Steven Bissell	0.40	354.00	Review and comments on draft letter to former employees and retirees who will not receive a Plan Distribution.
07/29/21	27455	Hrvoje Muhek	0.40	308.00	Correspondence with Sears HR and the Monitor's counsel regarding claims matters.
07/29/21	14856	Steven Bissell	0.30	265.50	Preparation of response to email request from creditor re Easy Financial Services
07/30/21	14856	Steven Bissell	0.70	619.50	Preparation for stay extension and fee approval hearing. Stay extension and fee approval hearing. Follow-up call with Monitor's counsel.
08/03/21	32475	Hailey Liu	5.70	2,964.00	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.
08/03/21	32475	Hailey Liu	0.40	208.00	Review and respond to email and voicemail inquires in respect to the pre-filing warranty claims.
08/03/21	27455	Hrvoje Muhek	0.60	462.00	Email correspondence with Sears Treasury and FTI team regarding Plan Distribution matters.
08/03/21	14856	Steven Bissell	1.10	973.50	Update call with Monitor's counsel. Follow-up regarding physical data storage provider and termination of services agreement.
08/04/21	32475	Hailey Liu	1.20	624.00	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.
08/04/21	27455	Hrvoje Muhek	2.50	1,925.00	Coordinate and prepare mailing of notices to former employees who are not receiving a Plan Distribution due to WEPP repayment or EI overpayment adjustment.
08/04/21	14800	Paul Bishop	0.90	949.50	Payment review and follow up
08/05/21	32475	Hailey Liu	1.40	728.00	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.
08/05/21	27455	Hrvoje Muhek	1.30	1,001.00	Draft Plan Distribution letter to former employees of The Cut entity. Review Plan Distribution notices for distribution to former employees scheduled for August 9.
08/06/21	32475	Hailey Liu	0.80	416.00	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.
08/06/21	27455	Hrvoje Muhek	1.00	770.00	Coordinate mailing of notices to former employees who are not receiving a Plan Distribution due to WEPP repayment or EI overpayment adjustment.
08/06/21	14856	Steven Bissell	0.20	177.00	Call with representative from [REDACTED] and Monitor's counsel to discuss status of pre- and post-Filing claims.

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Date	TK#	Name	Hours	Amount Billed	Narrative
08/09/21	32475	Hailey Liu	6.80	3,536.00	Review and respond to email and voicemail inquires in respect to Retiree and Employee benefit claims, termination claim and lifetime discount claim payment distributions, update records, coordinate payment information.
08/09/21	27455	Hrvoje Muhek	3.30	2,541.00	Coordinate issuance of replacement Plan Distribution cheques to twelve creditors. Review and provide comments for the August 13 Plan Distribution payroll run to former employees and retirees. Correspondence with Sears HR and FTI team regarding Plan Distribution notices sent to former employees on August 9. Correspondence with Service Canada and PRC regarding Plan Distribution payments to retirees.
08/09/21	27455	Hrvoje Muhek	2.20	1,694.00	Correspondence with a number of creditors regarding Plan Distributions. Prepared two Notices of Revision or Disallowance.
08/10/21	32475	Hailey Liu	4.20	2,184.00	Review and respond to email and voicemail inquires in respect to Retiree and Employee benefit claims, termination claim and lifetime discount claim payment distributions, update records, coordinate payment information.
08/10/21	32475	Hailey Liu	0.20	104.00	Review and respond to email and voicemail inquires in respect to pre-filing warranties.
08/10/21	27455	Hrvoje Muhek	0.60	462.00	Coordinate email blast to former employees. Prepare several wire payments.
08/10/21	14800	Paul Bishop	0.80	844.00	Review of payments and status update
08/11/21	32475	Hailey Liu	1.60	832.00	Review and respond to email and voicemail inquires in respect to Retiree and Employee benefit claims, termination claim and lifetime discount claim payment distributions, update records, coordinate payment information.
08/11/21	27455	Hrvoje Muhek	0.40	308.00	Coordinate issuance of replacement cheques to Sears creditors.
08/12/21	32475	Hailey Liu	1.20	624.00	Review and respond to email and voicemail inquires in respect to Retiree and Employee benefit claims, termination claim and lifetime discount claim payment distributions, update records, coordinate payment information.
08/13/21	32475	Hailey Liu	1.30	676.00	Review and respond to email and voicemail inquires in respect to Retiree and Employee benefit claims, termination claim and lifetime discount claim payment distributions, update records, coordinate payment information.
08/13/21	32475	Hailey Liu	0.30	156.00	Review and respond to email and voicemail inquires in respect to pre-filing warranties.
08/16/21	32475	Hailey Liu	1.10	572.00	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.
08/16/21	32475	Hailey Liu	1.90	988.00	Prepare email blast for Distribution communication to 100 employees.
08/17/21	32475	Hailey Liu	0.90	468.00	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.
08/17/21	32475	Hailey Liu	0.30	156.00	Review and respond to email and voicemail inquires in respect to pre-filing warranty claims.
08/17/21	14856	Steven Bissell	0.30	265.50	Review of time entries in support of Monitor's invoice.
08/18/21	32475	Hailey Liu	1.10	572.00	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.
08/19/21	32475	Hailey Liu	1.40	728.00	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.
08/19/21	32475	Hailey Liu	0.20	104.00	Review and respond to email and voicemail inquires in respect to pre-filing warranty claims.
08/20/21	32475	Hailey Liu	0.80	416.00	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.
08/23/21	32475	Hailey Liu	1.20	624.00	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.
08/23/21	32475	Hailey Liu	0.30	156.00	Review and respond to email and voicemail inquires in respect to pre-filing warranty claims.
08/23/21	27455	Hrvoje Muhek	1.10	847.00	Email correspondence with Sears HR and Treasury regarding Plan Distribution matters. Updated the Monitor's Plan Distribution records.
08/23/21	14856	Steven Bissell	0.50	442.50	Investigation into servicing requirements for receivership motion.
08/24/21	32475	Hailey Liu	3.30	1,716.00	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.
08/24/21	27455	Hrvoje Muhek	0.60	462.00	Email to Sears Management regarding warranty claims. Respond to multiple creditor inquiries.
08/24/21	14856	Steven Bissell	2.30	2,035.50	Review and response to request for permission to use Eaton Center stock images held at Ontario Archives. Preparation for and attendance on bi-weekly status update call with Monitor's counsel. Update call with B. Church. Review, approval and processing of ADP wire payment. Call with PRC and E&Y and Monitor's counsel to discuss on-going workstreams for the balance of the CCAA Proceedings.
08/25/21	32475	Hailey Liu	0.30	156.00	Review and respond to email and voicemail inquires in respect to pre-filing warranty claims.

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Date	TK#	Name	Hours	Amount Billed	Narrative
08/25/21	32475	Hailey Liu	1.20	624.00	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.
08/25/21	27455	Hrvoje Muhek	1.40	1,078.00	Coordinate re-issuance of replacement Plan Distribution cheques and associated stop payment requests for the original cheques. Respond to multiple creditor inquiries regarding Plan distribution matters.
08/25/21	14800	Paul Bishop	0.40	422.00	Payment approvals and cancellations
08/25/21	14856	Steven Bissell	2.00	1,770.00	Confirmation of receivership bank account in respect of Sears Canada. Review of document storage vendor destruction list. Review of email correspondence from WSIB and revised claim calculations. Email to H. Muhek (FTI) re same. Email correspondence with OSB re receivership order.
08/26/21	32475	Hailey Liu	1.70	884.00	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.
08/26/21	32475	Hailey Liu	0.20	104.00	Review and respond to email and voicemail inquires in respect to pre-filing warranty claims.
08/26/21	27455	Hrvoje Muhek	1.20	924.00	Draft Notices of Revision or Disallowance with respect to 11 late claims.
08/26/21	14856	Steven Bissell	1.60	1,416.00	Review of documents in respect of unclaimed property of Sears Canada Inc. and email correspondence re same. Letter to OSB re Sears Receivership order. WS B NORD
08/27/21	32475	Hailey Liu	0.90	468.00	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.
08/27/21	27455	Hrvoje Muhek	0.90	693.00	Review and edit Plan Distribution cover letter to holders of valid Pre-Filing Warranty Claims. Prepare a wire payment to Warranty Claims Administrator.
08/27/21	14856	Steven Bissell	0.60	531.00	Call with B. Church (Sears Canada) to discuss claim data in respect of post-filing recovery services. Processing of NORDs.
08/30/21	32475	Hailey Liu	1.20	624.00	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.
08/30/21	32475	Hailey Liu	0.20	104.00	Review and respond to email and voicemail inquires in respect to pre-filing warranty claims.
08/30/21	27455	Hrvoje Muhek	1.20	924.00	Review Sep 3 payroll preview with replacement Plan Distribution payments to multiple former employees and retirees. Correspondence with ADP and multiple creditors regarding Plan Distribution matters.
08/30/21	14800	Paul Bishop	1.80	1,899.00	Update re status and payments
08/31/21	32475	Hailey Liu	2.10	1,092.00	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.
08/31/21	14856	Steven Bissell	0.80	708.00	Review of [REDACTED] agreement and [REDACTED]. Call with A. Arevalo (FTI) to discuss [REDACTED].
09/01/21	32475	Hailey Liu	1.10	572.00	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.
09/01/21	27455	Hrvoje Muhek	2.40	1,848.00	Reconciliation and updates to the claims portal database for late filed claims and claims resolved in 2021.
09/01/21	14856	Steven Bissell	0.80	708.00	Review of draft invoice for period ending August 31, 2021. Review of emails in respect of SLH vehicle related claims and follow-up with Monitor's counsel.
09/02/21	32475	Hailey Liu	1.60	832.00	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.
09/02/21	14856	Steven Bissell	0.20	177.00	Execution of full and final release agreement re claim against [REDACTED] and email correspondence re same.
09/03/21	14800	Paul Bishop	0.50	527.50	Update and correspondence with PRRR
09/07/21	32475	Hailey Liu	3.10	1,612.00	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.
09/07/21	32475	Hailey Liu	0.20	104.00	Review and respond to email and voicemail inquires in respect to pre-filing warranty claims.
09/08/21	32475	Hailey Liu	1.10	572.00	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.
09/08/21	32475	Hailey Liu	0.10	52.00	Review and respond to email and voicemail inquires in respect to pre-filing warranty claims.
09/08/21	14800	Paul Bishop	1.30	1,371.50	Review of payments, update status and correspondence
09/09/21	32475	Hailey Liu	0.80	416.00	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.
09/09/21	32475	Hailey Liu	0.10	52.00	Review and respond to email and voicemail inquires in respect to pre-filing warranty claims.
09/09/21	32475	Hailey Liu	0.30	156.00	Review and respond to email and voicemail inquires in respect to post-filing warranty claims.

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Date	TK#	Name	Hours	Amount Billed	Narrative
09/09/21	27455	Hrvoje Muhek	1.20	924 00	Coordinate preparation of Plan Distribution cover letters and cheques for former employees of The Cut entity.
09/09/21	24354	Kathleen Foster	1.00	145 00	Website updates performed for FTI Case Sites for Sears. Requested by Steve Bissell.
09/09/21	14800	Paul Bishop	0.50	527 50	Payment approvals
09/09/21	14856	Steven Bissell	0.50	442 50	Call with H. Muhek (FTI) to discuss pending CCAA matters.
09/10/21	32475	Hailey Liu	1.10	572 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.
09/10/21	32475	Hailey Liu	0.10	52 00	Review and respond to email and voicemail inquires in respect to post-filing warranty claims.
09/10/21	32475	Hailey Liu	0.10	52 00	Review and respond to email and voicemail inquires in respect to pre-filing warranty claims.
09/10/21	27455	Hrvoje Muhek	0.30	231 00	Correspondence with Sears management regarding unresolved claims.
09/10/21	24354	Kathleen Foster	1.00	145 00	Cheque creation and mailing for Sears. Requested by Hrvoje Muhek.
09/10/21	14800	Paul Bishop	0.50	527 50	Payment update review of correspondence
09/10/21	14856	Steven Bissell	0.60	531 00	Review of and follow-up in respect of email correspondence with S. Binder (Sears Canada) re pre-filing warranty claims. Review and comments in respect of draft email in response to pre-filing warranty claim.
09/13/21	32475	Hailey Liu	1.10	572 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.
09/13/21	27455	Hrvoje Muhek	1.90	1,463 00	Internal status update call regarding CCAA Plan matters and work streams. Correspondence with the Monitor's counsel regarding unresolved claims. Correspondence with the Warranty Claims Administrator regarding Plan Distributions to valid holders of valid pre-filing warranty claims. Correspondence with Sears treasury regarding tax filing matters. Correspondence with ADP regarding outstanding employee and retiree Plan Distributions.
09/13/21	14856	Steven Bissell	1.00	885 00	Update call with H. Muhek (FTI) to discuss status updates re CCAA proceedings. Review of email correspondence in respect of various CCAA-related matters including review of Sears employee time sheets and approval of invoices.
09/14/21	32475	Hailey Liu	0.60	312.00	Review and respond to email and voicemail inquires in respect to pre-filing warranty claims.
09/14/21	32475	Hailey Liu	0.80	416.00	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.
09/14/21	27455	Hrvoje Muhek	0.70	539.00	Correspondence with the Warranty Claims Administrator regarding upcoming Plan Distributions. Correspondence with the ADP regarding employee and retiree Plan Distribution matters.
09/14/21	14856	Steven Bissell	0.50	442.50	Call with pre-filing warranty claimant and H. Liu (FTI).
09/15/21	32475	Hailey Liu	1.40	728.00	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.
09/15/21	27455	Hrvoje Muhek	3.40	2,618.00	Correspondence with the ADP regarding employee and retiree Plan Distribution matters. Reconciliation of unresolved and late filed claims in the claims portal. Preparation of Initial Plan Distribution calculations for late resolved claims.
09/15/21	14856	Steven Bissell	0.20	177.00	Review and execution of annual filing for Initium.
09/16/21	32475	Hailey Liu	1.30	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.
09/16/21	32475	Hailey Liu	0.30	156.00	Review and respond to email and voicemail inquires in respect to pre-filing warranty claims.
09/16/21	27455	Hrvoje Muhek	4.60	3,542.00	Correspondence with the Warranty Claims Administrator regarding upcoming distributions. Respond to multiple creditor inquires in the Monitor's mailbox. Update the Monitor's Sears CCAA Proceedings website. Prepare estate records for Plan Distributions paid in August. Correspondence with Sears Treasury regarding tax claims. Correspondence with ADP regarding employee and retiree Plan Distribution matters.
09/16/21	24354	Kathleen Foster	0.30	43.50	Website updates performed for FTI Case Sites for Sears. Requested by Hrvoje Muhek.
09/16/21	14800	Paul Bishop	0.60	633.00	Payment reviews and approvals
09/16/21	14856	Steven Bissell	2.00	1,770.00	Review of document destruction lists in respect of data storage agreement. Reconciliation of data storage documents available for destruction. Reconciliation of WSIB claims amounts.
09/17/21	32475	Hailey Liu	0.90	468.00	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.
09/17/21	27455	Hrvoje Muhek	3.60	2,772.00	Reconciliation of unclaimed Plan Distributions to former employees and retirees as of September 16.

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Date	TK#	Name	Hours	Amount Billed	Narrative
09/17/21	27455	Hrvoje Muhek	0.90	693.00	Prepare Initial Plan Distribution wire payments for late resolved claims and distribute accompanying cover letters.
09/17/21	14800	Paul Bishop	0.70	738.50	Payment and status review
09/20/21	32475	Hailey Liu	1.10	572.00	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.
09/20/21	27455	Hrvoje Muhek	1.80	1,386.00	Review and process payroll containing re-issued Plan Distribution payments to former employees and retirees. Coordination of distributions on account of valid pre-filing warranty claims.
09/21/21	32475	Hailey Liu	0.70	364.00	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.
09/21/21	32475	Hailey Liu	1.20	624.00	Summary retiree and employee Plan Distribution for cancel or invalid payments, and transferred payment for surviving spouse.
09/21/21	27455	Hrvoje Muhek	0.80	616.00	Preparation of call agenda and call with the Monitor's counsel regarding various estate matters.
09/21/21	27455	Hrvoje Muhek	1.20	924.00	Control revised ADP Plan Distribution payroll run for Sep 24 and prepare wire payment to fund the payroll. Correspondence with Sears Management and the Warranty Claims Administrator regarding the pre-filing warranty claims database.
09/21/21	14856	Steven Bissell	2.20	1,947.00	Update call with Monitor's counsel and H. Muhek (FTI) to discuss pending CCAA matters. Drafting of letter to data storage vendor re Monitor's authority.
09/22/21	25944	Alissa Owen	2.00	800.00	Updated incorrectly filed claims; split claim; database maintenance.
09/22/21	32475	Hailey Liu	1.10	572.00	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.
09/22/21	27455	Hrvoje Muhek	2.20	1,694.00	Reconcile Initial Plan Distributions to general creditors which remain unclaimed as of September 21. Prepare an email blast letter and source document to follow up regarding unclaimed Initial Plan Distributions. Review and approve the email blast draft prepared by FTI Marketing.
09/22/21	27455	Hrvoje Muhek	3.60	2,772.00	Respond to multiple creditors regarding unclaimed Initial Plan Distributions. Update the Monitor's mailing and payment instruction records.
09/22/21	27455	Hrvoje Muhek	1.70	1,309.00	Draft a Notice of Revision or Disallowance for a resolved general creditor claim. Correspondence with the Monitor's counsel regarding the same claim. Review of Sear claims portal data and update the claim status and upload additional supporting documents for several dozen claims. Correspondence with FTI Data and Analytics regarding updates needed to several claims in the Sears claims portal.
09/22/21	14856	Steven Bissell	0.60	531.00	Email correspondence re transfer of boxes to FTI as Monitor account. Further follow up in respect of destruction request with data storage vendor.
09/23/21	27455	Hrvoje Muhek	2.90	2,233.00	Respond to multiple creditors regarding unclaimed Initial Plan Distributions. Update the Monitor's mailing and payment instruction records. Correspondence with the warranty Claims Administrator regarding the warranty claims database extract. Prepare 22 Initial Plan Distribution cheque stop payments with respect to unclaimed distributions as of September 21.
09/23/21	27455	Hrvoje Muhek	1.30	1,001.00	Prepare a cover letters and replacement Initial Plan Distribution cheque and wire payments for 24 creditors.
09/23/21	27455	Hrvoje Muhek	2.20	1,694.00	Reconcile multiple asserted and resolved [REDACTED] claims. Update the claims portal for resolved claims. Draft Initial Plan Distribution cover letters.
09/23/21	14800	Paul Bishop	0.90	949.50	Payment review and approvals
09/23/21	14856	Steven Bissell	0.30	265.50	Review and approval of stop-cheque requests in respect of Initial Plan Distributions.
09/24/21	32475	Hailey Liu	3.10	1,612.00	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.
09/24/21	27455	Hrvoje Muhek	0.80	616.00	Coordinate approval of re-issued Plan Distribution payments. Send Plan Distribution cover letters to several creditors.
09/24/21	14856	Steven Bissell	1.10	973.50	Review and comments on draft cover letters in respect of Initial Plan Distributions. Review of [REDACTED] in response to request from [REDACTED]
09/27/21	32475	Hailey Liu	0.70	364.00	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.

Sears Canada (420956.0003)  
June 1, 2021 to September 30, 2021

Date	TK#	Name	Hours	Amount Billed	Narrative
09/27/21	27455	Hrvoje Muhek	5.40	4,158 00	Correspondence with [REDACTED] regarding incoming proceeds. Internal correspondence regarding various employee / retiree matters. Prepare a Plan Distribution wire payment and cover letter regarding a recently resolved claim. Correspondence with Sears Treasury regarding [REDACTED]. Reconcile stopped Plan Distribution cheque payments. Respond to multiple creditor requests to re-issue Plan Distribution to a different address or bank account and update the Monitor's records accordingly. Email to ERC regarding EI overpayment. Review of replacement Plan Distribution cheques to be mailed in the week of Sep 27. Email to a claimant's counsel regarding Initial Plan Distribution issued on account of recently resolved claims. Internal correspondence regarding warranty claims.
09/27/21	24354	Kathleen Foster	3.00	435 00	Processing cheque disbursements and mailing prep.
09/28/21	32475	Hailey Liu	0.90	468 00	Review and respond to email and voicemail inquires in respect to Retiree and distributions, update records, coordinate payment information.
09/28/21	32475	Hailey Liu	0.20	104 00	Review and respond to email and voicemail inquires in respect to pre-filing warranty claims.
09/28/21	27455	Hrvoje Muhek	4.20	3,234 00	Correspondence with the Warranty Claims administrator regarding the claims database extract. Respond to multiple creditors regarding unclaimed and re-issued Plan Distributions. Prepare document packages to be included with the Plan Distribution and remittance cheques sent to [REDACTED].
09/28/21	24354	Kathleen Foster	3.00	435 00	Processing cheque disbursements and mailing prep.
09/28/21	14800	Paul Bishop	0.80	844 00	Payments and status update
09/29/21	32475	Hailey Liu	1.20	624 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.
09/29/21	27455	Hrvoje Muhek	1.70	1,309 00	Respond to multiple creditor requests to re-issue Plan Distribution to a different address or bank account and update the Monitor's records accordingly. Correspondence with ERC regarding EI overpayment matters.
09/29/21	24354	Kathleen Foster	1.00	145 00	Processing cheque disbursements and mailing prep.
09/30/21	32475	Hailey Liu	0.70	364 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.

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



---

*A Commissioner for taking Affidavits in Ontario*

Katin Marie Parent, a Commissioner, etc.,  
Province of Ontario,  
for Norton Rose Fulbright Canada LLP /  
S.E.N.C.R.L., s.r.l., Barristers and Solicitors  
Expires July 9, 2024



**Summary of FTI Invoices**  
Sears Canada  
June 1, 2021 to September 30, 2021

Invoice #	Invoice Date	Period End Date	Fees	Expenses	Subtotal - Fees + Expenses	GST/HST	Total
29004873	6/15/21	6/13/21	85,905.50	249.58	86,155.08	11,200.16	97,355.24
29004890	6/30/21	6/30/21	102,799.00	-	102,799.00	13,363.87	116,162.87
29004916	7/20/21	7/20/21	70,193.00	272.37	70,465.37	9,160.50	79,625.87
29004939	7/31/21	7/31/21	23,705.00	-	23,705.00	3,081.65	26,786.65
29004965	8/18/21	8/15/21	25,159.00	241.17	25,400.17	3,302.02	28,702.19
29004982	8/31/21	8/31/21	24,973.50	47.98	25,021.48	3,252.79	28,274.27
29005022	9/21/21	9/19/21	32,794.00	261.28	33,055.28	4,297.19	37,352.47
29005059	9/30/21	9/30/21	35,939.50	-	35,939.50	4,672.14	40,611.64
		<b>TOTAL</b>	<b>401,468.50</b>	<b>1,072.38</b>	<b>402,540.88</b>	<b>52,330.32</b>	<b>454,871.20</b>

THIS IS **EXHIBIT "C"** TO THE AFFIDAVIT OF  
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Katie Marie Parent, a Commissioner, etc.,  
Province of Ontario,  
for Nonon Rose Fulbright Canada LLP,  
S.E.N.C.R.L., s.r.l., Barristers and Solicitors  
Expires July 8, 2024

**Summary of FTI Billing Rates and Amounts Billed by Representative**

Sears Canada

June 1, 2021 to September 30, 2021

<b>Professional</b>	<b>Title</b>	<b>Hours</b>	<b>Standard Rates</b>	<b>Amount Billed</b>
Gregory Watson	Senior Managing Director	1.0	1,055	1,055.00
Paul Bishop	Senior Managing Director	24.9	1,055	26,269.50
Steven Bissell	Managing Director	61.1	885	54,073.50
Hrvoje Muhek	Senior Director	205.1	770	157,927.00
Hailey Liu	Senior Consultant	299.9	520	155,948.00
Alissa Owen	Senior Consultant	6.1	400	2,440.00
Kathleen Foster	Administrative Professional	25.9	145	3,755.50
<b>Total Hours and Fees</b>		<b>624.0</b>		<b>\$ 401,468.50</b>
Total Expenses Charged				1,072.38
<b>Subtotal before Taxes</b>				<b>\$ 402,540.88</b>
13% HST #835718024RT0001				52,330.32
<b>TOTAL BILLED</b>				<b>\$ 454,871.20</b>
<b>Average Hourly Rate</b>				<b>\$ 643</b>

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 October 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

**Evan Cobb, LSO#: 55787N**

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[alexander.schmitt@nortonrosefulbright.com](mailto:alexander.schmitt@nortonrosefulbright.com)

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

APPENDIX "H"

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 ORESTES PASPARAKIS**  
(Sworn October 15, 2021)

I, ORESTES PASPARAKIS, 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 June 1, 2021 to September 30, 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.

7. 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 Toronto, in the Province of  
Ontario, on this 15th day of October, 2021, in  
accordance with O. Reg. 431/20,  
Administering Oath or Declaration Remotely.




A Commissioner for taking Affidavits (or as may be)

Katie Marie Parent, a Commissioner, etc.,  
Province of Ontario,  
for Norton Rose Fulbright Canada LLP /  
E.N.C.R.L., s.r.l., Barristers and Solicitors,  
Expires July 9, 2024



**ORESTES PASPARAKIS**

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



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Katie Marie Parent, a Commissioner, etc.  
Province of Ontario,  
for Norton Rose Fulbright Canada LLP /  
S.E.N.C.R.L., s.r.l., Barristers and Solicitors  
Expires July 8, 2024



## SCHEDULE OF ACCOUNTS

Account No.	Account Date	For Billing Period Ending	Fees	Costs	Tax	TOTAL
9090353555	Jun-15-2021	May-31-2021	\$ 36,657.00	\$ 54.62	\$ 4,772.51	\$ 41,484.13
9090363336	Jul-20-2021	Jun-30-2021	\$ 22,920.53	\$ 33.67	\$ 2,982.69	\$ 25,936.89
9090368975	Aug-11-2021	Jul-31-2021	\$ 31,699.57	\$ 994.41	\$ 3,780.23	\$ 36,474.21
9090379617	Sep-17-2021	Aug-31-2021	\$ 6,898.50	\$ 24.00	\$ 896.81	\$ 7,819.31
9090386596	Oct-14-2021	Sep-30-2021	\$ 10,217.00	\$ 12.00	\$ 1,328.21	\$ 11,557.21
<b>TOTAL:</b>			<b>\$ 108,392.60</b>	<b>\$ 1,118.70</b>	<b>\$ 13,760.45</b>	<b>\$ 123,271.75</b>

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Kaitie Marie Parent, a Commissioner, etc.,  
Province of Ontario,  
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S.E.N.C.R.L., s.r.l., Barristers and Solicitors,  
Expires July 9, 2024

## STATEMENT OF EXPERIENCE

Name	Year of Call	Billing Rate	Hours Worked
Bianchi, Gianni	Law Clerk	\$ 315.00	2.80
Brodeur, Pier-Olivier	2020	\$ 395.00	26.60
Burt, Justin	2010	\$ 595.00	.30
Chiasson, Derek	1998	\$ 980.00	2.60
Choi, Peter	2018	\$ 450.00	20.20
Cobb, Evan	2008	\$ 785.00	56.60
El Haddad, Jacqueline	1998	\$ 465.00	1.70
Gallop, Anne	2000	\$ 675.00	.20
Halstead, Amanda	Law Clerk	\$ 330.00	.50
Kurth, Rachel	2008	\$ 309.27	1.70
Li, Richard	Student-at-Law	\$ 290.00	2.10
Merskey, Alan	1999	\$ 850.00	4.40
Mojtahedi, Arad	2016	\$ 515.00	7.80
Packer, Julie	Law Clerk	\$ 400.00	1.60
Parent, Katie	Law Clerk	\$ 360.00	5.90
Parenteau, Audrey	Support	\$ 365.00	.80
Pasparakis, Orestes	1995	\$ 1,340.00	1.0
Prokup, Kevin	2004	\$ 1,067.28	1.0
Roth, Benjamin	2008	\$ 1,067.28	5.20
Schmitt, Alexander	2013	\$ 605.00	28.10
Tardif, H�el�ene	Support	\$ 365.00	3.50
Thomas, Marie	Law Clerk	\$ 460.00	0.50
			<b>175.10</b>

<b>Blended Rate:</b> (excl. Disbursements and HST)		
\$108,392.60 ÷ 175.10 hours	=	\$619.03

THIS IS **EXHIBIT "C"** TO THE AFFIDAVIT OF  
ORESTES PASPARAKIS SWORN BEFORE ME VIA  
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Katie Marie Parent, a Commissioner, etc.,  
Province of Ontario,  
for Norton Rose Fulbright Canada LLP /  
S.E.N.C.R.L., s.r.l., Chartered and Solicitors,  
Expires July 8, 2024

# 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
<b>TOTAL AMOUNT DUE AND PAYABLE</b>	<b>CAD 41,484.13</b>

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.

<b>Invoice Date</b>	June 15, 2021	<b>Invoice Number</b>	9090353555	<b>Page</b>	2
<b>Matter Description</b>	(LD) Sears Canada Inc. (VAN 17-3401)				
<b>Matter Number</b>	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>
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.

This invoice may include fees and disbursements of the member firms of Norton Rose Fulbright. Such fees and disbursements of member firms other than Norton Rose Fulbright Canada LLP are invoiced and collected by Norton Rose Fulbright Canada LLP as agent of the relevant member firm. Norton Rose Fulbright Canada LLP is a limited liability partnership established in Canada. Norton Rose Fulbright Canada LLP, Norton Rose Fulbright LLP, Norton Rose Fulbright Australia, Norton Rose Fulbright South Africa Inc. and Norton Rose Fulbright US LLP are separate legal entities and all of them are members of Norton Rose Fulbright, a Swiss Verein. Norton Rose Fulbright helps coordinate the activities of the members but does not itself provide legal services to clients. For more information, see [nortonrosefulbright.com](http://nortonrosefulbright.com).

<b>Invoice Date</b>	June 15, 2021	<b>Invoice Number</b>	9090353555	<b>Page</b>	3
<b>Matter Description</b>	(LD) Sears Canada Inc. (VAN 17-3401)				
<b>Matter Number</b>	1000299972				

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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 [REDACTED] 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] 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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<b>Invoice Date</b>	June 15, 2021	<b>Invoice Number</b>	9090353555	<b>Page</b>	4
<b>Matter Description</b>	(LD) Sears Canada Inc. (VAN 17-3401)				
<b>Matter Number</b>	1000299972				

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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 ██████████ 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 ██████████ ██████████ 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 T. Cousins to R. Loiselle.
05/14/2021	Cobb, E	1.80	785.00	1,413.00	Calls and emails regarding [REDACTED] Drafting response to [REDACTED] Emails regarding employee distribution question.
05/15/2021	Cobb, E	0.60	785.00	471.00	Finalizing draft of response to [REDACTED]
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 [REDACTED] 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 risks associated with [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 [REDACTED] 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 [REDACTED]
05/26/2021	Cobb, E	0.60	785.00	471.00	Correspondence regarding [REDACTED]
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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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.
<b>Total</b>		<b>61.90</b>		<b>36,657.00</b>	

**TIME SUMMARY**

<u>NAME</u>	<u>HOURS</u>	<u>RATE</u>	<u>AMOUNT</u>
<b>Partner</b>			
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
		<b>Sub Total</b>	<b>18,499.50</b>

<u>NAME</u>	<u>HOURS</u>	<u>RATE</u>	<u>AMOUNT</u>
<b>Of Counsel</b>			
Burt, J	0.30	595.00	178.50
		<b>Sub Total</b>	<b>178.50</b>

<u>NAME</u>	<u>HOURS</u>	<u>RATE</u>	<u>AMOUNT</u>
<b>Senior Associate</b>			

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Schmitt, A	10.90	605.00	6,594.50
Mojtahedi, A	2.00	515.00	1,030.00
		<b>Sub Total</b>	<b>7,624.50</b>

<b><u>NAME</u></b>	<b><u>HOURS</u></b>	<b><u>RATE</u></b>	<b><u>AMOUNT</u></b>
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**Associate**

Choi, P	3.90	450.00	1,755.00
Brodeur, P	12.80	395.00	5,056.00
		<b>Sub Total</b>	<b>6,811.00</b>

<b><u>NAME</u></b>	<b><u>HOURS</u></b>	<b><u>RATE</u></b>	<b><u>AMOUNT</u></b>
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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
		<b>Sub Total</b>	<b>574.50</b>

<b><u>NAME</u></b>	<b><u>HOURS</u></b>	<b><u>RATE</u></b>	<b><u>AMOUNT</u></b>
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**Trainee**

Li, R	2.10	290.00	609.00
		<b>Sub Total</b>	<b>609.00</b>

<b><u>NAME</u></b>	<b><u>HOURS</u></b>	<b><u>RATE</u></b>	<b><u>AMOUNT</u></b>
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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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	<b>Sub Total</b>	<b>2,360.00</b>
<b>Total</b>	<b>61.90</b>	<b>36,657.00</b>

**DISBURSEMENT SUMMARY**

<u>DESCRIPTION</u>	<u>QTY</u>	<u>AMOUNT</u>
<b>Montreal</b>		
<b>Taxable</b>		
Courier Fee	1.00	19.62
Search Fee	1.00	35.00
<b>TOTAL</b>		<b>54.62</b>

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# INVOICE

**Invoice Number** 9090363336  
**Matter Number** 1000299972  
**Invoice Date** July 20, 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 June 30, 2021

Charges  
CAD

## SUMMARY

Taxable Fees	22,920.53
Taxable Disbursements	22.72
Taxable Amount	22,943.25
HST 13.000%	2,982.69
Non-Taxable Disbursements	10.95
<b>TOTAL AMOUNT DUE AND PAYABLE</b>	<b>CAD 25,936.89</b>

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>
06/01/2021	Brodeur, P	0.50	395.00	197.50	Listening of voicemail messages and calls with H. Liu.
06/01/2021	Choi, P	0.40	450.00	180.00	Corresponding with creditors regarding distributions. Corresponding with H. Muhek regarding same.
06/02/2021	Schmitt, A	1.50	605.00	907.50	Correspondence with H. Muhek on cheque payment matters. Correspondence with counsel to various claimants on payment matters. Correspondence with L. Pearson on certain supplier claim.
06/03/2021	Cobb, E	1.00	785.00	785.00	Advising on AST question. Drafting correspondence to PRC.
06/03/2021	Schmitt, A	0.50	605.00	302.50	Correspondence with plaintiffs counsel on outstanding litigation claim.
06/04/2021	Brodeur, P	0.60	395.00	237.00	Listening of voicemail messages and calls with H. Liu.
06/04/2021	Cobb, E	1.00	785.00	785.00	Emails regarding Annual Returns. Completing draft of PRC letter. Emails regarding same.
06/07/2021	Choi, P	0.30	450.00	135.00	Internal call and correspondence regarding outstanding claims.
06/07/2021	Packer, J	0.40	400.00	160.00	Preparation of the Federal Annual Return on behalf of 6988741 Canada Inc. and facilitation of execution of same. Attending to the filing with Corporations Canada.
06/08/2021	Schmitt, A	2.40	605.00	1,452.00	Correspondence with S. Bissell on proposed treatment of D&O marker claims. Correspondence with opposing counsel on certain insured litigation claim. Call and correspondence with Chubb. Reviewing correspondence on

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					outstanding supplier claim. Correspondence with L. Pearson on same.
06/08/2021	Merskey, A	0.70	850.00	595.00	Update call with team regarding outstanding status items.
06/08/2021	Cobb, E	1.10	785.00	863.50	Conference call with FTI and NRF. Emails regarding D&O claims. Emails regarding personal injury matters.
06/08/2021	Choi, P	1.70	450.00	765.00	Call with the client to discuss outstanding claims and distributions. Internal correspondence regarding insurance claims. Reviewing same. Corresponding with claimants regarding re-issuance of distribution cheques.
06/08/2021	Brodeur, P	0.60	395.00	237.00	Listening of voicemail messages and calls with H. Liu.
06/09/2021	Choi, P	1.50	450.00	675.00	Corresponding with H. Muhek regarding re-issuance of distribution cheques. Drafting response letters regarding insurance claims. Internal correspondence regarding same.
06/10/2021	Choi, P	0.20	450.00	90.00	Corresponding with the client and E. Cobb regarding the Stay Extension motion. Corresponding with the Commercial List regarding same.
06/10/2021	Parent, K	0.30	360.00	108.00	Preparing hearing request form for July 30, 2021 hearing date. Reporting to P. Choi.
06/11/2021	Schmitt, A	0.60	605.00	363.00	Email to D&O counsel on proposed resolution/treatment of certain D&O Marker claims.
06/14/2021	Brodeur, P	0.60	395.00	237.00	Listening of voicemail messages and calls with H. Liu.
06/14/2021	Cobb, E	1.50	785.00	1,177.50	File administration matters.

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					Reviewing comments on PRC matter and updating PRC correspondence.
06/15/2021	Schmitt, A	0.20	605.00	121.00	Call with P. Mohtadi on D&O Claim resolution matters.
06/16/2021	Cobb, E	0.30	785.00	235.50	Emails regarding employee withholding question.
06/16/2021	Chiasson, D	0.20	980.00	196.00	Email correspondence with E. Cobb regarding employees.
06/17/2021	Chiasson, D	0.30	980.00	294.00	Email correspondence with E. Cobb and H. Muhek.
06/17/2021	Cobb, E	0.50	785.00	392.50	Various email correspondence on Canadian and US tax issues. Emails regarding distribution issues.
06/18/2021	Brodeur, P	2.30	395.00	908.50	Listening of voicemail messages and calls with H. Liu.
06/18/2021	Cobb, E	0.30	785.00	235.50	Emails regarding tax matters.
06/18/2021	Prokup, K	1.00	1,067.28	1,067.28	Researching employment tax question and correspondence regarding same.
06/18/2021	Schmitt, A	0.60	605.00	363.00	Call with Chubb on status of certain insured claims.
06/21/2021	Choi, P	0.70	450.00	315.00	Drafting response letters to insurers. Internal correspondence regarding same.
06/21/2021	Cobb, E	0.30	785.00	235.50	Reviewing and considering analysis on US tax issue.
06/21/2021	Schmitt, A	0.40	605.00	242.00	Reviewing letters to insurers seeking to file late appliance damage claims.
06/22/2021	Schmitt, A	1.30	605.00	786.50	Call with H. Muhek on settlement of certain outstanding insured litigation and supplier claims.
06/22/2021	Merskey, A	0.20	850.00	170.00	Reviewing files regarding outstanding matters. Reviewing status of [REDACTED]. Emails

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<b>Matter Description</b>	(LD) Sears Canada Inc. (VAN 17-3401)				
<b>Matter Number</b>	1000299972				

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					regarding update call.
06/22/2021	Brodeur, P	0.60	395.00	237.00	Listening of voicemail messages and calls with H. Liu.
06/23/2021	Choi, P	0.10	450.00	45.00	Corresponding with the client regarding insured claims.
06/23/2021	Cobb, E	0.80	785.00	628.00	Email correspondence regarding distribution. Calls regarding employee matters. Emails regarding employee matters.
06/24/2021	Kurth, R	0.30	1,030.90	309.27	Reviewing client question on employee matters. Drafting email to E. Daucher regarding same.
06/28/2021	Brodeur, P	1.10	395.00	434.50	Listening of voicemail messages and calls with H. Liu.
06/28/2021	Choi, P	0.50	450.00	225.00	Drafting and sending out response letters regarding insured claims.
06/28/2021	Cobb, E	0.50	785.00	392.50	Call with P. Bishop. Call with A. Hatnay.
06/29/2021	Cobb, E	1.20	785.00	942.00	Considering [REDACTED] and revising same. Emails regarding PRC matters.
06/29/2021	Roth, B	2.20	1,067.28	2,348.02	Emails with E. Daucher. Review correspondence. Research tax issues.
06/30/2021	Cobb, E	0.20	785.00	157.00	Call with S. Bissell.
06/30/2021	Roth, B	1.30	1,067.28	1,387.46	Emails with E. Daucher. Research tax issues.
<b>Total</b>		<b>34.80</b>		<b>22,920.53</b>	

**TIME SUMMARY**

<u>NAME</u>	<u>HOURS</u>	<u>RATE</u>	<u>AMOUNT</u>
<b>Partner</b>			
Merskey, A	0.90	850.00	765.00

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<b>Matter Description</b>	(LD) Sears Canada Inc. (VAN 17-3401)				
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Cobb, E	8.70	785.00	6,829.50
Chiasson, D	0.50	980.00	490.00
		<b>Sub Total</b>	<b>8,084.50</b>

<b><u>NAME</u></b>	<b><u>HOURS</u></b>	<b><u>RATE</u></b>	<b><u>AMOUNT</u></b>
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**Counsel**

Roth, B	3.50	1,067.28	3,735.48
Prokup, K	1.00	1,067.28	1,067.28
Kurth, R	0.30	1,030.90	309.27
		<b>Sub Total</b>	<b>5,112.03</b>

<b><u>NAME</u></b>	<b><u>HOURS</u></b>	<b><u>RATE</u></b>	<b><u>AMOUNT</u></b>
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**Senior Associate**

Schmitt, A	7.50	605.00	4,537.50
		<b>Sub Total</b>	<b>4,537.50</b>

<b><u>NAME</u></b>	<b><u>HOURS</u></b>	<b><u>RATE</u></b>	<b><u>AMOUNT</u></b>
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**Associate**

Choi, P	5.40	450.00	2,430.00
Brodeur, P	6.30	395.00	2,488.50
		<b>Sub Total</b>	<b>4,918.50</b>

<b><u>NAME</u></b>	<b><u>HOURS</u></b>	<b><u>RATE</u></b>	<b><u>AMOUNT</u></b>
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**Paralegal**

Parent, K	0.30	360.00	108.00
Packer, J	0.40	400.00	160.00
		<b>Sub Total</b>	<b>268.00</b>

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<b>Total</b>		<b>34.80</b>	<b>22,920.53</b>
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**DISBURSEMENT SUMMARY**

<u>DESCRIPTION</u>	<u>QTY</u>	<u>AMOUNT</u>
<b>Montreal</b>		
<b>Non-Taxable</b>		
Renewal & Maintenance	1.00	10.95
<b>Taxable</b>		
Courier Fee	1.00	11.77
Information Service Cost	1.00	10.95
<b>TOTAL</b>		<b>33.67</b>

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# INVOICE

**Invoice Number** 9090368975  
**Matter Number** 1000299972  
**Invoice Date** August 11, 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 July 31, 2021

Charges  
CAD

## SUMMARY

Taxable Fees	28,416.00
Taxable Disbursements	662.41
Taxable Amount	29,078.41
HST 13.000%	3,780.23
Non-taxable Fees	3,283.57
Non-Taxable Disbursements	332.00
<b>TOTAL AMOUNT DUE AND PAYABLE</b>	<b>CAD 36,474.21</b>

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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**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>
07/01/2021	Cobb, E	1.60	785.00	1,256.00	Reviewing correspondence from PRC regarding SLH issue. Emails regarding same.
07/01/2021	Roth, B	0.20	1,075.78	215.16	Email to E. Daucher.
07/05/2021	Brodeur, P	0.80	395.00	316.00	Listening of voicemail messages and calls with H. Liu.
07/05/2021	Cobb, E	3.60	785.00	2,826.00	Considering and advising on [REDACTED] Finalizing draft materials for Stay Extension Hearing.
07/06/2021	Choi, P	0.80	450.00	360.00	Call with the working group to discuss distributions and outstanding claims. Corresponding with counsel regarding distributions.
07/06/2021	Cobb, E	0.80	785.00	628.00	Conference call with working group. Calls and emails regarding [REDACTED]
07/06/2021	Merskey, A	0.80	850.00	680.00	Emails regarding [REDACTED] and considering same. Team update call and considering outstanding issues.
07/06/2021	Packer, J	0.30	400.00	120.00	Preparing the Federal annual return on behalf of 173470 Canada Inc. and facilitation of execution of same. Attending to the filing with Corporations Canada.
07/06/2021	Schmitt, A	0.50	605.00	302.50	Attending at regular claims/plan update meeting.
07/06/2021	Schmitt, A	0.30	605.00	181.50	Call with counsel on outstanding claim.
07/07/2021	Choi, P	0.50	450.00	225.00	Corresponding with G. Bianchi regarding the fee affidavit. Redacting invoices for the fee affidavit.

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<b>Matter Number</b>	1000299972				

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07/07/2021	Cobb, E	0.80	785.00	628.00	Conference calls with PRC, EY and FTI regarding ██████████
07/08/2021	Roth, B	0.30	1,075.78	322.73	Email and call E. Daucher. Reviewing research.
07/08/2021	Parent, K	0.30	360.00	108.00	Instructions from P. Choi regarding preparation of fee affidavits and completion of exhibits for same. Reviewing previous fee affidavit.
07/08/2021	Cobb, E	1.00	785.00	785.00	Updating Stay Extension Report and Order. Email correspondence.
07/08/2021	Choi, P	0.30	450.00	135.00	Reviewing fee affidavit materials. Internal correspondence regarding same.
07/08/2021	Bianchi, G	2.00	315.00	630.00	Preparing fees affidavit of O. Pasparakis and sending same to P. Choi.
07/09/2021	Choi, P	1.50	450.00	675.00	Reviewing Fee Affidavits. Redacting fee invoices. Internal correspondence regarding same.
07/09/2021	Cobb, E	1.00	785.00	785.00	Drafting correspondence to ██████████ and emails regarding same. Emails regarding 46th Report.
07/09/2021	Parent, K	0.50	360.00	180.00	Drafting fee affidavits of A. Merksey and S. Bissell. Reporting to P. Choi regarding same.
07/10/2021	Cobb, E	0.20	785.00	157.00	Emails regarding Caveat.
07/10/2021	Cobb, E	0.80	785.00	628.00	Reviewing fee approval matters.
07/11/2021	Choi, P	1.80	450.00	810.00	Reviewing Fee Affidavits. Redacting fee invoices.
07/12/2021	Brodeur, P	0.50	395.00	197.50	Listening of voicemail messages and calls with H. Liu.
07/12/2021	Choi, P	1.20	450.00	540.00	Reviewing Fee Affidavits. Redacting fee invoices. Internal correspondence regarding same.
07/12/2021	Cobb, E	1.10	785.00	863.50	Email correspondence on various

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<b>Matter Description</b>	(LD) Sears Canada Inc. (VAN 17-3401)				
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					matters. Finalizing letter to FST. Attending to file matters.
07/13/2021	Cobb, E	0.40	785.00	314.00	Emails regarding release and other file matters.
07/14/2021	Choi, P	0.80	450.00	360.00	Preparing redactions to fee invoices. Corresponding with the client regarding the Monitor's Fee Affidavit. Corresponding with A. Merskey regarding the Monitor's Counsel's Fee Affidavit.
07/14/2021	Cobb, E	2.20	785.00	1,727.00	Finalizing and sending letter to PRC. Email correspondence. Reviewing fee approval materials.
07/15/2021	Choi, P	1.40	450.00	630.00	Reviewing the Fee Affidavits and commissioning same. Drafting the Notice of Motion and draft Order. Internal correspondence regarding service.
07/15/2021	Cobb, E	1.80	785.00	1,413.00	Emails regarding Stay Extension materials. Finalizing 46th Report.
07/15/2021	Parent, K	0.30	360.00	108.00	Instructions from P. Choi regarding July 30 motion record. Preparing shell of Motion Record and draft affidavit of service for same.
07/16/2021	Schmitt, A	0.80	605.00	484.00	Correspondence with counsel on resolution of outstanding claim.
07/16/2021	Parent, K	1.60	360.00	576.00	Organizing appendices for 46th Report. Preparing and assembling motion record for July 30 motion. Finalizing same. Reporting to P. Choi.
07/16/2021	Cobb, E	0.50	785.00	392.50	Reviewing final Notice of Motion and Order. Emails re. service matters.
07/19/2021	Brodeur, P	0.60	395.00	237.00	Listening of voicemail messages and calls with H. Liu.
07/19/2021	Cobb, E	1.00	785.00	785.00	Emails with D. Ullmann. Reviewing [REDACTED] Call and email

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

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					with A. Merskey.
07/19/2021	Merskey, A	0.20	850.00	170.00	Emails regarding [REDACTED] [REDACTED] Considering same. Discussion with E. Cobb.
07/19/2021	Roth, B	0.30	1,075.78	322.73	Call with E. Daucher. Reviewing research. Email to E. Cobb.
07/20/2021	Choi, P	1.50	450.00	675.00	Call with the client to discuss outstanding claims. Corresponding with counsel regarding a disputed claim. Corresponding with the Commercial List and the client regarding the Stay Extension motion. Reviewing and finalizing the Stay Extension Motion Record. Corresponding with the client regarding same.
07/20/2021	Cobb, E	1.20	785.00	942.00	Conference call. Emails with D. Ullmann. Call with US counsel.
07/20/2021	Merskey, A	0.20	850.00	170.00	Emails and discussions regarding [REDACTED]
07/20/2021	Parent, K	1.00	360.00	360.00	Updating Motion Record with updated signed report. Revising and finalizing same for service. Reporting to P. Choi and E. Cobb.
07/20/2021	Roth, B	0.50	1,075.78	537.89	Call and emails E. Cobb. Research issue.
07/20/2021	Schmitt, A	0.40	605.00	242.00	Attending at regular claims/plan meeting.
07/21/2021	Cobb, E	0.40	785.00	314.00	Emails with New York counsel. Email to D. Ullmann. Email to S. Bissell.
07/21/2021	Kurth, R	1.40	1,039.11	1,454.75	Reviewing client question regarding tax matters. Research regarding same. Drafting email with advice on same. Correspondence regarding tax matters.

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07/21/2021	Parent, K	0.30	360.00	108.00	Drafting affidavit of service for P. Choi.
07/21/2021	Roth, B	0.40	1,075.78	430.31	Emails to R. Kurth and E. Cobb.
07/21/2021	Schmitt, A	0.40	605.00	242.00	Correspondence with counsel on settlement of outstanding unresolved claim.
07/22/2021	Choi, P	0.10	450.00	45.00	Swearing an Affidavit of Service in relation to the Stay Extension materials.
07/23/2021	Choi, P	0.10	450.00	45.00	Internal correspondence regarding the Stay Extension Motion.
07/23/2021	Parent, K	0.40	360.00	144.00	Filing Motion Record and Affidavit of Service with Court via online Portal. Uploading same to CaseLines. Reporting to P. Choi.
07/25/2021	Mojtahedi, A	0.60	515.00	309.00	Preliminary review of the claim by [REDACTED] Correspondence with E. Cobb regarding same.
07/26/2021	Brodeur, P	0.20	395.00	79.00	Listening of voicemail messages and calls with H. Liu.
07/26/2021	Mojtahedi, A	1.30	515.00	669.50	Review of the lawsuit by [REDACTED] and response to query by [REDACTED] regarding the next steps. Review of the court docket. Call with S. Bissell and E. Cobb.
07/27/2021	Cobb, E	0.30	785.00	235.50	Reviewing directions from claimant and emails regarding same.
07/28/2021	Brodeur, P	0.60	395.00	237.00	Listening of voicemail messages and calls with H. Liu.
07/28/2021	Packer, J	0.40	400.00	160.00	Preparation of the Federal annual return on behalf of 9845488 Canada Inc. and facilitation of execution of same. Attending to the filing with Corporations Canada.
07/28/2021	Schmitt, A	1.40	605.00	847.00	Preparing for upcoming meeting/

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<b>Matter Description</b>	(LD) Sears Canada Inc. (VAN 17-3401)				
<b>Matter Number</b>	1000299972				

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					negotiation to settle claim. Correspondence regarding court approval of further outstanding claim.
07/29/2021	Choi, P	0.20	450.00	90.00	Finalizing the Stay Extension Order. Internal correspondence regarding the Stay Extension motion.
07/29/2021	Cobb, E	0.20	785.00	157.00	Email correspondence.
07/29/2021	Parent, K	0.50	360.00	180.00	Preparing Participant Information Form for July 30 hearing. Uploading Participant Form and draft order to CaseLines. Correspondence with P. Choi regarding same.
07/29/2021	Schmitt, A	0.60	605.00	363.00	Conference call/negotiation with counsel on remaining outstanding claim.
07/30/2021	Bianchi, G	0.30	315.00	94.50	Preparing Order and Endorsement for filing with the Court and corresponding with Court regarding same.
07/30/2021	Choi, P	0.40	450.00	180.00	Preparing for and attending the Stay Extension Motion. Corresponding with the Commercial List regarding same.
07/30/2021	Cobb, E	0.40	785.00	314.00	Attending at hearing regarding Stay Extension. Calls and emails.
<b>Total</b>		<b>51.10</b>		<b>31,699.57</b>	

**TIME SUMMARY**

<u>NAME</u>	<u>HOURS</u>	<u>RATE</u>	<u>AMOUNT</u>
<b>Partner</b>			
Merskey, A	1.20	850.00	1,020.00
Cobb, E	19.30	785.00	15,150.50

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<b>Invoice Date</b>	August 11, 2021	<b>Invoice Number</b>	9090368975	<b>Page</b>	8
<b>Matter Description</b>	(LD) Sears Canada Inc. (VAN 17-3401)				
<b>Matter Number</b>	1000299972				

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<u>NAME</u>	<u>HOURS</u>	<u>RATE</u>	<u>AMOUNT</u>
<b>Sub Total</b>			<b>16,170.50</b>
<b>Counsel</b>			
Roth, B	1.70	1,075.78	1,828.82
Kurth, R	1.40	1,039.11	1,454.75
<b>Sub Total</b>			<b>3,283.57</b>
<u>NAME</u>	<u>HOURS</u>	<u>RATE</u>	<u>AMOUNT</u>
<b>Senior Associate</b>			
Schmitt, A	4.40	605.00	2,662.00
Mojtahedi, A	1.90	515.00	978.50
<b>Sub Total</b>			<b>3,640.50</b>
<u>NAME</u>	<u>HOURS</u>	<u>RATE</u>	<u>AMOUNT</u>
<b>Associate</b>			
Choi, P	10.60	450.00	4,770.00
Brodeur, P	2.70	395.00	1,066.50
<b>Sub Total</b>			<b>5,836.50</b>
<u>NAME</u>	<u>HOURS</u>	<u>RATE</u>	<u>AMOUNT</u>
<b>Paralegal</b>			
Parent, K	4.90	360.00	1,764.00
Packer, J	0.70	400.00	280.00
Bianchi, G	2.30	315.00	724.50
<b>Sub Total</b>			<b>2,768.50</b>
<b>Total</b>		<b>51.10</b>	<b>31,699.57</b>

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<b>Invoice Date</b>	August 11, 2021	<b>Invoice Number</b>	9090368975	<b>Page</b>	9
<b>Matter Description</b>	(LD) Sears Canada Inc. (VAN 17-3401)				
<b>Matter Number</b>	1000299972				

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**DISBURSEMENT SUMMARY**

<u>DESCRIPTION</u>	<u>QTY</u>	<u>AMOUNT</u>
<b>Montreal</b>		
<b>Non-Taxable</b>		
Court Fee	1.00	320.00
Registration Fee	1.00	12.00
<b>Taxable</b>		
Professional Fee - Local	1.00	662.41
<b>TOTAL</b>		<b>994.41</b>

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# INVOICE

**Invoice Number** 9090379617  
**Matter Number** 1000299972  
**Invoice Date** September 17, 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 August 31, 2021

Charges  
CAD

## SUMMARY

Taxable Fees	6,898.50
Taxable Amount	6,898.50
HST 13.000%	896.81
Non-Taxable Disbursements	24.00
<b>TOTAL AMOUNT DUE AND PAYABLE</b>	<b>CAD 7,819.31</b>

Payable in 30 days  
**PAYMENT INFORMATION**

Beneficiary: Norton Rose Fulbright Canada S.E.N.C.R.L., s.r.l/ LLP 1, Place Ville Marie, suite 2500 Montreal Quebec, CANADA H3B 1R1  
Bank information: RBC Financial Group, 1 Place Ville Marie, Montreal, Quebec, CANADA H3C 3B5, Bank 003, Transit 00001, ACC. No. 161-327-2, Swift Code # ROYCCAT2. Include invoice number on transfer order.



<b>Invoice Date</b>	September 17, 2021	<b>Invoice Number</b>	9090379617	<b>Page</b>	2
<b>Matter Description</b>	(LD) Sears Canada Inc. (VAN 17-3401)				
<b>Matter Number</b>	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>
08/01/2021	Cobb, E	0.30	785.00	235.50	Email correspondence with Manitoba counsel.
08/02/2021	Mojtahedi, A	1.70	515.00	875.50	Translation of letter to employees who will not receive any distribution due to IE or WEPP overpayments. Correspondence with H. Muhek regarding same.
08/03/2021	Choi, P	0.30	450.00	135.00	Call with the working group to discuss outstanding claims.
08/03/2021	Cobb, E	0.40	785.00	314.00	Conference call regarding CCAA Plan implementation matters.
08/03/2021	Merskey, A	0.30	850.00	255.00	Team call regarding update items. Considering same.
08/04/2021	Schmitt, A	0.60	605.00	363.00	Call with counsel to settle longstanding unresolved claim.
08/04/2021	Thomas, M	0.30	460.00	138.00	Engaged further with respect to the completion of the 2021 Annual Return for Initium Logistics Services Inc.
08/06/2021	Cobb, E	0.20	785.00	157.00	Conference call.
08/06/2021	Thomas, M	0.20	460.00	92.00	Engaged further with respect to the filing of the 2021 Annual Return for Initium Logistics Services Inc.
08/09/2021	Mojtahedi, A	1.00	515.00	515.00	Correspondence with J. Guindi and M. Ngarane regarding the impact of Sears' filing on the suspension of the litigation initiated by Brenner and Chetrit.
08/13/2021	Schmitt, A	0.40	605.00	242.00	Call with counsel to settling longstanding unresolved claim.
08/20/2021	Cobb, E	0.40	785.00	314.00	Email correspondence on various matters.
08/20/2021	Schmitt, A	0.40	605.00	242.00	Correspondence on litigation guardian motion for approval of

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<b>Invoice Date</b>	September 17, 2021	<b>Invoice Number</b>	9090379617	<b>Page</b>	3
<b>Matter Description</b>	(LD) Sears Canada Inc. (VAN 17-3401)				
<b>Matter Number</b>	1000299972				

					settlement of claim by claimant under disability.
08/24/2021	Brodeur, P	1.90	395.00	750.50	Listening of voicemail messages and calls with H. Liu.
08/24/2021	Cobb, E	1.20	785.00	942.00	Conference call with working group. Conference call with PRC and FTI. Advising on Liquidation Cheque.
08/24/2021	Mojtahedi, A	0.80	515.00	412.00	Responding to email by M. Ngarane, counsel to Sécurité nationale compagnie d'assurance, who was questioning the stay of proceedings against Sears and intended to call a Sears employee as witness in the litigation matter bearing the Court file number 500-17-091159-155.
08/24/2021	Schmitt, A	0.60	605.00	363.00	Attending regularly claims and plan implementation meeting. Correspondence on service of litigation guardian court materials regarding approval of settled claim.
08/31/2021	Brodeur, P	1.40	395.00	553.00	Listening of voicemail messages and calls with H. Liu.
<b>Total</b>		<b>12.40</b>		<b>6,898.50</b>	

**TIME SUMMARY**

<u>NAME</u>	<u>HOURS</u>	<u>RATE</u>	<u>AMOUNT</u>
<b>Partner</b>			
Merskey, A	0.30	850.00	255.00
Cobb, E	2.50	785.00	1,962.50
		<b>Sub Total</b>	<b>2,217.50</b>

<u>NAME</u>	<u>HOURS</u>	<u>RATE</u>	<u>AMOUNT</u>
<b>Senior Associate</b>			

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<b>Invoice Date</b>	September 17, 2021	<b>Invoice Number</b>	9090379617	<b>Page</b>	4
<b>Matter Description</b>	(LD) Sears Canada Inc. (VAN 17-3401)				
<b>Matter Number</b>	1000299972				

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Schmitt, A	2.00	605.00	1,210.00
Mojtahedi, A	3.50	515.00	1,802.50
		<b>Sub Total</b>	<b>3,012.50</b>

<b><u>NAME</u></b>	<b>HOURS</b>	<b>RATE</b>	<b>AMOUNT</b>
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**Associate**

Choi, P	0.30	450.00	135.00
Brodeur, P	3.30	395.00	1,303.50
		<b>Sub Total</b>	<b>1,438.50</b>

<b><u>NAME</u></b>	<b>HOURS</b>	<b>RATE</b>	<b>AMOUNT</b>
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**Paralegal**

Thomas, M	0.50	460.00	230.00
		<b>Sub Total</b>	<b>230.00</b>

<b>Total</b>		<b>12.40</b>	<b>6,898.50</b>
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**DISBURSEMENT SUMMARY**

<b><u>DESCRIPTION</u></b>	<b>QTY</b>	<b>AMOUNT</b>
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**Montreal**

**Non-Taxable**

Registration Fee	1.00	24.00
<b>TOTAL</b>		<b>24.00</b>

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# INVOICE

**Invoice Number** 9090386596  
**Matter Number** 1000299972  
**Invoice Date** October 14, 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 September 30, 2021

Charges  
CAD

## SUMMARY

Taxable Fees	10,217.00
Taxable Amount	10,217.00
HST 13.000%	1,328.21
Non-Taxable Disbursements	12.00
<b>TOTAL AMOUNT DUE AND PAYABLE</b>	<b>CAD 11,557.21</b>

Payable in 30 days  
**PAYMENT INFORMATION**

Beneficiary: Norton Rose Fulbright Canada S.E.N.C.R.L., s.r.l./ LLP 1, Place Ville Marie, suite 2500 Montreal Quebec, CANADA H3B 1R1  
Bank information: RBC Financial Group, 1 Place Ville Marie, Montreal, Quebec, CANADA H3C 3B5, Bank 003, Transit 00001, ACC. No. 161-327-2, Swift Code # ROYCCAT2. Include invoice number on transfer order.

<b>Invoice Date</b>	October 14, 2021	<b>Invoice Number</b>	9090386596	<b>Page</b>	2
<b>Matter Description</b>	(LD) Sears Canada Inc. (VAN 17-3401)				
<b>Matter Number</b>	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>
09/01/2021	Cobb, E	0.80	785.00	628.00	Reviewing matters in connection [REDACTED] and advising on same. Drafting correspondence to insurer's counsel.
09/06/2021	Schmitt, A	0.60	605.00	363.00	Correspondence with H. Muhek regarding details of counter offer on large remaining outstanding claim.
09/07/2021	Brodeur, P	0.10	395.00	39.50	Listening of voicemail messages and calls with H. Liu.
09/07/2021	Cobb, E	0.70	785.00	549.50	Email correspondence. Reviewing [REDACTED] claim issues.
09/08/2021	Cobb, E	0.40	785.00	314.00	Various email correspondence.
09/08/2021	Mojtahedi, A	0.40	515.00	206.00	Call with M. Ngarane regarding the involvement of Sears in the litigation of Brenner and Chetrit v. Gestion des services SHS inc.
09/13/2021	Schmitt, A	0.40	605.00	242.00	Correspondence with counsel to claimant on final settlement of claim.
09/14/2021	Cobb, E	1.90	785.00	1,491.50	File administration matters. Reviewing issues in connection with [REDACTED] request. Call with J. Robinson.
09/15/2021	Cobb, E	0.70	785.00	549.50	Drafting reporting email on [REDACTED] issue. Emails regarding Annual Return.
09/15/2021	Packer, J	0.30	400.00	120.00	Preparing the Federal annual return on behalf of Initium Trading and Sourcing Corporation and facilitation of execution of same.
09/16/2021	Brodeur, P	0.70	395.00	276.50	Listening of voicemail messages and calls with H. Liu.
09/17/2021	Cobb, E	0.50	785.00	392.50	Conference call and emails regarding [REDACTED] matter.

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<b>Invoice Date</b>	October 14, 2021	<b>Invoice Number</b>	9090386596	<b>Page</b>	3
<b>Matter Description</b>	(LD) Sears Canada Inc. (VAN 17-3401)				
<b>Matter Number</b>	1000299972				

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09/17/2021	Schmitt, A	0.20	605.00	121.00	Correspondence with S. Bissell on [REDACTED] matters.
09/21/2021	Cobb, E	0.70	785.00	549.50	Conference calls.
09/21/2021	Schmitt, A	1.50	605.00	907.50	Following up with opposing counsel on two outstanding claims. Attending on regular claims/plan meeting.
09/22/2021	Schmitt, A	0.60	605.00	363.00	Finally settling outstanding claim. Finalizing and circulating amended NORD further to the same.
09/28/2021	Cobb, E	2.80	785.00	2,198.00	Emails regarding discharge of Hypothec. Reviewing correspondence from [REDACTED] Drafting request for consent.
09/28/2021	Packer, J	0.20	400.00	80.00	Preparing the Federal annual return on behalf of Sears Contact Services Inc. and facilitation of execution of same.
09/29/2021	Brodeur, P	0.70	395.00	276.50	Listening of voicemail messages and calls with H. Liu.
09/29/2021	Cobb, E	0.30	785.00	235.50	Email correspondence.
09/30/2021	Cobb, E	0.40	785.00	314.00	Email correspondence. Reviewing release document and advising on same.
<b>Total</b>		<b>14.90</b>		<b>10,217.00</b>	

**TIME SUMMARY**

<u>NAME</u>	<u>HOURS</u>	<u>RATE</u>	<u>AMOUNT</u>
<b>Partner</b>			
Cobb, E	9.20	785.00	7,222.00
		<b>Sub Total</b>	<b>7,222.00</b>

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<b>Invoice Date</b>	October 14, 2021	<b>Invoice Number</b>	9090386596	<b>Page</b>	4
<b>Matter Description</b>	(LD) Sears Canada Inc. (VAN 17-3401)				
<b>Matter Number</b>	1000299972				

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<u>NAME</u>	<u>HOURS</u>	<u>RATE</u>	<u>AMOUNT</u>
<b>Senior Associate</b>			
Schmitt, A	3.30	605.00	1,996.50
Mojtahedi, A	0.40	515.00	206.00
		<b>Sub Total</b>	<b>2,202.50</b>

<u>NAME</u>	<u>HOURS</u>	<u>RATE</u>	<u>AMOUNT</u>
<b>Associate</b>			
Brodeur, P	1.50	395.00	592.50
		<b>Sub Total</b>	<b>592.50</b>

<u>NAME</u>	<u>HOURS</u>	<u>RATE</u>	<u>AMOUNT</u>
<b>Paralegal</b>			
Packer, J	0.50	400.00	200.00
		<b>Sub Total</b>	<b>200.00</b>
<b>Total</b>		<b>14.90</b>	<b>10,217.00</b>

**DISBURSEMENT SUMMARY**

<u>DESCRIPTION</u>	<u>QTY</u>	<u>AMOUNT</u>
<b>Montreal</b>		
<b>Non-Taxable</b>		
Registration Fee	1.00	12.00
<b>TOTAL</b>		<b>12.00</b>

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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 ORESTES PASPARAKIS**  
(Sworn October 15, 2021)

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

**Orestes Pasparakis, LSO#: 36851T**  
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Fax: +1 416.216.3930

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

**FORTY-SEVENTH 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  
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**Orestes Pasparakis, LSO#: 36851T**

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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

**MOTION RECORD  
(CCA Termination and Fee Approval)  
(returnable October 25, 2021)**

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

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Lawyers for the Monitor, FTI Consulting  
Canada Inc.