

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 **NORDSTROM CANADA RETAIL,**
INC., NORDSTROM CANADA HOLDINGS, LLC and
NORDSTROM CANADA HOLDINGS II, LLC

APPLICANTS

MOTION RECORD
(Motion for Sanction and Vesting Order)

March 8, 2024

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Court File No.: CV-23-00695619-00CL

ONTARIO
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IN THE MATTER OF THE *COMPANIES' CREDITORS*
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AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF NORDSTROM CANADA RETAIL, INC.,
NORDSTROM CANADA HOLDINGS, LLC and NORDSTROM
CANADA HOLDINGS II, LLC (the “**Applicants**”)

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(As at January 11, 2024)

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Court File No. CV-23-00695619-00CL

**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 **NORDSTROM CANADA RETAIL,
INC., NORDSTROM CANADA HOLDINGS, LLC** and
NORDSTROM CANADA HOLDINGS II, LLC

APPLICANTS

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TAB 1

Court File No. CV-23-00695619-00CL

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 **NORDSTROM CANADA RETAIL,**
INC., NORDSTROM CANADA HOLDINGS, LLC and
NORDSTROM CANADA HOLDINGS II, LLC

APPLICANTS

NOTICE OF MOTION
(Motion for Sanction and Vesting Order)

The Applicants, Nordstrom Canada Retail, Inc., Nordstrom Canada Holdings, LLC and Nordstrom Canada Holdings II, LLC, will make a motion before the Honourable Chief Justice Morawetz of the Ontario Superior Court of Justice (Commercial List) on March 19, 2024 at 9:00 a.m. (ET), or as soon after that time as the motion can be heard.

PROPOSED METHOD OF HEARING: The Motion is to be heard

- ☐ In writing
- ☒ In person
- ☐ By telephone conference
- ☐ By video conference

at the following location:

130 Queen Street West, Toronto, Ontario M5H 2N5

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THE MOTION IS FOR

1. An Order substantially in the form attached at Tab 3 of the Motion Record, among other things:

- (a) sanctioning the Consolidated Plan of Compromise and Arrangement dated December 13, 2023 (as amended, the “**Plan**”) and authorizing the Nordstrom Canada Entities and the Monitor to implement it;
- (a) extending the Stay Period¹ (and by extension, the Co-Tenancy Stay) until and including June 28, 2024; and

2. Such further and other Relief as to this Honourable Court may seem just.

THE GROUNDS FOR THE MOTION ARE

1. On March 2, 2023, the Applicants were granted protection under the CCAA pursuant to an Initial Order (the “**Initial Order**”) of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”). The Initial Order extended the benefits and authorizations of the Initial Order to Nordstrom Canada Leasing LP (together with the Applicants, the “**Nordstrom Canada Entities**”);

2. The Initial Order, among other things: (i) appointed Alvarez & Marsal Canada Inc. as monitor (the “**Monitor**”) in these CCAA proceedings; (ii) granted an initial stay of proceedings against the Nordstrom Canada Entities, the Monitor, and their respective employees, directors,

¹ Capitalized terms not otherwise defined have the meanings given to them in the Affidavit of Misti Heckel sworn March 8, 2024 or the Plan.

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advisors, officers, and representatives until March 12, 2023 (the “**Stay Period**”); (iii) granted a Co-Tenancy Stay; (iv) granted the Parent Stay; and (v) approved the creation of an Employee Trust and appointed Ursel Phillips Fellows Hopkinson LLP as Employee Representative Counsel;

3. On March 10, 2023, the Court granted an Amended and Restated Initial Order which, among other things: (i) extended the Stay Period and the Parent Stay to March 20, 2023; and (ii) approved a key employee retention plan and granted a related charge;

4. On March 20, 2023, the Court granted an Order, pursuant to which the Nordstrom Canada Entities conducted the Liquidation Sale, with the assistance of the Consultant and in consultation with the Monitor, in order to maximize the value of merchandise, furnishings, trade fixtures, and equipment for the benefit of the Nordstrom Canada Entities’ stakeholders;

5. On May 30, 2023, the Court granted an order (the “**Claims Procedure Order**”), which, among other things: (i) approved a claims process for filing and determining Claims (as defined in the Claims Procedure Order) against the Nordstrom Canada Entities and the current and former Directors and Officers of the Nordstrom Canada Entities (the “**Claims Process**”); and (ii) extended the Stay Period and Parent Stay to September 29, 2023;

6. On December 20, 2023, the Court granted an order (the “**Meeting Order**”) which, among other things, accepted the filing of the Plan, authorized the Nordstrom Canada Entities to call, hold and conduct a meeting of the Affected Creditors (the “**Creditors’ Meeting**”), provided for the manner of distribution to the Affected Creditors of the Meeting Materials for the Creditors’ Meeting and extended the Stay Period until and including April 5, 2024;

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7. Since the Stay Period was last extended on December 20, 2023, the Nordstrom Canada Entities, in close consultation with the Monitor, have made significant progress in these CCAA proceedings, including by:

- (a) continuing to implement the Claims Process and working to resolve creditor Claims filed in the Claims Process;
- (b) completing the wind-up and termination of the Employee Trust;
- (c) finalizing the definitive agreements to resolve the Claims of the Nordstrom Rack Landlords whose Leases were disclaimed in the CCAA proceedings;
- (d) implementing the agreement entered into with the Canada Revenue Agency with respect to the CRA NCH Assessments in order to remove such claims from the Nordstrom Canada Entities' estate; and
- (e) preparing for and conducting the Creditors' Meeting to vote on the Plan;

The Creditors' Meeting

8. The Nordstrom Canada Entities and the Monitor complied with all of the requirements in the Meeting Order to disseminate materials concerning the Plan and the Creditors' Meeting to the Affected Creditors and other interested persons;

9. The Creditors' Meeting was held virtually on March 1, 2024 in accordance with the procedures in the Meeting Order;

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10. The Nordstrom Canada Entities have achieved the Required Majority of votes needed to approve the Plan. The Affected Creditors holding Proven Claims that were present in person or by proxy and voted (or were deemed to vote) at the Creditors' Meeting voted unanimously to approve the Resolution in favour of the Plan;

11. The Nordstrom Canada Entities expect that Affected Creditors will receive distributions of approximately 72% to 75% of their Affected Claims that are Proven Claims;

Plan Sanction

12. The Nordstrom Canada Entities have sought to achieve a fair and equitable balance in the Plan, and effect distributions on an efficient basis, while taking into consideration the interests of all stakeholders with an economic interest in these CCAA proceedings;

13. Sanction of the Plan is a crucial and necessary step toward the resolution of these CCAA proceedings;

14. If the Plan is sanctioned and the other conditions precedent to closing are satisfied or waived, the Plan will:

- (a) complete the orderly wind down of the Nordstrom Canada Entities' business in a timely and efficient manner;
- (b) effect a compromise, settlement and payment of all Proven Claims in the near term;
- (c) result in significant, timely recoveries to the Nordstrom Canada Entities' creditors without costly litigation and delay; and

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- (d) grant releases in favour of the Nordstrom Canada Entities and others, including Nordstrom US;

15. The Plan is fair and reasonable, and is the best available result in the circumstances. This is reinforced by the Affected Creditors' overwhelming approval of the Plan at the Creditors' Meeting;

16. The Plan complies with the requirements under the CCAA and the Orders of this Court;

17. The Plan is supported by the Monitor, Employee Representative Counsel, the Nordstrom Canada Entities' former Landlords, and all Affected Creditors who voted on the Plan at the Creditors' Meeting;

Stay Extension

18. The Applicants are seeking to extend the Stay Period (and by extension, the Co-Tenancy Stay), to and including June 28, 2024;

19. An extension of the Stay Period is necessary to permit the Nordstrom Canada Entities to implement the Plan. Maintaining the Co-Tenancy Stay during the next stage of the case will continue to provide stability to the CCAA proceedings;

20. The Nordstrom Canada Entities have sufficient cash resources to continue their wind down through to June 28, 2024;

21. The Monitor supports the request to extend the Stay Period;

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22. The Nordstrom Canada Entities have acted, and continue to act, in good faith and with due diligence in pursuing a controlled and orderly wind down;

Other Grounds

23. The provisions of the CCAA and the inherent and equitable jurisdiction of this Honourable Court;

24. 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 sections 106 and 137 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended; and

25. Such further and other grounds as the lawyers may advise.

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

1. The affidavit of Misti Heckel sworn March 8, 2024;
2. The Eighth Report of the Monitor filed February 21, 2024;
3. The Ninth Report of the Monitor filed March 6, 2024; and
4. Such further and other evidence as the lawyers may advise and this Honourable Court may permit.

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March 8, 2024

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Lawyers for the Applicants

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

Court File No: CV-23-00695619-00CL

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
NORDSTROM CANADA RETAIL, INC., NORDSTROM CANADA HOLDINGS, LLC AND
NORDSTROM CANADA HOLDINGS II, LLC

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

PROCEEDING COMMENCED AT TORONTO

NOTICE OF MOTION

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TAB 2

Court File No. CV-23-00695619-00CL

**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 **NORDSTROM CANADA RETAIL,
INC., NORDSTROM CANADA HOLDINGS, LLC** and
NORDSTROM CANADA HOLDINGS II, LLC

APPLICANTS

**AFFIDAVIT OF MISTI HECKEL
(Sworn March 8, 2024)**

I, Misti Heckel, of the City of Renton, in the State of Washington, MAKE OATH AND
SAY:

1. I am the President of Nordstrom Canada Retail, Inc. ("**Nordstrom Canada**"), and President and Treasurer of Nordstrom Canada Holdings, LLC ("**NCH**") and Nordstrom Canada Holdings II, LLC ("**NCHII**", and together with Nordstrom Canada and NCH, the "**Applicants**"). Together, the Applicants and Nordstrom Canada Leasing LP ("**Canada Leasing LP**") are defined herein as the "**Nordstrom Canada Entities**".

2. In addition to my role as President of Nordstrom Canada and President and Treasurer of NCH and NCHII, I am currently the Vice President - Tax of Nordstrom, Inc. ("**Nordstrom US**"), the indirect parent of the Nordstrom Canada Entities. In my role, I have oversight of the tax function for the Nordstrom Canada Entities and am involved in the financial and tax matters related to the Nordstrom Canada Entities. I am familiar with the business, and have relied upon the books

- 2 -

and records, of the Nordstrom Canada Entities. As such, I have personal knowledge of the matters deposited to herein. Where I have relied on other sources of information, I have so stated, and I believe them to be true. In preparing this affidavit, I have also consulted with the senior management teams of the Applicants and Nordstrom US, as applicable, and Nordstrom US' and the Applicants' respective legal advisors. The Nordstrom Canada Entities and Nordstrom US do not waive or intend to waive any applicable privilege by any statement herein.

3. This affidavit is made in support of a motion by the Applicants for an order, among other things:

- (a) sanctioning the Consolidated Plan of Compromise and Arrangement dated December 13, 2023 (as amended, the "**Plan**") and authorizing the Nordstrom Canada Entities and the Monitor to implement it; and
- (b) extending the Stay Period (and by extension, the Co-Tenancy Stay) until and including June 28, 2024.

4. The Nordstrom Canada Entities, with the oversight of the Monitor and the support of Nordstrom US as Plan Sponsor, have negotiated a global resolution to these CCAA proceedings that will complete the orderly wind down of the Nordstrom Canada Entities' business in a timely and efficient manner and will maximize distributions to their creditors. The Nordstrom Canada Entities believe that the Plan accomplishes these objectives, is fair and reasonable, and is the best available result in the circumstances. The Monitor supports the Plan, which is also supported by Employee Representative Counsel and the Nordstrom Canada Entities' former Landlords, which Landlords collectively filed by far the vast majority by quantum of Claims in the Claims Process.

- 3 -

5. The Creditors' Meeting to vote on the Plan was held on March 1, 2024. The Nordstrom Canada Entities achieved the Required Majority¹ of votes needed to approve the Plan. According to the Monitor's tabulation, the Affected Creditors holding Proven Claims that were present in person or by proxy and voted (or were deemed to vote) at the Creditors' Meeting voted unanimously to approve the Resolution in favour of the Plan.

6. Based on the most up-to-date information from the Nordstrom Canada Entities and the Monitor, and subject to the caveats and limitations described in the Monitor's Eighth Report dated February 21, 2024, the Nordstrom Canada Entities expect that Affected Creditors will receive distributions of approximately 72% to 75% of their Affected Claims that are Proven Claims.

7. If the Plan is sanctioned and the closing conditions are satisfied, the implementation of the Plan will complete the orderly wind down of the Nordstrom Canada Entities and resolve these CCAA proceedings.

8. All references to monetary amounts in this affidavit are in Canadian dollars unless noted otherwise.

9. This affidavit is organized into the following sections:

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¹ Capitalized terms not otherwise defined in this affidavit have the meanings given to them in my affidavit sworn December 13, 2023 (the "**Seventh Heckel Affidavit**") or the Plan.

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A. Background

10. The background to these CCAA proceedings and an extensive description of the Plan is set out in the Seventh Heckel Affidavit. A copy of the Seventh Heckel Affidavit, without exhibits, is attached as **Exhibit “A”**.

11. On December 20, 2023, the Court granted an order (the “**Meeting Order**”) which, among other things, accepted the filing of the Plan, authorized the Nordstrom Canada Entities to call, hold and conduct a meeting of the Affected Creditors (the “**Creditors’ Meeting**”), provided for the manner of distribution to the Affected Creditors of the Meeting Materials for the Creditors’ Meeting and extended the Stay Period until and including April 5, 2024.

12. Since the Meeting Order was granted on December 20, 2023, the Nordstrom Canada Entities, in close consultation with the Monitor, have made significant progress in these CCAA proceedings, including by:

- (a) continuing to implement the Claims Process and working to resolve creditor Claims filed in the Claims Process;

- 5 -

- (b) completing the wind-up and termination of the Employee Trust;
- (c) finalizing the definitive agreements to resolve the Claims of the Nordstrom Rack Landlords whose Leases were disclaimed in the CCAA proceedings;
- (d) implementing the agreement entered into with the Canada Revenue Agency (the “CRA”) with respect to the CRA NCH Assessments in order to remove such claims from the Nordstrom Canada Entities’ estate; and
- (e) preparing for and conducting the Creditors’ Meeting to vote on the Plan.

B. Update on the CCAA Proceedings

(a) Claims Process

13. As described in the Seventh Heckel Affidavit, prior to the launch of the Claims Process, the Nordstrom Canada Entities and the Monitor had commenced working with vendors to reconcile the amounts of their Pre-Filing Claims. In addition, the Nordstrom Canada Entities identified and made available representatives with the appropriate knowledge and expertise to review the Nordstrom Canada Entities’ records with respect to the Claims filed in the Claims Process. The Nordstrom Canada Entities and their counsel continue to meet with the Monitor weekly to discuss the status of the Claims Process and the efforts made to resolve creditor Claims in an efficient and streamlined manner.

14. The Nordstrom Canada Entities, in consultation with the Monitor, have reviewed all Proofs of Claim and Notices of Dispute of Negative Notice Claim received in the Claims Process, and

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have communicated revisions, admittances or Notices of Revision or Disallowance to the vast majority of Claimants.

(i) **Filed Claims**

15. A detailed summary of the Claims filed in the Claims Process was included in the Eighth Report of the Monitor.

16. As set out in the Monitor's Eight Report, as of February 20, 2024:

- (a) 699 Claims had been: (i) reviewed, reconciled and allowed; or (ii) deemed allowed or disallowed as the time for a Claimant to object to a Notice of Revision or Disallowance ("**NORD**") issued by the Monitor had expired, or the Claimant had expressly agreed with the NORD as issued, in the aggregate amount of \$174.2 million (collectively, the "**Resolved Claims**"); and
- (b) 43 Claims in the aggregate asserted amount of \$2.5 million were "**Unresolved Claims**", comprised of:
 - (i) 38 Claims (including 19 Late Filed Claims) that were under review by the Nordstrom Canada Entities and the Monitor, some of which were subject to ongoing settlement discussions with Claimants;
 - (ii) four Claims where the Claimant's 30-day objection period in respect of an issued NORD had not yet expired; and
 - (iii) one Claim subject to a Notice of Dispute; and
- (c) the Monitor estimated that aggregate Proven Claims following the determination of the Unresolved Claims would be in the range of approximately \$194.8 million to \$198.6 million, subject to resolution of the "marker claim" filed by the CRA for

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any amounts owing to the CRA (the “**CRA Marker Claim**”). The Nordstrom Canada Entities, in consultation with the Monitor, have had discussions with the CRA concerning the CRA Marker Claim and intend to work constructively with the CRA to resolve the CRA Marker Claim.

17. The 43 Unresolved Claims referred to in the Monitor’s Eighth Report included 16 Late Filed Claims received after December 11, 2023. The Monitor and the Nordstrom Canada Entities have reviewed the facts and circumstances surrounding each of these Late Filed Claims. As a result of this review, the Monitor, in consultation with the Nordstrom Canada Entities, has used its discretion pursuant to the Claims Procedure Order to admit these Claims received after December 11, 2023 into the Claims Process, subject to validation and reconciliation.

(b) Landlords

(i) Lease Monetization Process

18. As discussed in my affidavit sworn July 11, 2023, the Nordstrom Canada Entities, with the assistance of their real estate advisor, JLL, and the Monitor, negotiated lease transactions for the four Nordstrom Rack Leases that were not disclaimed. Those negotiations culminated in the execution of the Winners Agreement and the G2MC Agreement.

19. The Winners Agreement included transactions for the Leases of the Vaughan Mills, Deerfoot Meadows, and Ottawa Train Yards Nordstrom Rack locations. The consideration paid was \$350,000, being \$150,000 for Vaughan Mills and \$200,000 for Deerfoot Meadows. The Ottawa Train Yards Landlord subsequently exercised its right to terminate the Lease, and on

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September 1, 2023, the Ottawa Train Yards Lease was terminated and keys to the Ottawa Train Yards Nordstrom Rack store were returned to the Ottawa Train Yards Landlord.

20. The transactions for the Vaughan Mills and Deerfoot Meadows Nordstrom Rack Leases closed on February 1, 2024, as contemplated, and the Monitor delivered the executed Monitor's Certificate confirming the completion of the transactions. As a result of adjustments made on closing, there was an additional payment by Winners to the Nordstrom Canada Entities of approximately \$229,000. This resulted in net proceeds of approximately \$408,000 to Canada Leasing LP, net of withholding taxes of \$175,000 currently withheld by Winners' counsel, which withholding taxes will be subject to payment to the CRA or be returned to Canada Leasing LP, in accordance with instructions from the CRA in a clearance certificate which has yet to be provided by the CRA.

21. As discussed in my affidavit sworn September 20, 2023, the transaction under the G2MC Agreement for the Heartland Nordstrom Rack Lease closed on July 20, 2023.

(ii) Settlement Agreements with Landlords of Nordstrom Rack Stores

22. As discussed in the Seventh Heckel Affidavit, the Nordstrom Canada Entities, with the assistance of the Monitor, entered into discussions with the Nordstrom Rack Landlords who had their Leases disclaimed as part of the CCAA proceedings, being the Landlords of the One Bloor Street East, Willowbrook Langley, and South Edmonton Common Nordstrom Rack locations (each a **"Supporting Rack Landlord"**), regarding a resolution of their CCAA Lease Claims.

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23. Since the swearing of the Seventh Heckel Affidavit, the Nordstrom Canada Entities have finalized the definitive settlement agreement with the Landlord of the Willowbrook Nordstrom Rack store, and have therefore entered into separate Settlement Agreements with each of the Supporting Rack Landlords in respect of, among other things, such Landlords' Proven Claims pursuant to the Claims Procedure Order and the Plan (each a "**Supporting Rack Landlord Settlement Agreement**").

24. The terms of the Supporting Rack Landlord Settlement Agreements are described in the Seventh Heckel Affidavit.

(c) Termination of Employee Trust

25. The Initial Order approved the creation of the Employee Trust for the benefit of employees of Nordstrom Canada that was funded outside the estate by Nordstrom US. Nordstrom US, as Settlor, made an initial contribution to the Employee Trust of \$14 million on March 13, 2023, and an additional final contribution of \$1.2 million on September 13, 2023. The Employee Trust reimbursed a total of approximately \$14.6 million to Nordstrom Canada for Eligible Employee Claims (as defined in the Employee Trust Agreement) paid by Nordstrom Canada to employees. All Eligible Employee Claims have been reimbursed pursuant to the Employee Trust.

26. The September Stay Extension Order approved the wind-up and termination of the Employee Trust following the completion of remaining activities, and the release of the Administrator, Trustee, and Settlor from their respective obligations under the Trust Agreement and from any claims relating to their activities as Administrator, Trustee and Settlor, respectively.

- 10 -

27. The Seventh Heckel Affidavit describes the steps undertaken by the Nordstrom Canada Entities, the Monitor and the Trustee to wind-up the Employee Trust. After receipt of written confirmation to the termination and wind-up of the Employee Trust from the Settlor, the Trustee, the Administrator, Nordstrom Canada and Employee Representative Counsel, on December 28, 2023, the Monitor delivered the Employee Trust Termination Certificate, which was filed with the Court and served on the Service List. The Trustee and the Administrator have engaged MNP LLP to prepare the tax return and related reporting required as a result of the termination of the Employee Trust. I have been advised by the Monitor that this work is expected to be completed by the end of March 2024. Any remaining balance in the Employee Trust is to be returned to Nordstrom US.

(d) Letter Agreement with the CRA

28. As set out in the Seventh Heckel Affidavit, the Nordstrom Canada Entities, with the assistance of the Monitor and Nordstrom US, have been engaged with the CRA regarding certain Notices of Assessment issued by the CRA against NCH under Part XIII of the *Income Tax Act* dated June 27, 2023 (the “**CRA NCH Assessments**”). NCH filed Notices of Objection with respect to the CRA NCH Assessments on September 22, 2023 in a timely manner as it disagreed with such assessments.

29. The CRA NCH Assessments reflected the Minister’s position that NCH is liable to pay non-resident withholding tax pursuant to Part XIII of the *Income Tax Act* on behalf of Nordstrom International Limited (“**NIL**”) pursuant to subsection 215(6) in respect of interest paid by NCH to NIL in 2014, 2015, 2016, 2017, 2018, 2019, 2020, and 2021 with respect to the Canada Expansion

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Loan. As described in the Seventh Heckel Affidavit, the CRA NCH Assessments also assessed penalties and arrears interest and were estimated to be in the total amount of approximately \$36 million as at June 27, 2023.

30. In order to resolve the CRA NCH Assessments as against the Nordstrom Canada Entities for the benefit of their third-party creditors and the CCAA proceedings as a whole, NIL, NCH and the Minister entered into an agreement (the “**CRA Agreement**”) pursuant to which the Minister agreed to vacate the CRA NCH Assessments as against NCH, and instead assess and accept security from NIL. NIL does not agree with and retained its entitlement to dispute the merits of the Minister’s position. The key terms of the CRA Agreement are outlined in the Seventh Heckel Affidavit.

31. Pursuant to the CRA Agreement, NIL delivered an original irrevocable standby letter of credit in the amount of \$39,298,779 to the Minister on December 20, 2023.² On January 10, 2024, the Minister vacated the CRA NCH Assessments, and new Notices of Assessment have been issued to NIL in accordance with the terms of the CRA Agreement.

32. As discussed below, a condition precedent to the implementation of the Plan is that the Minister shall have withdrawn and vacated the CRA NCH Assessments as contemplated by the CRA Agreement. This condition is now satisfied.

² On February 12, 2024, NIL delivered a replacement standby letter of credit in the amount of \$38,802,745.10 to the Minister in accordance with the CRA Agreement.

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C. The Plan

33. The terms, mechanics and effect of the Plan are described in significant detail in the Seventh Heckel Affidavit. A copy of the Plan is attached as **Exhibit “B”**.³ In summary, in accordance with the Plan:

- (a) a single class of Affected Creditors is created for voting and distribution purposes;
- (b) certain Claims are to be unaffected by the Plan and will not be compromised, including any: (a) Excluded Claim; (b) Claim in respect of the Administrative Reserve Costs; (c) FLS Landlord Guarantee Claim; (d) Priority Claim; and (e) Insured Claim;
- (c) the Nordstrom Canada Entities will use all of their available cash to establish the Consolidated Cash Pool, NCL ITC Cash Pool, Administrative Reserve Account, and Disputed Claims Reserve Account;
- (d) each Affected Creditor with Proven Claims in the aggregate that are less than or equal to \$15,000 was deemed to be a “Convenience Class Creditor”, and each Affected Creditor with Proven Claims in the aggregate in excess of \$15,000 was able to elect to be treated for all purposes as a Convenience Class Creditor. Convenience Class Creditors were deemed to vote in favour of the Plan;

³ The Plan attached hereto is identical to the Plan that was accepted for filing pursuant to the Meeting Order other than the definition of “NIL” was corrected from Nordstrom International Limited, Inc. to Nordstrom International Limited.

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(e) on the Plan Implementation Date, certain parties, listed below, will be released subject to certain specified carve-outs:

- (i) each of the Nordstrom Canada Entities and their respective Directors, Officers, current and former employees, advisors, legal counsel and agents;
- (ii) (i) the Monitor, A&M, and their respective affiliates, and each of their current and former directors, officers, employees, representatives, advisors, legal counsel and agents, (ii) counsel to the Directors and Officers, (iii) the Trustee, and (iv) Employee Representative Counsel; and
- (iii) the Plan Sponsor, the Plan Sponsor Subsidiaries and their current and former directors, officers and employees and their respective advisors, legal counsel and agents.

As set out in the Seventh Heckel Affidavit, the Nordstrom Canada Entities believe it is appropriate to release the Plan Sponsor in the Plan given that Nordstrom US, while benefitting from the Plan, has also significantly contributed to the meaningful creditor recovery resulting from the Plan, and continues to contribute to the orderly wind down of the Nordstrom Canada Entities in a tangible and material way and will continue to do so after the Plan Implementation Date;

(f) the proposed Sanction and Vesting Order would order that the Intercompany Claims set out in Schedule “A” to the Plan are deemed to be Proven Claims for the purposes of the Claims Procedure Order and the Plan;

(g) on the Initial Distribution Date:

- (i) each Other Priority Claim Creditor will receive a distribution in the full amount of its Other Priority Claim;
- (ii) each Convenience Class Creditor will receive a distribution in the full amount of its Convenience Class Claim; and

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- (iii) each Affected Creditor with a Proven Claim will receive an initial distribution in an amount equal to its Pro Rata Share of the Cash in the Consolidated Cash Pool Account on that date, with further distributions to Affected Creditors to be made in accordance with the Plan, provided that the amount of the distribution paid to each Supporting Rack Landlord on the Initial Distribution Date will be the full amount required to be paid to such Supporting Rack Landlord pursuant to its Supporting Rack Landlord Settlement Agreement with no further distributions to be made to the Supporting Rack Landlords under the Plan;
- (h) from and after the Initial Distribution Date, as frequently as the Nordstrom Canada Entities and the Monitor may determine, Nordstrom Canada, on behalf of itself and each of the other Nordstrom Canada Entities, as applicable, will distribute to:
 - (i) each Affected Creditor with a Disputed Claim that has become a Proven Claim an amount of Cash from the Disputed Claims Reserve Account equal to the aggregate amount of all distributions such Affected Creditor would have already received pursuant to the Plan had its Claim been accepted as a Proven Claim prior to the applicable Distribution Date; and
 - (ii) each FLS Landlord with a Proven Claim in an amount equal to the amount of Cash in the NCL ITC Cash Pool Account multiplied by the FLS Landlord ITC Share in respect of such FLS Landlord applicable to such distribution, which distribution will then be paid over to Nordstrom US pursuant to the FLS Landlord Settlement Agreements;
- (i) the Plan Implementation Date must occur by no later than June 30, 2024, unless otherwise ordered by the Court; and
- (j) on the Final Distribution Date, once there are no remaining Disputed Claims, Nordstrom Canada, on behalf of itself and each of the other Nordstrom Canada Entities will:
 - (i) first, pay any final Administrative Reserve Costs from the Administrative Reserve Account;

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- (ii) second, contribute any balance remaining in the Administrative Reserve Account and the Disputed Claims Reserve Account to the Consolidated Cash Pool Account;
- (iii) third, distribute to the Affected Creditors with Proven Claims an amount equal to such Affected Creditor's respective Pro Rata Share of any Cash in the Consolidated Cash Pool Account, in full and final settlement, satisfaction and extinguishment of such Affected Creditor's Proven Claim;
- (iv) fourth, provide written notice to the Monitor that it has completed its duties to fully and finally effect all distributions, disbursements and payments in accordance with the Plan (the "**Notice of Completion**"); and
- (v) as soon as reasonably practicable following delivery of the Notice of Completion, the Nordstrom Canada Entities shall seek the Discharge and Termination Order, among other things: (a) discharging the Monitor from its duties as monitor of the Nordstrom Canada Entities in these CCAA proceedings and releasing the Monitor and its advisors from all claims related to its activities as monitor; (b) terminating these CCAA proceedings; (c) authorizing the assignment into bankruptcy and/or dissolution under applicable corporate law of each of the Nordstrom Canada Entities; (d) discharging Employee Representative Counsel of their duties in these CCAA proceedings; and (e) releasing the Nordstrom Canada Entities and any Directors and Officers holding office following the Plan Implementation Date and their advisors from all claims upon the filing of the Monitor's Plan Completion Certificate.

(a) Nordstrom Canada Customer Data

34. The Nordstrom Canada Entities are in possession of customer-related data derived from the operation of the Nordstrom Canada Entities' business including, but not limited to, the Canada customer list(s) (the "**Canada Customer Data**"). The Plan contemplates the transfer of the Canada Customer Data to Nordstrom US (or its designee).

35. The proposed Sanction and Vesting Order provides that:

- (a) On the Plan Implementation Date, pursuant to Section 5.2(e) of the Plan, all of the Nordstrom Canada Entities' right, title and interest in and to the Canada Customer

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Data shall vest absolutely in Nordstrom US (or its designee) free and clear of all Encumbrances;

- (b) pursuant to section 7(3)(c) of the *Personal Information Protection and Electronic Documents Act* (Canada), section 18(1)(i) of the *Personal Information Protection Act* (British Columbia) and section 20(e) of the *Personal Information Protection Act* (Alberta), the Nordstrom Canada Entities are authorized and ordered to disclose all personal information in the Nordstrom Canada Entities' custody or control contained within the Canada Customer Data (the "**Personal Information**") to Nordstrom US; and
- (c) Nordstrom US will: (i) maintain and protect the Personal Information with security safeguards appropriate to the sensitivity of the Personal Information and as may otherwise be required by applicable federal or provincial privacy legislation; (ii) use and disclose the Personal Information for the purposes for which the Personal Information was collected, permitted to be used or disclosed by the Nordstrom Canada Entities and as may otherwise be permitted by Applicable Privacy Laws; and (iii) subject to paragraph 31 of the Order, give effect to any withdrawals of consent of the individuals to whom the Personal Information relates.

36. Hilco Valuation Services provided an independent valuation of the Canada Customer Data for purposes of these CCAA proceedings. According to Hilco Valuation Services, the Canada Customer Data, on a standalone basis, separate and apart from any other intellectual property owned by Nordstrom Canada and its affiliates, is of nominal value (with a total net value of

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\$200,000). The Nordstrom Canada Entities have reviewed this valuation and based on their knowledge of the Canada Customer Data, agree with such valuation. I am also informed that the Monitor believes the valuation is reasonable. The remaining balance of the NINC-NCRI Services Claim, a Pre-Filing Claim by the Plan Sponsor against Nordstrom Canada for unpaid fees relating to the provision of shared services and the licensing of intellectual property pursuant to the License and Services Agreement, is \$17,461,179, having been reduced by \$200,000 (the fair market value of the Canada Customer Data), as a result of the partial settlement and satisfaction in accordance with the Plan Transaction Steps.

(b) Conditions Precedent

37. The implementation of the Plan is conditional upon the fulfilment or waiver, where applicable, of various conditions precedent. The conditions precedent include:

- (a) the Minister of National Revenue (Canada) shall have withdrawn and vacated the CRA NCH Assessments to the satisfaction of the Nordstrom Canada Entities and the Monitor;
- (b) the Plan shall have been approved by the Required Majority of the Affected Creditors at the Creditors' Meeting;
- (c) all material consents, declarations, rulings, certificates or approvals of or by any Governmental Authority as may be considered necessary by the Nordstrom Canada Entities and the Monitor in respect of the Plan Transactions shall have been obtained;

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- (d) the Sanction and Vesting Order shall have been granted by the Court, in a form satisfactory to the Nordstrom Canada Entities, and shall have become a Final Order; and
- (e) the Plan Implementation Date shall have occurred by no later than June 30, 2024, unless otherwise ordered by the Court.

38. Should the Court grant the proposed Sanction and Vesting Order, all conditions precedent are expected to be satisfied. Pursuant to 37(d), above, the Sanction and Vesting Order is required to have become a Final Order; however, this condition precedent can be waived by the Nordstrom Canada Entities, with the consent of the Monitor.

39. The proposed Sanction and Vesting Order provides that upon receipt of written notice from the Nordstrom Canada Entities of the fulfilment or waiver of the conditions precedent to the implementation of the Plan, as set out in Section 8.3 of the Plan, the Monitor shall deliver a certificate substantially in the form attached to the Sanction and Vesting Order as Schedule “B” (the “**Monitor’s Plan Implementation Date Certificate**”) to the Nordstrom Canada Entities and serve a copy of same on the Service List. Following the Plan Implementation Date, the Monitor will file a copy of the Monitor’s Plan Implementation Date Certificate with the Court and post a copy of the same on its Website.

40. Should the Sanction and Vesting Order be granted, the Nordstrom Canada Entities, with the assistance of the Monitor, are seeking to have the Plan Implementation Date as soon as reasonably possible, likely in April 2024.

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D. Mailing of the Meeting Notice and Meeting Materials

41. To the best knowledge of the Nordstrom Canada Entities, the Nordstrom Canada Entities and the Monitor have complied with all of the requirements in the Meeting Order to disseminate materials concerning the Plan and the Creditors' Meeting to the Affected Creditors and other interested persons.

42. I am advised by the Monitor that it caused copies of the Letter to Creditors, Notice of Creditors' Meeting, the Proxy, the Convenience Class Claim Election, the Resolution, the Plan, and the Meeting Order (collectively, the "**Meeting Materials**"), to be posted on the Monitor's Website and served on the Service List on December 28, 2023. In addition, the Meeting Materials were sent to each Affected Creditor (other than Represented Employees) on January 10 or January 11, 2024 via email. An anonymized copy of the email that was sent to Affected Creditors is attached as **Exhibit "C"**. I am advised by the Monitor that it published notice of the Creditors' Meeting in *The Globe and Mail* (National Edition) on January 15, 2024.

43. On February 16, 2024, the Monitor also communicated with Affected Creditors whose economic interest should have caused them to submit a Convenience Class Claim Election, but who had not yet done so, reminding them of the requirement to submit such an election by February 28, 2024. As set out in the Monitor's Eighth Report, as of February 20, 2024, the Monitor had received 18 Convenience Class Elections.

44. The Nordstrom Canada Entities have continued to work closely with Employee Representative Counsel with respect to communications to employees. I am advised by the Monitor that it caused copies of the Meeting Materials to be sent to Employee Representative

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Counsel on behalf of Represented Employees via email on January 10, 2024. An anonymized copy of the email that was sent to Employee Representative Counsel is attached as **Exhibit “D”**.

45. In addition, Employee Representative Counsel placed a notice on its website to assist employees in their consideration of the Plan. The notice includes Employee Representative Counsel’s recommendation that employees vote in favour of the Plan. Employee Representative Counsel was proactive in communicating with employees about the ability to elect down into the Convenience Class pursuant to the Plan.

E. The Creditors’ Meeting

46. The Creditors’ Meeting was held virtually on March 1, 2024. In accordance with the Meeting Order, Alan Hutchens of the Monitor acted as Chair. Other representatives of the Monitor acted as scrutineers.

47. In advance of the Creditors’ Meeting, on February 21, 2024, the Monitor served its Eighth Report regarding the Plan on the Service List and posted such report to its Website, in accordance with the CCAA.

48. Each Affected Creditor was permitted to attend the Creditors’ Meeting in person or appoint another person to attend as proxyholder. I am advised by the Monitor that the quorum requirement was satisfied.⁴ The Chair declared that the meeting was properly constituted.

⁴ The Meeting Order provided that the quorum was one Affected Creditor with a Voting Claim present in person (by electronic or virtual means) or by proxy.

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49. The Monitor received proxy forms for 155 Claimants, 120 of which designated the Monitor as proxy. Convenience Class Claims represented approximately 71% in number and 7% in value of the Proven Claims that voted on the Plan.

50. I am advised by the Monitor that the Required Majority⁵ voted in favour of the Resolution and therefore approved the Plan. According to the Monitor's tabulation, 513 out of 513 Affected Creditors holding Voting Claims, representing approximately \$33.7 million in value, voted (or were deemed to vote pursuant to the Meeting Order) in favour of the Plan at the Creditors' Meeting. As such, 100% in number and 100% in value of the Affected Creditors holding undisputed Proven Claims present in person or by proxy at the Creditors' Meeting voted in favour of the Plan. In addition, two Claimants holding Disputed Claims, representing approximately \$77,080 in value, voted in favour of the Plan at the Creditor's Meeting. The voting results at the Creditors' Meeting are described more fully in the Monitor's Ninth Report dated March 6, 2024.

F. Plan Sanction

51. The Plan is the result of the Nordstrom Canada Entities' extensive discussions and/or negotiations with Nordstrom US, the Monitor, Landlords and a number of other stakeholders over many months. The Nordstrom Canada Entities have sought to achieve a fair and equitable balance in the Plan, and effect distributions on an efficient basis, while taking into consideration the interests of all stakeholders with an economic interest in these CCAA proceedings. As set out in the Monitor's Seventh and Eighth Reports, the Monitor supports the Plan. The Plan is also

⁵ The Meeting Order required the Resolution to be approved by that number of Affected Creditors representing at least two-thirds in value of the Voting Claims of Affected Creditors who actually vote on the Resolution (in person or by Proxy) at the Creditors' Meeting or who were deemed to vote on the Resolution in accordance with the Plan and the Meeting Order.

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supported by Employee Representative Counsel, the Nordstrom Canada Entities' former Landlords, and by all Affected Creditors who voted on the Plan at the Creditors' Meeting.

52. The Plan presents significant benefits to the Nordstrom Canada Entities' stakeholders, including that it will result in significant, timely recoveries without costly litigation and delay. The Nordstrom Canada Entities believe that on balance, the Affected Creditors as a whole will derive a greater benefit from the implementation of the Plan than would result from a non-consolidated plan or results that could have been achieved in a bankruptcy of the Nordstrom Canada Entities.

53. The fairness and reasonableness of the Plan is shown by the Affected Creditors' overwhelming unanimous approval at the Creditors' Meeting. This reinforces the Nordstrom Canada Entities' belief that the Plan is the most reasonable and fair resolution to these CCAA Proceedings in these circumstances.

54. Throughout the course of these CCAA proceedings, the Nordstrom Canada Entities have acted in good faith and with due diligence. The Plan complies with the requirements under the CCAA and the Orders of this Court. The Nordstrom Canada Entities believe that the sanction of this Plan is fair and reasonable.

G. Extension of the Stay Period

55. The Initial Order granted a Stay Period until and including March 12, 2023. The Stay Period was extended to March 20, 2023, June 30, 2023, September 29, 2023, and later to December

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22, 2023. The Stay Period was subsequently extended to April 5, 2024 pursuant to the Meeting Order.⁶

56. The Applicants are seeking to extend the Stay Period, including by extension the Co-Tenancy Stay, up to and including June 28, 2024. As set out above, the Nordstrom Canada Entities have made significant progress in these CCAA proceedings since the granting of the Meeting Order. In particular, the Nordstrom Canada Entities have worked diligently to prepare for and conduct the Creditors' Meeting to vote on the Plan, which if sanctioned and implemented is expected to provide finality and certainty in these CCAA proceedings in a timely manner and provide meaningful recoveries to Creditors.

57. An extension of the Stay Period is necessary to permit the Nordstrom Canada Entities to implement the Plan. The Nordstrom Canada Entities believe that maintaining the Co-Tenancy Stay during the next stage of the case will continue to provide stability to these CCAA proceedings.

58. As set out in the Monitor's Ninth Report, the consolidated cash balance of the Nordstrom Canada Entities as of March 2, 2024 is approximately \$80.5 million. Accordingly, the Monitor has confirmed that the Nordstrom Canada Entities will have sufficient cash resources to continue their wind down through to June 28, 2024.

59. I believe that the Nordstrom Canada Entities have acted, and continue to act, in good faith and with due diligence in pursuing a controlled and orderly wind down. I believe that the proposed extension of the Stay Period is in the best interests of the Nordstrom Canada Entities and their

⁶ The Initial Order also included a "Parent Stay" in favour of Nordstrom US that expired in accordance with its terms on September 30, 2023.

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stakeholders. I am also informed by the Monitor that it supports the request to extend the Stay Period.

SWORN BEFORE ME over
videoconference this 8th day of March, 2024 in
accordance with O. Reg. 431/20,
Administering Oath or Declaration Remotely.
The affiant is located in the City of Renton, in
the State of Washington and the commissioner
is located in the City of Toronto, in the
Province of Ontario.



Commissioner for Taking Affidavits
(or as may be)

HANNAH DAVIS
LSO# 85047N



MISTI HECKEL

This is Exhibit “A” referred to in the Affidavit of Misti Heckel
sworn March 8, 2024.

A handwritten signature in cursive script, appearing to read 'H Davis', written in black ink.

Commissioner for Taking Affidavits (or as may be)

HANNAH DAVIS

|Court File No. CV-23-00695619-00CL

**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 **NORDSTROM CANADA RETAIL,
INC., NORDSTROM CANADA HOLDINGS, LLC** and
NORDSTROM CANADA HOLDINGS II, LLC

APPLICANTS

**AFFIDAVIT OF MISTI HECKEL
(Sworn December 13, 2023)**

I, Misti Heckel, of the City of Renton, in the State of Washington, MAKE OATH AND
SAY:

1. I am the President of Nordstrom Canada Retail, Inc. ("**Nordstrom Canada**"), and President and Treasurer of Nordstrom Canada Holdings, LLC ("**NCH**") and Nordstrom Canada Holdings II, LLC ("**NCHII**"), and together with Nordstrom Canada and NCH, the "**Applicants**"). Together, the Applicants and Nordstrom Canada Leasing LP ("**Canada Leasing LP**" or "**NCL**") are defined herein as the "**Nordstrom Canada Entities**".

2. In addition to my role as President of Nordstrom Canada and President and Treasurer of NCH and NCHII, I am currently the Vice President - Tax of Nordstrom, Inc. ("**Nordstrom US**"), the indirect parent of the Nordstrom Canada Entities. In my role, I have oversight of the tax function for the Nordstrom Canada Entities and am involved in the financial and tax matters related

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to the Nordstrom Canada Entities. I am familiar with the business, and have relied upon the books and records, of the Nordstrom Canada Entities. As such, I have personal knowledge of the matters deposed to herein. Where I have relied on other sources of information, I have so stated, and I believe them to be true. In preparing this affidavit, I have also consulted with the senior management teams of the Applicants and Nordstrom US, as applicable, and Nordstrom US' and the Applicants' respective legal advisors. The Nordstrom Canada Entities and Nordstrom US do not waive or intend to waive any applicable privilege by any statement herein.

3. This affidavit is made in support of a motion by the Applicants for an order, among other things:

- (a) accepting the filing of the Consolidated Plan of Compromise and Arrangement in respect of the Nordstrom Canada Entities dated December 13, 2023 (the “**Plan**”);
- (b) authorizing the Nordstrom Canada Entities to establish one class of Affected Creditors for the purpose of considering and voting on the Plan (the “**Unsecured Creditors’ Class**”);
- (c) authorizing the Nordstrom Canada Entities to call, hold and conduct a meeting of the Affected Creditors (the “**Creditors’ Meeting**”) to consider and vote on a resolution to approve the Plan, and approving the procedures to be followed with respect to the calling and conduct of the Creditors’ Meeting;

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- (d) setting the date for the hearing of the Nordstrom Canada Entities' motion seeking sanction of the Plan should the Plan be approved by the required majority of Affected Creditors at the Creditors' Meeting; and
 - (e) extending the Stay Period (and by extension, the Co-Tenancy Stay) until and including April 5, 2024.
4. All references to monetary amounts in this affidavit are in Canadian dollars unless noted otherwise.
5. This affidavit is organized into the following sections:
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 - (b) Claims Process 15
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A. Overview of the Plan

6. The Nordstrom Canada Entities, with the support of Nordstrom US as Plan Sponsor and the Monitor, have developed the Plan to present to the Affected Creditors. A copy of the Plan is attached as **Exhibit “A”**. All capitalized terms not otherwise defined herein have the meanings given to them in the Plan.

7. The Plan, should it be accepted by the Affected Creditors, approved by the Court and implemented in accordance with its terms, would represent the culmination of the controlled, orderly wind down of the Nordstrom Canada Entities with the support of Nordstrom US. The Plan provides for material recoveries for Affected Creditors with Proven Claims and efficient, near-term distributions to such Creditors. In developing the Plan, the Nordstrom Canada Entities have had extensive discussions and/or negotiations with Nordstrom US, the Monitor, and a number of other stakeholders. The Nordstrom Canada Entities have sought to achieve a fair and equitable balance in the Plan, while taking into consideration the interests of all stakeholders with an economic interest in these CCAA proceedings.

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8. The Plan contemplates that a single class of Affected Creditors will consider and vote on the Plan. The Nordstrom Canada Entities propose that the Creditors' Meeting will be held virtually at 10:00 a.m. on March 1, 2024.

9. If approved, sanctioned, and implemented, the Plan will:

- (a) complete the controlled, orderly and timely wind down of the Nordstrom Canada Entities;
- (b) provide for a compromise and settlement of all Affected Claims and effect timely distributions as provided for in the Plan in respect of Proven Claims;
- (c) effect a release and discharge of all Affected Claims and of all claims proposed to be released pursuant to the Plan; and
- (d) effect a global resolution of the CCAA proceedings.

10. The Plan is being put forward by the Nordstrom Canada Entities on a consolidated basis with the expectation that, on balance, the Affected Creditors as a whole will derive a greater benefit from the implementation of the Plan than would result from a non-consolidated plan or results that could have been achieved in a bankruptcy of the Nordstrom Canada Entities.

11. Under the Plan, on the Initial Distribution Date:

- (a) each Other Priority Claim Creditor will receive a distribution in the full amount of its Other Priority Claim;

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- (b) each Convenience Class Creditor will receive a distribution in the full amount of its Convenience Class Claim; and
- (c) each Affected Creditor with a Proven Claim will receive an initial distribution in an amount equal to its Pro Rata Share of the Cash in the Consolidated Cash Pool Account on that date, with further distributions to Affected Creditors to be made in accordance with the Plan, provided that the amount of the distribution paid to each Supporting Rack Landlord on the Initial Distribution Date will be the full amount required to be paid to such Supporting Rack Landlord pursuant to its Supporting Rack Landlord Settlement Agreement (defined below) with no further distributions to be made to the Supporting Rack Landlords under the Plan.

12. Based on the most up-to-date information from the Nordstrom Canada Entities and the Monitor, and subject to the caveats and limitations described below, the Nordstrom Canada Entities expect that all Affected Creditors will receive distributions of approximately 71% to 75% of their Affected Claims that are Proven Claims (as defined below).

13. I have been informed by the Monitor and believe that the Monitor will serve and file a report regarding the proposed Meeting Order before the Meeting Order hearing, which will include an illustrative estimated range of recovery analysis for Affected Creditors. The recovery analysis will necessarily be preliminary as there remain certain Claims that have not yet been finalized for distribution purposes and certain components of the analysis remain as estimates. However, based on the advanced state of the CCAA proceedings, the Nordstrom Canada Entities and the Monitor believe that the range of recovery set out in the immediately preceding paragraph will not

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materially change. As set out in the proposed Meeting Order, no later than seven days before the date of the Creditors' Meeting, the Monitor will serve a report regarding the Plan on the Service List and promptly cause such report to be posted on the Monitor's Website (as defined below).

14. As described below, an essential component of the Plan is the involvement of Nordstrom US as Plan Sponsor. Nordstrom US is by far the largest single creditor of the Nordstrom Canada Entities. The Plan contemplates that Nordstrom US makes significant economic contributions to these CCAA proceedings, including by not recovering amounts in respect of certain Intercompany Claims, taking financial responsibility for the CRA NCH Assessments and making a direct and significant monetary contribution to the Plan. It will also continue to provide the necessary shared services that will enable the conclusion of the wind down as contemplated by the Plan.

15. As a result of these and other contributions, the Plan provides that the Plan Sponsor will receive a full and final release of matters relating to the Nordstrom Canada Entities, excluding with respect to the FLS Landlord Guarantee Claims. The Nordstrom Canada Entities believe that it is appropriate to include the release in favour of Nordstrom US in the Plan, as its contributions to these CCAA proceedings will result in materially higher and significantly accelerated recoveries for the Affected Creditors.

16. In accordance with the terms of the Initial Order, the FLS Landlord Guarantee Claims are excluded from the release in the Plan. Through constructive negotiation, the FLS Landlords and Nordstrom US have reached agreements, outside of the Plan, that resolve all FLS Landlord Guarantee Claims and that contractually release Nordstrom US from the FLS Landlord Guarantee Claims. These agreements also provided the framework for the resolution of the CCAA Lease

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Claims (as defined below) in the CCAA proceedings, which were by far the largest third-party claims filed in the Claims Process (as defined below).

17. In order to provide clear and concise disclosure concerning the Plan to the Affected Creditors, the Nordstrom Canada Entities propose to include a letter to Affected Creditors as part of the Meeting Materials (the “**Letter to Creditors**”). It is contemplated that the Letter to Creditors will assist the Affected Creditors in their understanding and consideration of the Plan. A copy of the Letter to Creditors is attached as **Exhibit “B”**.

B. Background

18. On March 2, 2023 (the “**Filing Date**”), the Applicants were granted protection under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) pursuant to an Initial Order (the “**Initial Order**”) of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”). The stay of proceedings and other benefits and authorizations of the Initial Order were extended to Canada Leasing LP.

19. In support of the Initial Order, I swore an affidavit dated March 1, 2023 (the “**Initial Heckel Affidavit**”), which described, among other things, the business and operations of the Nordstrom Canada Entities, the events leading to the Nordstrom Canada Entities’ insolvency, their urgent need for relief under the CCAA, and their intended liquidation and responsible and orderly wind down within these CCAA proceedings. A copy of the Initial Heckel Affidavit (without exhibits) is attached as **Exhibit “C”**. All previous affidavits that I have sworn in these CCAA proceedings can be found on the Monitor’s Website (as defined below).

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20. Among other things, the Initial Order:

- (a) granted an initial stay of proceedings against the Nordstrom Canada Entities, the Monitor, and their respective employees, directors, advisors, officers and representatives acting in such capacities until March 12, 2023 (the “**Stay Period**”);
- (b) granted a “**Co-Tenancy Stay**” of potential rights, including termination rights and claims for rent reduction or abatement, that may be asserted by third-party tenants and occupants in commercial properties where Nordstrom Canada stores were located that arise as a result of the making of the Initial Order for the Stay Period;
- (c) granted an initial stay of proceedings against Nordstrom US and its direct and indirect subsidiaries (other than the Nordstrom Canada Entities) until March 12, 2023, relating to claims in connection with any indebtedness, indemnity, liability or obligation of Nordstrom US in respect of obligations that are the primary liability of or related to the Nordstrom Canada Entities, including indemnities granted by Nordstrom US under any Canadian real property leases (the “**Parent Stay**”); and
- (d) approved the creation of an Employee Trust and appointed Ursel Phillips Fellows Hopkinson LLP as Employee Representative Counsel.

21. In accordance with the Initial Order, Alvarez & Marsal Canada Inc., in its capacity as monitor within these CCAA proceedings (the “**Monitor**”), established a website (<http://www.alvarezandmarsal.com/NordstromCanada>) to post information and documents

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regarding these CCAA proceedings, including Orders, motion materials, Monitor's reports, and the service list (the "**Monitor's Website**").

22. On March 10, 2023, the Court granted an Amended and Restated Initial Order, among other things: (i) extending the Stay Period (including the Co-Tenancy Stay) and the Parent Stay to March 20, 2023; (ii) increasing the quantum of the Administration Charge and the Directors' Charge; (iii) increasing the quantum of pre-filing amounts the Nordstrom Canada Entities are authorized, but not required, to pay with the consent of the Monitor; and (iv) approving a key employee retention plan (the "**KERP**") and granting a related KERP Charge (as defined in the Amended and Restated Initial Order). A copy of the Amended and Restated Initial Order can be found on the Monitor's Website.

23. On March 20, 2023, the Court granted an order (the "**Sale Approval Order**") that, among other things:

- (a) approved an amended and restated consulting agreement between Nordstrom Canada and Canada Leasing LP (together, the "**Merchant**") and a contractual joint venture comprised of Hilco Merchant Retail Solutions ULC, Gordon Brothers Canada, ULC, Tiger Asset Solutions Canada, ULC and B. Riley Retail Canada ULC (together, the "**Consultant**") dated March 16, 2023 (the "**Consulting Agreement**");
- (b) approved sale guidelines (the "**Sale Guidelines**") for the orderly liquidation of Merchandise and FF&E (each as defined in the Sale Approval Order) at each of the

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Merchant's stores through a "store closing", "everything must go", "everything on sale" or similar themed sale (the "**Liquidation Sale**");

- (c) authorized the Merchant, with the assistance of the Consultant, to undertake the Liquidation Sale in accordance with the terms of the Sale Approval Order, the Consulting Agreement, and the Sale Guidelines; and
- (d) extended the Stay Period (including the Co-Tenancy Stay) and the Parent Stay to June 30, 2023.

24. On March 22, 2023, Canada Leasing LP entered into a Consulting Services Agreement with Jones Lang LaSalle Real Estate Services, Inc. ("**JLL**") under which JLL was retained to support the potential sale, assignment, or transfer of the Nordstrom Canada Entities' Leases, among other things.

25. On May 30, 2023, the Court granted an order (the "**Claims Procedure Order**"), which, among other things:

- (a) approved a claims process for the identification, quantification, and resolution of Claims (as defined in the Claims Procedure Order) as against the Nordstrom Canada Entities and their respective current and former directors and officers;
- (b) established the Claims Bar Date and the Restructuring Period Claims Bar Date (each as defined in the Claims Procedure Order); and

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- (c) extended the Stay Period (including the Co-Tenancy Stay) and Parent Stay to September 29, 2023.

26. On July 17, 2023, the Court granted two Approval and Vesting Orders (collectively, the **“Approval and Vesting Orders”**) which, among other things, approved the transactions contemplated by an Assignment and Assumption of Leases between Canada Leasing LP and Winners Merchants International L.P. (**“Winners LP”**) with respect to the Deerfoot Meadows and Vaughan Mills Nordstrom Rack Leases (the **“Winners Agreement”**), and an Assignment and Assumption of Lease between Canada Leasing LP and G2MC Inc. with respect to the Heartland Nordstrom Rack Lease (the **“G2MC Agreement”**).

27. On September 27, 2023, the Court granted an order (the **“September Stay Extension Order”**) which, among other things, extended the Stay Period (and by extension, the Co-Tenancy Stay) until and including December 22, 2023, approved the wind-up and termination of the Employee Trust and discharged the KERP Charge. The Nordstrom Canada Entities did not seek an extension of the Parent Stay, which expired in accordance with its terms on September 30, 2023.

28. Since the Stay Period was extended on September 27, 2023, the Nordstrom Canada Entities have made significant progress in these CCAA proceedings, including, in close consultation with the Monitor, by:

- (a) completing the Final Reconciliation (as defined and described below) of all funds realized in the Liquidation Sale;

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- (b) continuing to implement the Claims Process and working to resolve creditor Claims filed in the Claims Process;
- (c) working to effect the wind-up and termination of the Employee Trust;
- (d) reaching definitive agreements on (i) the Claims of Cadillac Fairview Corporation and its affiliates (collectively, “**Cadillac Fairview**”), the Landlord of five of the former Nordstrom full-line stores in Canada, in the CCAA estate and the claims associated with the indemnities granted by Nordstrom US to Cadillac Fairview in respect of the Cadillac Fairview Leases, and (ii) the Claims of Oxford Properties Group (“**Oxford**”), the Landlord of the former Nordstrom Yorkdale full-line store in Canada, in the CCAA estate and the claims associated with the indemnity granted by Nordstrom US to Oxford in respect of the Yorkdale Lease, in each case, to resolve such indemnity claims and to provide a framework for the resolution of the respective Claims in the CCAA estate;
- (e) reaching definitive agreements to resolve the Claims of the Nordstrom Rack Landlords whose Leases were disclaimed in the CCAA proceedings;
- (f) reaching an agreement with the Canada Revenue Agency with respect to the CRA NCH Assessments (described below); and
- (g) developing the Plan to be presented to the Affected Creditors for their consideration at the Creditors’ Meeting.

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C. Update on the CCAA Proceedings

(a) Final Reconciliation of Liquidation Sale

29. Following the granting of the Sale Approval Order on March 20, 2023, the Liquidation Sale commenced on the morning of March 21, 2023, and continued in accordance with the Sale Approval Order until May 14, 2023, for Nordstrom Rack stores, and June 12, 2023, for Nordstrom full-line stores.

30. As described in my affidavit sworn September 20, 2023 (the “**Sixth Heckel Affidavit**”), under the terms of the Consulting Agreement, as consideration for its services, the Consultant was entitled to payment of a base fee equal to 1.5% of gross receipts from the sales of Merchandise¹ during the Sale term and 15% of the gross proceeds (net only of sales taxes) from the sales of FF&E. The Consultant was also entitled to payment of an additional incentive fee (the “**Additional Incentive Compensation**”) equal to the aggregate sum of the percentages set forth below (i.e., calculated back to first dollar) for the corresponding Gross Recovery Percentage achieved, provided however, that no Additional Incentive Compensation would be earned or payable where the Gross Recovery Percentage² was less than 131%:

¹ Capitalized terms in this section not otherwise defined have the meanings given to them in my affidavit sworn March 14, 2023.

² The Gross Recovery Percentages are based on a relationship between Cost Value and Retail Price — a “Cost Factor” of 43%. For every 25 basis points increase (or decrease) in the Cost Factor, each Additional Incentive Compensation Gross Recovery Percentage threshold will decrease (or increase) by 80 basis points. For certainty, in no event will the combined Merchandise Fee and Additional Incentive Compensation equal more than 3.1% of Gross Proceeds.

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| Gross Recovery Percentage | Additional Incentive Compensation |
|----------------------------------|--|
| 131%-133.99% | An additional 0.4% of Gross Proceeds (total fee equal to 1.9% of Gross Proceeds) |
| 134%-136.99% | An additional 0.4% of Gross Proceeds (total fee equal to 2.3% of Gross Proceeds) |
| 137%-139.99% | An additional 0.4% of Gross Proceeds (total fee equal to 2.7% of Gross Proceeds) |
| Above 140% | An additional 0.4% of Gross Proceeds (total fee equal to 3.1% of Gross Proceeds) |

31. Pursuant to the Consulting Agreement, the Nordstrom Canada Entities and the Consultant, in consultation with the Monitor, were required to complete the final reconciliation and settlement of all revenues, costs and expenses with respect to the Liquidation Sale (the “**Final Reconciliation**”).

32. The Final Reconciliation is now complete. The Liquidation Sale generated total receipts of approximately \$103.7 million from the sale of the Nordstrom Canada Entities’ Merchandise, and \$7.8 million from the sale of the Nordstrom Canada Entities’ FF&E. The Nordstrom Canada Entities also earned approximately \$0.6 million, or 7.5% of the gross proceeds, from the sale of the Additional Consultant Goods. As consideration for its services, the Consultant was paid a base fee equal to 1.5% of gross receipts from Merchandise, equal to \$1.6 million, \$1.2 million from the sale of FF&E, and Additional Incentive Compensation of 1.2%, equal to \$1.2 million (as the Gross Recovery Percentage was between 137% and 139.999%), totaling \$4.0 million.

(b) Claims Process

33. As discussed above, the Court granted the Claims Procedure Order on May 30, 2023, which set the general Claims Bar Date for August 4, 2023. Prior to the launch of the Claims Process, the Nordstrom Canada Entities and the Monitor had commenced working with vendors to reconcile

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the amounts of their Pre-Filing Claims. In addition, the Nordstrom Canada Entities identified and made available representatives with the appropriate knowledge and expertise to review the Nordstrom Canada Entities' records with respect to the Claims filed in the Claims Process. The Nordstrom Canada Entities and their counsel continue to meet with the Monitor weekly to discuss the status of the Claims Process and the efforts made to resolve creditor Claims in an efficient and streamlined manner.

34. As set out in the Claims Procedure Order, the Nordstrom Canada Entities, in consultation with the Monitor, have reviewed all Proofs of Claim and Notices of Dispute of Negative Notice Claim received in the Claims Process, and have communicated revisions, admittances or Notices of Revision or Disallowance to the vast majority of Claimants.

(i) Filed Claims

35. The Claims Procedure Order established a Claims Bar Date of August 4, 2023, for Pre-Filing Claims and Pre-Filing D&O Claims, and the later of: (i) 30 days after the date on which the Monitor sends a Negative Notice Claims Package or General Claims Package, as appropriate, with respect to a Restructuring Period Claim or Restructuring Period D&O Claim and (ii) August 4, 2023, for Restructuring Period Claims and Restructuring Period D&O Claims. A summary of the Proofs of Claim filed in the Claims Process prior to the Claims Bar Date and the Negative Notice Claims delivered by the Monitor to Claimants is provided below:

| Claim Type | Number of Claims | Value of Claims |
|------------|------------------|-----------------|
| Landlord | 12 | \$647,599,929 |
| Vendor | 498 | \$36,991,041 |

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| | | |
|-------------------------|-----|---------------|
| Concession Vendor | 14 | \$3,565,453 |
| Government | 2 | \$116,677 |
| Litigation | 2 | \$430,422 |
| Employee | 110 | \$1,761,157 |
| Other | 13 | \$5,418 |
| Total Pre-Filing Claims | 651 | \$690,470,097 |

36. In addition, as of December 11, 2023, 69 Claims, totaling \$2,805,099, were filed after the Claims Bar Date, none of which included any D&O Claims (the “**Late Filed Claims**”). The Nordstrom Canada Entities and the Monitor have reconciled the majority of the Late Filed Claims and are in the process of reconciling the others. The Nordstrom Canada Entities and the Monitor have considered the status of the Late Filed Claims in the context of the CCAA proceedings, including the fact that Affected Creditors are being asked to consider the Plan at this time and Affected Creditor distributions have yet to be made. The Monitor, in consultation with the Nordstrom Canada Entities, has determined it will be using its discretion pursuant to paragraph 8 of the Claims Procedure Order to admit solely these Late Filed Claims received as of December 11, 2023 into the Claims Process, subject to validation and reconciliation of such Late Filed Claims. However, the Nordstrom Canada Entities do not intend to summarily admit any further Late Filed Claims. I understand that any Proofs of Claim received after December 11, 2023, and the circumstances surrounding such further Late Filed Claims, will be analyzed by the Monitor and the Nordstrom Canada Entities on an individual basis to determine if they should be admitted into the Claims Process, taking into account the advanced stage of the CCAA proceedings.

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37. As of December 11, 2023, 597 Claims totaling \$684.6 million have been resolved. 123 Claims in the amount of \$8.7 million remain unresolved. The Nordstrom Canada Entities, with the assistance of the Monitor, are working to resolve these remaining Claims.

38. Four concession vendors have filed Claims in the Claims Process which would take priority over unsecured creditors. The Nordstrom Canada Entities, with the assistance of the Monitor, have resolved certain of these Claims, and certain of them are subject to ongoing discussions with claimants. The Plan provides that accepted priority claims of this type, which are included in the definition of “**Other Priority Claims**”, will be paid in full on the Initial Distribution Date from the Consolidated Cash Pool.

39. One of the Claims filed by a government entity is a “marker claim” filed by the Canada Revenue Agency (“**CRA**”) for any obligations owing by the Nordstrom Canada Entities to His Majesty the King in right of Canada, as represented by the Minister of National Revenue (the “**Minister**”), including any obligations related to the CRA NCH Assessments described below. It is not expected that the CRA “marker claim” will have a material effect on the projected unsecured creditor recoveries set out herein, assuming the implementation of the CRA Agreement described below.

(ii) Employee Claims

40. The Monitor delivered Negative Notice Claims to 95 employees totaling approximately \$1.3 million. A total of 15 employee and workplace-related claims (such claims, collectively the “**Employee Claims**”), totaling \$464,275 were filed by the Claims Bar Date. Of those Employee Claims, nine were Pre-Filing Claims totaling \$164,074, five were Restructuring Period Claims

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totaling \$224,437, and one was a Pre-Filing and Restructuring Period Claim totaling \$75,763. The Nordstrom Canada Entities and the Monitor have reviewed the Proofs of Claim for all such Employee Claims.

41. The Nordstrom Canada Entities, through their counsel, have provided the Monitor with applicable documentation and information regarding the Employee Claims. Counsel for the Nordstrom Canada Entities have met with the Monitor and Employee Representative Counsel to review and discuss the Employee Claims filed by Employee Representative Counsel. Agreements in principle have been reached regarding eight Employee Claims, subject to execution of mutually agreeable documentation. The Nordstrom Canada Entities, in consultation with the Monitor, continue to assess the remaining Employee Claims and to engage with Employee Representative Counsel to discuss the status of the remaining Employee Claims and to canvass proposals for resolution in an effort to address the Employee Claims in an efficient and streamlined manner.

42. The Nordstrom Canada Entities, in consultation with the Monitor, will continue to engage with Employee Representative Counsel to establish a process and procedure for the determination of any Employee Claims that are not able to be resolved in a mutually agreeable manner.

(iii) Director and Officer Claims

43. Two Pre-Filing D&O Claims totaling \$311,000 were filed by the Claims Bar Date. Both of these D&O Claims have been disallowed in full and the time for the Claimant to object to the disallowance has passed. As a result, all potential D&O Claims have been barred and extinguished pursuant to the Claims Procedure Order.

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(iv) **Intercompany Claims**

44. The Claims Procedure Order required the Monitor to review all Claims that may be asserted against any Nordstrom Canada Entity by or on behalf of any other Nordstrom Canada Entity or Nordstrom US or any of its affiliated companies, partnerships, or other corporate entities other than the Nordstrom Canada Entities (collectively, the “**Intercompany Claims**”), and prepare a report detailing its review of all Intercompany Claims, assessing the amount and characterization of such Claims (the “**Monitor’s Intercompany Claims Report**”).

45. The Monitor’s Intercompany Claims Report was served on August 3, 2023. The Claims Procedure Order provides that each Intercompany Claim identified in the Monitor’s Intercompany Claims Report is deemed to have been properly submitted through a Proof of Claim by the relevant entity as if such Claim was a Pre-Filing Claim or Restructuring Period Claim, as applicable.

46. Paragraph 45 of the Claims Procedure Order provides that “[a]n Intercompany Claim identified in the Monitor’s Intercompany Claims Report shall not be accepted or deemed to be accepted by the Nordstrom Canada Entities or the Monitor unless and until such Intercompany Claim has been approved by this Court upon a motion on notice to the Service List”. It is proposed that the Intercompany Claims will be approved as part of the Sanction and Vesting Order. Treatment of Intercompany Claims pursuant to the Plan is discussed in further detail below.

47. A summary of the Intercompany Claims as of August 3, 2023, which was included in the Monitor’s Intercompany Claims Report, is reproduced below:

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| No. | Claim | Claim Type | Claim By | Claim Against | Claim Amount |
|----------------------------|--|-----------------------------|--------------|---------------|---------------|
| AFFILIATE CLAIMS | | | | | |
| 1. | NIL Canada Expansion Loan Claim | Pre-Filing Claim | NIL | NCH | \$309,832,891 |
| 2. | NINC-NCRI Services Claim | Pre-Filing Claim | Nordstrom US | NCRI | \$17,661,179 |
| 3. | NCRI Transfer Pricing Claim | Claim Receivable | NCRI | Nordstrom US | \$87,400,488 |
| 4. | NINC Employee Trust Subrogated Claim | Subrogated Pre-Filing Claim | Nordstrom US | NCRI | \$13,633,426 |
| 5. | NINC-NCL Services Claim | Pre-Filing Claim | Nordstrom US | NCL | \$495,582 |
| 6. | NINC-NCH Services Claim | Pre-Filing Claim | Nordstrom US | NCH | \$55,031 |
| 7. | NINC-NCHII Services Claim | Pre-Filing Claim | Nordstrom US | NCHII | \$56,829 |
| INTRACOMPANY CLAIMS | | | | | |
| 8. | NCL Pre-Filing Sublease Rent Claim | Pre-Filing Claim | NCL | NCRI | \$64,879,810 |
| 9. | NCL Post-Filing Sublease Rent Claim | Post-Filing Claim | NCL | NCRI | \$26,227,411 |
| 10. | NCL Sublease Termination Claim | Restructuring Period Claim | NCL | NCRI | |
| | A. NCL Master Lease Flow-Through Claim | Restructuring Period Claim | NCL | NCRI | \$TBD |
| | B. NCL Improvement Rent Claim | Restructuring Period Claim | NCL | NCRI | \$368,027,201 |
| 11. | NCRI-NCL Services Claim | Pre-Filing Claim | NCRI | NCL | \$55,046 |

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(c) Landlords

48. The Nordstrom Canada Entities, with the approval of the Monitor, issued notices of disclaimer to the Landlords of the South Edmonton Common and Willowbrook Langley Nordstrom Rack stores on May 3, 2023, and the One Bloor Street East Nordstrom Rack location on May 5, 2023, with each such disclaimer being effective 30 days after it was issued.

49. On June 22, 2023, the Nordstrom Canada Entities, with the approval of the Monitor, issued notices of disclaimer to the Landlords of all six of Nordstrom Canada's full-line store Leases to disclaim all of the full-line Leases, related amendment, assignment and extension agreements and subleases of premises subject to the full-line Leases. Such disclaimers became effective on July 22, 2023.

50. A description of the Nordstrom Canada Entities' activities with respect to transitioning the stores back to the Landlords in "broom swept" and clean condition can be found in the Sixth Heckel Affidavit. Additionally, as discussed in the Sixth Heckel Affidavit, the Nordstrom Canada Entities worked extensively with Landlords and municipalities to facilitate the removal of exterior signage from all Nordstrom full-line and Nordstrom Rack stores. The Nordstrom Canada Entities have now completed the removal or covering, as applicable, of all exterior signage from all Nordstrom full-line and Rack stores in Canada. The removal of exterior signage went smoothly, and there are no known remaining issues related to exterior signage.

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(i) **Lease Monetization and Transaction Process**

51. As discussed in my affidavit sworn May 19, 2023 (the “**Fourth Heckel Affidavit**”), beginning in late March 2023, the Nordstrom Canada Entities, with the assistance of their real estate advisor JLL, and under the supervision of the Monitor, implemented a lease transaction process for the Nordstrom Canada Entities’ Leases (the “**Lease Monetization Process**”). While a comprehensive overview of the Lease Monetization Process is provided in the Fourth Heckel Affidavit, by way of summary:

- (a) 213 parties were contacted by, or reached out directly to, JLL to discuss the process for bidding on one or more of the Leases. Twenty-eight parties executed non-disclosure agreements with Canada Leasing LP and were granted access to a data room containing confidential information to assist potential bidders with their due diligence;
- (b) on April 19, 2023, JLL requested that each interested party submit an expression of interest by no later than 5:00 p.m. (Eastern Time) on April 28, 2023, confirming which Nordstrom Rack Leases it was interested in, the consideration it was willing to provide for same, and any conditions for the closing of a transaction concerning any such Lease (each a “**Nordstrom Rack EOI**”);
- (c) the Nordstrom Canada Entities received Nordstrom Rack EOIs from third-party retailers for the assignment and assumption of four of the seven Nordstrom Rack Leases;

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- (d) upon receipt of the Nordstrom Rack EOIs, the Nordstrom Canada Entities and JLL, in consultation with the Monitor, undertook negotiations with bidders who submitted the most attractive, non-conflicting bids for each Nordstrom Rack Lease, including providing draft assignment agreements to certain of the potential assignees;
- (e) on May 24, 2023, JLL sent potentially interested parties an email requesting that each party confirm which Nordstrom Canada full-line store Leases it was interested in, the consideration it was willing to provide for same, and any conditions to closing of a transaction concerning any such Lease (each a “**Nordstrom Full-Line Store EOI**”) by no later than 5:00 p.m. (Eastern Time) on June 8, 2023 (the “**Full-Line Store EOI Deadline**”); and
- (f) as of the Full-Line Store EOI Deadline, the Nordstrom Canada Entities had received Nordstrom Full-Line Store EOIs from third parties for potential transactions involving each of the Nordstrom Canada full-line store Leases. The Nordstrom Canada Entities discussed the Nordstrom Full-Line Store EOIs with JLL, the Monitor and the applicable Landlords. No executable transactions acceptable to the applicable Landlords for the assignment of Nordstrom Canada full-line store Leases emerged as a result of these discussions and the lease transaction process.

52. As discussed in my affidavit sworn July 11, 2023 (the “**Fifth Heckel Affidavit**”), the Nordstrom Canada Entities, with the assistance of JLL and the Monitor, continued to negotiate

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lease transactions for the four Nordstrom Rack Leases that were not disclaimed. Those negotiations culminated in the execution of the Winners Agreement and the G2MC Agreement.

53. The Winners Agreement included transactions for the Leases of the Vaughan Mills, Deerfoot Meadows, and Ottawa Train Yards Nordstrom Rack locations. The Ottawa Train Yards Landlord exercised its right to terminate the Lease, and on September 1, 2023, the Ottawa Train Yards Lease was terminated and keys to the Ottawa Train Yards Nordstrom Rack store were returned to the Ottawa Train Yards Landlord.

54. The closing date for the transactions for the Vaughan Mills and Deerfoot Meadows Nordstrom Rack Leases is February 1, 2024. The transactions are currently expected to close on February 1, 2024, as contemplated.

55. As discussed in the Sixth Heckel Affidavit, the transaction under the G2MC Agreement for the Heartland Nordstrom Rack Lease has closed.

(ii) Settlement Agreements with Landlords of Nordstrom Full-Line Stores

56. The Initial Order provides that any Landlord claim pursuant to an indemnity, guarantee or surety executed by Nordstrom US shall be unaffected and shall not be released or affected in any way in any plan of compromise or arrangement filed by the Nordstrom Canada Entities in these CCAA proceedings. As set out in the Initial Heckel Affidavit, the six former Nordstrom full-line store Leases are subject to indemnities granted by Nordstrom US in favour of the applicable Landlord (each an “**Indemnity**”). In addition, the Landlords of the Nordstrom full-line stores, Cadillac Fairview and Oxford (collectively, the “**FLS Landlords**”), each filed Restructuring

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Period Claims in the Claims Process (any Proof of Claim filed by a Landlord, a “**CCAA Lease Claim**”).

57. As described in the Sixth Heckel Affidavit, the Nordstrom Canada Entities and Nordstrom US entered into discussions with each of the FLS Landlords, separately, to reach agreements to resolve the respective Landlord’s Indemnity claim (each a “**FLS Landlord Guarantee Claim**”) and to provide a framework for the resolution of their respective CCAA Lease Claims.

58. Between late September and mid-October, the Nordstrom Canada Entities and Nordstrom US, among others, entered into separate settlement agreements and termination and release agreements (collectively, the “**FLS Landlord Settlement Agreements**”) with each of the FLS Landlords for a resolution of the FLS Landlord Guarantee Claims, and to resolve all the issues between the FLS Landlords, the Nordstrom Canada Entities and Nordstrom US, respectively, in these CCAA proceedings, including the CCAA Lease Claims and the support to be provided to the Nordstrom Canada Entities by the FLS Landlords.

59. The key terms of the FLS Landlord Settlement Agreements include the following:

- (a) payment by Nordstrom US, directly or indirectly, to the FLS Landlords of, in the aggregate, cash in the amount of \$174,700,000, exclusive of HST;
- (b) once all required payments are made under the FLS Landlord Settlement Agreements, the FLS Landlord Guarantee Claims shall be fully and finally resolved and comprehensive releases will come into effect;

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- (c) the CCAA Lease Claims of the FLS Landlords shall be accepted and proven in the Claims Process at an aggregate amount agreed by Nordstrom US and the Nordstrom Canada Entities, with the consent of the Monitor;
- (d) in recognition of the payments made by Nordstrom US under the FLS Landlord Settlement Agreements, an amount equal to any payment or distribution ultimately received by an FLS Landlord from the Nordstrom Canada Entities, or any other Person, in respect of their CCAA Lease Claims, net of any HST/GST³ thereon or included therein, shall be paid forthwith (and in any event no more than one Business Day following receipt thereof), by such FLS Landlord to Nordstrom US;
- (e) The FLS Landlords agree that they shall:
 - (i) either consent to or not oppose the motion by the Nordstrom Canada Entities for a meeting order in these CCAA proceedings;
 - (ii) vote all of their respective CCAA Lease Claims (a) in favour of the approval, consent, ratification and adoption of the Plan to the extent permitted by applicable Law; (b) against any action that would result in any breach of any representation, warranty, covenant, or agreement or other obligation of the FLS Landlords under their respective FLS Landlord Settlement Agreement; and (c) against any transaction or plan which is contrary to the respective FLS Landlord Settlement Agreement or the Plan;
 - (iii) either consent or not oppose the motion by the Nordstrom Canada Entities for a sanction order in respect of the Plan;
 - (iv) not take any action that is inconsistent with or is intended or likely to interfere with or frustrate the consideration, acceptance, implementation or

³ “**HST/GST**” means the goods and services tax and harmonized sales tax imposed under the *Excise Tax Act* (Canada), R.S.C. 1985, c. E-15, as amended, and any regulations thereunder, and any equivalent or corresponding tax imposed under any applicable provincial or territorial legislation imposing a similar value added or multi-staged tax.

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consummation of the respective FLS Landlord Settlement Agreement or the Plan;

- (v) not, on or after the date of their respective FLS Landlord Settlement Agreement, withdraw, modify, or qualify, or propose to withdraw, modify, or qualify, in any manner adverse to the Nordstrom Canada Entities, their approval, recommendation or support for the Plan; and
 - (vi) not sell, assign, transfer, pledge, encumber or hypothecate any of the CCAA Lease Claims.
- (f) Cadillac Fairview's FLS Landlord Settlement Agreement also provides that the CCAA Tax Claims⁴ shall be disallowed by the Nordstrom Canada Entities in the Claims Process and Cadillac Fairview shall not object to any such disallowance; and
- (g) Oxford's FLS Landlord Settlement Agreement also provides that:
- (i) the Nordstrom Canada Entities and Yorkdale Shopping Centre Holdings Inc. ("**YSCHI**") shall work cooperatively in respect of all matters relating to the proceedings commenced as a result of the realty tax appeals filed by Canada Leasing LP before the Assessment Review Board for tax years 2020, 2021, 2022, and 2023 (the "**Realty Tax Appeals**"); and
 - (ii) the Nordstrom Canada Entities shall, with the support of the Monitor, seek approval of the Court to assign, set over and transfer to YSCHI, any and all of Canada Leasing LP's right, title and interest in and to any amounts recovered by Canada Leasing LP pursuant to the Realty Tax Appeals. Subsequent to entering into the FLS Landlord Settlement Agreement with YSCHI, the Realty Tax Appeals for years 2020 and 2023 were discontinued, leaving only the appeals for 2021 and 2022 to be transferred to the Landlord pursuant to the Plan.

60. After significant discussions and negotiations among Nordstrom US, the Nordstrom Canada Entities and the Monitor, the CCAA Lease Claims of the FLS Landlords were

⁴ "**CCAA Tax Claims**" means the claim filed by Cadillac Fairview for certain priority amounts for Taxes (As defined in the respective Leases).

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subsequently accepted and proven in the Claims Process at an amount equal to four and a half years' rent under the Lease for an aggregate amount of Proven Claims of \$121.6 million. Based on current modelling, between approximately \$86.8 million and \$91.2 million is forecast to be paid on account of the CCAA Lease Claims of the FLS Landlords, which amount is to be paid by the FLS Landlords to Nordstrom US as set out in paragraph 59(d) hereof.

(iii) Settlement Agreements with Landlords of Nordstrom Rack Stores

61. As part of the Claims Process, the Nordstrom Canada Entities, with the assistance of the Monitor, entered into discussions with the Nordstrom Rack Landlords who had their Leases disclaimed as part of the CCAA proceedings, being the Landlords of the One Bloor Street East, Willowbrook Langley, and South Edmonton Common Nordstrom Rack locations (each a **"Supporting Rack Landlord"**), regarding a resolution of their CCAA Lease Claims.

62. As a result of these discussions, the Nordstrom Canada Entities have entered or will be entering into separate Settlement Agreements with the Supporting Rack Landlords in respect of, among other things, such Landlords' Proven Claims pursuant to the Claims Procedure Order and the Plan (each a **"Supporting Rack Landlord Settlement Agreement"**).⁵

63. Key terms of each of the Supporting Rack Landlord Settlement Agreements include the following:

⁵ Although all substantive and economic terms have been agreed upon, one of the Supporting Rack Landlord Settlement Agreements has not yet been formally executed as the parties are finalizing certain technical aspects of the agreement.

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- (a) the Nordstrom Canada Entities and the Supporting Rack Landlord agree that its respective CCAA Lease Claim shall be accepted and proven in the Claims Process, with the consent of the Monitor, at an amount (the “**Accepted Claim Amount**”) that shall result in the Nordstrom Canada Entities paying a cash distribution of one year of rent under the respective Lease to the Supporting Rack Landlord under the Plan (the “**Rack Landlord Settlement Payment**”). Based on current modelling, the Nordstrom Canada Entities and the Monitor project that this will result in a Proven Claim for each Supporting Rack Landlord equal to approximately 17 months’ rent under the respective Lease;
- (b) the Nordstrom Canada Entities agree to pursue the completion of the settlement contemplated by way of the Plan. The Nordstrom Canada Entities shall file the Plan with the Court consistent with the terms of the Supporting Rack Landlord Settlement Agreements, recommend to any Person entitled to vote on the Plan that they vote to approve the Plan and take all reasonable actions necessary to obtain approval of the Plan;
- (c) the Supporting Rack Landlord agrees that it shall:
 - (i) consent to the motion by the Nordstrom Canada Entities for a meeting order in the CCAA proceedings;
 - (ii) vote all of its CCAA Lease Claims (a) in favour of the approval, consent, ratification and adoption of the Plan (b) against any action that would result in any breach of any representation, warranty, covenant, or agreement or other obligation of the Supporting Rack Landlord under the Supporting Rack Landlord Settlement Agreement or Plan; and (c) against any transaction or plan which is contrary to the Supporting Rack Landlord Settlement Agreement or Plan;

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- (iii) consent to the motion by the Nordstrom Canada Entities for a sanction order in respect of the Plan in the CCAA Proceedings;
- (iv) not take any action, directly or indirectly, that is inconsistent with or is intended or likely to interfere with or frustrate the consideration, acceptance, implementation or consummation of the Supporting Rack Landlord Settlement Agreement or the Plan;
- (v) not, on or after the date of the Supporting Rack Landlord Settlement Agreement, withdraw, modify, or qualify, or propose to withdraw, modify, or qualify, in any manner adverse to the Nordstrom Canada Entities, its approval, recommendation or support for the Plan; and
- (vi) not sell, assign, transfer, pledge, encumber or hypothecate any of the CCAA Lease Claims.

64. In addition to the key terms described above, the Supporting Rack Landlord Settlement Agreement entered into with First Capital Holdings (Ontario) Corporation and First Capital Realty Inc. (together with First Capital Holdings (Ontario) Corporation, “**First Capital**”)⁶, the Landlord of the former One Bloor Street East Nordstrom Rack store, contains a provision wherein First Capital acknowledges and confirms to Nordstrom US and the Nordstrom Canada Entities that, upon receipt of the Settlement Payment, First Capital consents to a release of the Indemnity Agreement in respect of the Lease dated December 15, 2015 (the “**Indemnity Release**”) such that Nordstrom US and its affiliates (other than the Nordstrom Canada Entities):

- (a) shall have no liability or obligation to any Person with respect to the Settlement Payment or any other agreement made by the Nordstrom Canada Entities; and

⁶ Unlike the indemnities relating to the FLS Leases, Nordstrom US and the Nordstrom Canada Entities have consistently taken the position that the Nordstrom US indemnity relating to the One Bloor Street East Nordstrom Rack store expired in accordance with its terms, prior to the commencement of these CCAA proceedings.

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- (b) upon the effectiveness of the Indemnity Release, shall have no liability or obligation to any Person in respect of the Lease or the Indemnity.

65. The Nordstrom Canada Entities believe the settlement of the Nordstrom full-line store Landlords' CCAA Lease Claims, with the consent of the Monitor, at four and a half years of annual rent is fair and reasonable under the circumstances. As set out above, the terms of the Supporting Rack Landlord Settlements contemplate settlement of the CCAA Lease Claims at an amount equal to approximately 17 months of rent under the respective Lease. Each of the former Nordstrom full-line stores were significantly larger than the Nordstrom Rack locations, were generally in more valuable shopping centres in primary real estate markets and each of the Nordstrom full-line stores was an anchor tenant of its respective shopping centre. Securing a replacement anchor tenant, modifying the premises to instead house multiple tenants, or accommodating other uses will likely present a greater challenge for the former Nordstrom full-line store Landlords and will likely result in a significantly longer period of reconfiguration than will be experienced by the Supporting Rack Landlords.

(d) Wind-Up and Termination of the Employee Trust

66. The Initial Order approved the creation of the Employee Trust for the benefit of employees of Nordstrom Canada that was funded outside the estate by Nordstrom US. The agreement establishing the Employee Trust (the "**Trust Agreement**") provided that the Monitor was the administrator (the "**Administrator**"), Gale Rubenstein, in her personal capacity, was the trustee (the "**Trustee**"), and Nordstrom US was the settlor of the Employee Trust ("**Settlor**").

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67. Nordstrom US, as Settlor, made an initial contribution to the Employee Trust of \$14 million on March 13, 2023, and an additional final contribution of \$1.2 million on September 13, 2023.

68. The September Stay Extension Order approved the wind-up and termination of the Employee Trust following the completion of remaining activities, including tax filings and related payments (if any), and the release of the Administrator, Trustee, and Settlor from their respective obligations under the Trust Agreement and from any claims relating to their activities as Administrator, Trustee and Settlor, respectively. For the wind-up and termination to come into effect, the September Stay Extension Order required delivery by the Monitor of a certificate stating that the Monitor has received written confirmations from the Trustee, the Administrator, the Settlor, Nordstrom Canada and Employee Representative Counsel, as applicable, that no further actions are required to be done pursuant to the terms of the Employee Trust, including that (i) all required payments under the Employee Trust have been made; and (ii) such persons confirm their consent to the termination and wind-up of the Employee Trust (the “**Employee Trust Certificate**”).

69. Following the granting of the September Stay Extension Order, as part of the final reconciliation required under section 2.1(d) of the Trust Agreement, Nordstrom Canada and the Monitor:

- (a) reconciled the statutory termination and severance payments from the Nordstrom payroll system to the Employee Trust payment tracker maintained by the Monitor;
- (b) reconciled Employee Trust Top-Up payments from the Nordstrom payroll system to the Employee Trust payment tracker; and

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- (c) reconciled total payroll (including Employee Trust reimbursable payments) to payments processed through the Nordstrom Canada bank account.

70. On October 23, 2023, a final reimbursement in the amount of \$6,463.86 was wired to Nordstrom Canada as reimbursement for items identified in the final reconciliation. The Employee Trust has therefore reimbursed Nordstrom Canada a total of \$14,599,347. The remainder of the \$15.2 million funded by Nordstrom US has been used to pay for the costs and expenses of the Employee Trust, with approximately \$400,000 projected to be returned to Nordstrom US.

71. Since the September Stay Extension Order was granted, the final two employees of Nordstrom Canada have met the Deemed Release Terms as defined in the Trust Agreement.

72. The Monitor has not yet delivered the Employee Trust Certificate. The Monitor and the Trustee, with the assistance of the tax preparer, are working to complete the final tax return for the Employee Trust. The Nordstrom Canada Entities will provide an update to the Court on the timing of the termination of the Employee Trust at the upcoming hearing.

(e) Letter Agreement with the CRA

73. The Nordstrom Canada Entities, with the assistance of the Monitor, have been engaged with the CRA regarding certain Notices of Assessment issued by the CRA against NCH under Part XIII of the *Income Tax Act* dated June 27, 2023 (the “**CRA NCH Assessments**”). NCH filed Notices of Objection with respect to the CRA NCH Assessments on September 22, 2023 in a timely manner as it disagrees with such assessments (the “**NCH Objections**”).

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74. The CRA NCH Assessments reflect the Minister's position that NCH is liable to pay non-resident withholding tax pursuant to Part XIII of the *Income Tax Act* on behalf of NIL pursuant to subsection 215(6) in respect of interest paid by NCH to NIL in 2014, 2015, 2016, 2017, 2018, 2019, 2020, and 2021 (the "**Relevant Years**") with respect to the Canada Expansion Loan. The CRA NCH Assessments also assess penalties and arrears interest and are estimated to be in the total amount of approximately \$36 million as at June 27, 2023.

75. In order to resolve the CRA NCH Assessments as against the Nordstrom Canada Entities for the benefit of their third-party creditors and the CCAA proceedings as a whole, NIL, NCH and the Minister have entered into an agreement (the "**CRA Agreement**") whereby the Minister will vacate the CRA NCH Assessments as against NCH, and instead assess and accept security from NIL. NIL does not agree with and retains its entitlement to dispute the merits of the Minister's position. The key terms of the agreement include:

- (a) As soon as reasonably possible, but in no event later than January 5, 2024, NIL will deliver to the Minister an original irrevocable standby letter of credit in the amount of \$39,298,779 (the "**Interim ISLC**"), which will secure the NIL Assessments described below.
- (b) The Minister will make reasonable efforts to:
 - (i) issue Notices of Assessment to NIL by January 22, 2024 assessing non-resident withholding tax under Part XIII of the *Income Tax Act*, arrears interest, and applicable penalties on substantially the same basis as the CRA NCH Assessments (the "**NIL Assessments**"); and

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- (ii) advise NCH and NIL by January 29, 2024 of the letter of credit amount that the Minister requires NIL to post as security for payment of the NIL Assessments (the “**LC Amount**”).
- (c) The Minister will take all necessary steps to vacate the CRA NCH Assessments and make reasonable best efforts by no later than 15 business days after receipt of the Interim ISLC to withdraw and vacate the CRA NCH Assessments or issue nil reassessments, such that there will be no further claims or new assessments against NCH in respect of the potential claims reflected in the CRA NCH Assessments.
- (d) If the LC Amount is greater or less than \$39,298,779, then NIL will deliver to the Minister an amended or replacement letter of credit in the LC Amount (the “**ISLC**”), which the Minister will accept, in substitution for the Interim ISLC.
- (e) The Minister agrees not to draw-down on the Interim ISLC or the ISLC except in certain specified circumstances.
- (f) Nothing in the CRA Agreement limits NIL’s right to challenge the NIL Assessments on their merits (including by way of objection or appeal) or to seek relief from the competent authorities of Canada and/or the United States under the *Canada-United States Tax Convention*.
- (g) Provided that the Minister receives the Interim ISLC or ISLC, the Minister agrees that no distributions in the CCAA proceedings will be made to the Receiver General for Canada in respect of the CRA NCH Assessments nor will the Minister have any further recourse against NCH on account of the CRA NCH Assessments.

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76. As discussed further below, a condition precedent to the implementation of the Plan is that the Minister shall have withdrawn and vacated the CRA NCH Assessments as contemplated by the CRA Agreement.

D. Development of the Plan

77. As described above, the Court granted the Sale Approval Order that, among other things, authorized the Merchant, with the assistance of the Consultant, to undertake the Liquidation Sale in accordance with the terms of the Sale Approval Order, the Consulting Agreement, and the Sale Guidelines. The Court also granted two Approval and Vesting Orders, which among other things, approved the transactions completed by the Winners Agreement and the G2MC Agreement.

78. The Nordstrom Canada Entities have completed the Liquidation Sale for the six Nordstrom full-line stores and seven Nordstrom Rack stores and closed the transaction under the G2MC Agreement. Through these two processes – the Liquidation Sale and the Lease transaction process – the Nordstrom Canada Entities sought to maximize the value of their assets for distribution to their stakeholders.

79. The Liquidation Sale resulted in net proceeds of approximately \$107.7 million (after payment of Consultant fees and the reimbursement of third-party costs associated with the removal of FF&E and decommissioning/repair work to ready the stores for handover) and the transactions in the Lease Monetization Process resulted in a significant reduction of Landlord claims in the estate that would otherwise arise from the disclaimer of those Leases, as described in the Fifth Heckel Affidavit, and additional proceeds from the assigned Leases.

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80. The Nordstrom Canada Entities have moved from the realization phase of these CCAA proceedings to implementing the Claims Process and developing a Plan that would distribute the proceeds in a fair, equitable and timely manner and complete the orderly wind down of the Nordstrom Canada Entities' business.

81. Since the Stay Period was last extended on September 27, 2023, the Nordstrom Canada Entities and their counsel have analyzed various economic and legal structures for a potential plan and discussed the development of a plan with Nordstrom US, its advisors, and the Monitor.

82. The Plan establishes voting and distribution mechanisms in respect of Creditors' Claims filed in the Claims Process that have been accepted by the Nordstrom Canada Entities, in consultation with the Monitor, and finally determined under the Claims Procedure Order ("**Proven Claims**").

83. To develop a plan that would maximize recoveries for third-party creditors, the Nordstrom Canada Entities and Nordstrom US have agreed that Nordstrom US as Plan Sponsor will make certain financial and other contributions to the Plan.

84. As described above, the Nordstrom Canada Entities, with the assistance of the Monitor, have also had extensive discussions and negotiations with counsel representing the Landlords of Nordstrom Canada's former retail Leases. Ultimately, these parties, who collectively, by far, filed the largest third-party Claims in the Claims Process, have agreed to resolve their Claims in accordance with the proposed Plan, including settling the value of their CCAA Lease Claims in the CCAA estate pursuant to the FLS Landlord Settlement Agreements and the Supporting Rack Landlord Settlement Agreements.

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85. Counsel for the Nordstrom Canada Entities and the Monitor also met with Employee Representative Counsel to discuss the development of the Plan and address their questions regarding the Plan. The Nordstrom Canada Entities understand that Employee Representative Counsel will post updates concerning the Creditors' Meeting and Plan to its dedicated website for the CCAA proceedings.

E. The Plan

86. If approved, sanctioned and implemented, the Plan will complete the controlled, orderly and timely wind down of the Nordstrom Canada Entities, provide for a compromise and settlement of all Affected Claims, effect a release and discharge of all Affected Claims and of all claims proposed to be released pursuant to the Plan and effect a global resolution of these CCAA proceedings. On the Plan Implementation Date, each Affected Claim will be fully and finally compromised, released, settled and discharged under the Plan.

(a) The Consolidated Plan

87. The Plan provides for the compromise and settlement of the Affected Claims on a consolidated basis. As described in the Initial Heckel Affidavit, despite being separate legal entities, the business activities of the Nordstrom Canada Entities were intertwined and together represented the "Nordstrom" business in Canada. Nordstrom Canada acted as the retail operating entity in Canada, including by employing all former Canadian employees. Each store location formerly operated by Nordstrom Canada was leased by a third-party landlord to Canada Leasing LP and thereafter subleased by Canada Leasing LP to Nordstrom Canada by a separate sublease in accordance with the applicable Lease.

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88. In addition, prior to the commencement of these CCAA proceedings (and during the CCAA proceedings pursuant to the Wind-Down Agreement, which is defined in the Initial Heckel Affidavit), Nordstrom US provided the Nordstrom Canada Entities with (i) administrative and business support services, including legal, finance, accounting, bill processing, payroll, human resources, merchandising, strategy, and information technology project support (collectively, the “**Shared Services**”) and (ii) the right to use intellectual property under an inter-affiliate license and services agreement between Nordstrom US and Nordstrom Canada (the “**License and Services Agreement**”). Under the License and Services Agreement, Nordstrom Canada agreed to operate the Canadian retail stores and Nordstrom.ca. Other inter-affiliate services agreements were entered into between Nordstrom US and the other Nordstrom Canada Entities, and between Nordstrom Canada and Canada Leasing LP such that the Nordstrom Canada Entities together operated the Nordstrom business in Canada, dependent on the Shared Services and rights to use the intellectual property provided by Nordstrom US. The Nordstrom Canada Entities have paid Nordstrom US for the provision of such services, net of any Shared Service fees owed by Nordstrom US to the Nordstrom Canada Entities, pursuant to the fee structure set forth in the Wind-Down Agreement.

89. As further described in the Initial Heckel Affidavit, the Nordstrom Canada Entities maintained a centralized cash management system which was administered by Nordstrom US from its head office in Seattle to collect, transfer and disburse funds generated by the operations of the Nordstrom Canada Entities. The Nordstrom Canada Entities were dependent upon Nordstrom US for Shared Services, such as treasury, banking and related services that were provided through the License and Services Agreement.

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90. The Nordstrom Canada Entities, or any of them on an individual basis, did not prepare stand-alone financial statements. As a publicly traded company, Nordstrom US files consolidated financial statements with the US Securities and Exchange Commission, which, prior to the CCAA proceedings, included the consolidated results of operations in the US and Canada.

91. As a result of the foregoing, the Nordstrom Canada Entities have developed the Plan to present to their Affected Creditors on a consolidated basis.

(b) Classification of Creditors

92. The Plan creates a single class of Affected Creditors for voting and distribution purposes – the Unsecured Creditors’ Class – that would be entitled to vote as a single class of creditors and then receive cash distributions under the Plan in respect of their Proven Claims. The procedures for valuing Voting Claims⁷ and resolving disputes and entitlements to voting are set forth in the Claims Procedure Order, the Meeting Order, the Plan and the CCAA.

93. Certain Claims are to be unaffected by the Plan (defined in the Plan as “**Unaffected Claims**”) and will not be compromised. The Unaffected Claims include any: (a) Excluded Claim; (b) Claim in respect of the Administrative Reserve Costs; (c) FLS Landlord Guarantee Claim; (d) Priority Claim; and (e) Insured Claim.

⁷ “**Voting Claim**” means the amount of the Affected Claim of an Affected Creditor as finally determined for voting purposes in accordance with the Claims Procedure Order and the Meeting Order entitling such Affected Creditor to vote at the Creditors’ Meeting in accordance with the provisions of the Meeting Order, the Plan and the CCAA, and includes, for greater certainty, a Proven Claim.

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94. Persons holding Equity Claims will not be entitled to vote at the Creditors' Meeting and are not entitled to any distributions under the Plan or to otherwise receive any compensation in respect of those Equity Claims.

95. The Plan Sponsor will also not be entitled to vote on the Plan, including in respect of any amounts paid to any FLS Landlords in respect of any FLS Landlord Guarantee Claim. The CCAA Lease Claims of the FLS Landlords will also not be voted at the Creditors' Meeting as the Plan Sponsor will receive amounts distributed in respect of such Claims from the FLS Landlords.

96. Insured Claims will not be compromised, settled, released or discharged by the Plan. Any Person with an Insured Claim is limited to recovery in respect of the applicable Insurance Policies and not from the Nordstrom Canada Entities.

(c) Key Elements of the Plan

97. On the Plan Implementation Date, consistent with the consolidated approach adopted for the Plan, the Nordstrom Canada Entities will use all their cash to establish the following applicable Cash Pools and Cash Reserves:

- (a) **Consolidated Cash Pool** – Each of the Nordstrom Canada Entities shall deliver or cause to be delivered to Nordstrom Canada all of its Cash, if any, including all proceeds of sale from the Liquidation Sale and the Lease Monetization Process, which Cash shall be held by Nordstrom Canada in the Consolidated Cash Pool Account for itself and as nominee for the other Nordstrom Canada Entities (to the extent of their contributions). In addition, NCL shall become obligated to deliver

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or cause to be delivered to Nordstrom Canada from and after the Plan Implementation Date, the Cash amount of any NCL Rack Distribution ITCs as and when received by NCL, which Cash shall be held by Nordstrom Canada in the Consolidated Cash Pool Account as nominee for NCL.

- (b) **NCL ITC⁸ Cash Pool** – NCL shall become obligated to deliver or cause to be delivered to Nordstrom Canada, from and after the Plan Implementation Date, the Cash amount of any NCL FLS Distribution ITCs as and when received by NCL, which Cash shall be held by Nordstrom Canada in the NCL ITC Cash Pool Account as nominee for NCL. The NCL ITC Cash Pool is therefore comprised of all Cash received by NCL on account of ITCs resulting from distributions made to FLS Landlords pursuant to the Plan. Only these Creditors of NCL (i.e., the FLS Landlords) are entitled to receive distributions from the NCL ITC Cash Pool because these ITCs are only created by payments made to these Creditors of NCL.

In addition to the NCL ITCs, the Plan addresses Plan Sponsor ITCs, which are generated as a result of payments by the Plan Sponsor under the FLS Landlord Settlement Agreements, described above. Plan Sponsor ITCs will be received or realized by NCL. Pursuant to the Plan, the Plan Sponsor ITCs are held in trust by

⁸ An “ITC” means an input tax credit receivable and claimed under the *Excise Tax Act* (Canada), R.S.C. 1985, c. E-15, as amended, and any regulations thereunder, or any equivalent or corresponding amount receivable and claimed under any applicable provincial or territorial legislation imposing a similar value-added or multi-staged tax, on account of HST/GST paid or payable.

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NCL for the benefit of the Plan Sponsor as and when received or otherwise realized and are not contributed to either of the Cash Pools or the Cash Reserves.

- (c) **Administrative Reserve Account** – Nordstrom Canada, on behalf of itself and each of the other Nordstrom Canada Entities, shall transfer the Cash necessary to establish the Administrative Reserve to the Administrative Reserve Account from the Consolidated Cash Pool, for the purpose of paying the “**Administrative Reserve Costs**”, which are enumerated in the Plan.
- (d) **Disputed Claims Reserve Account** – Nordstrom Canada, on behalf of itself and each of the other Nordstrom Canada Entities, shall transfer the Cash necessary to establish the Disputed Claims Reserve to the Disputed Claims Reserve Account from the Consolidated Cash Pool, pending the final resolution of any Disputed Claims in accordance with the Plan.

98. Each Affected Creditor with Proven Claims in the aggregate that are less than or equal to \$15,000 are deemed to be “Convenience Class Creditors” and to vote in favour of the Plan. Each Affected Creditor with Proven Claims in the aggregate in excess of \$15,000 can elect to be treated for all purposes as a Convenience Class Creditor.

99. The Administration Charge and the Directors’ Charge will continue and will be deemed to attach solely against the Consolidated Cash Pool, the NCL ITC Cash Pool and the Cash Reserves, in the order of priority set out in the Initial Order.

100. On the Plan Implementation Date, certain parties will be released, as follows:

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- (a) each of the Nordstrom Canada Entities and their respective Directors, Officers, current and former employees, advisors, legal counsel and agents from all Claims, including any Claims based on any occurrence taking place on or prior to the later of the Plan Implementation Date and the date on which actions are taken to implement the Plan, subject to certain specified carve-outs;
- (b) (i) the Monitor, A&M, and their respective affiliates, and each of their current and former directors, officers, employees, representatives, advisors, legal counsel and agents, (ii) counsel to the Directors and Officers, (iii) the Trustee, and (iv) Employee Representative Counsel, from all Claims, including any Claims based on any occurrence taking place on or prior to the later of the Plan Implementation Date and the date on which actions are taken to implement the Plan, subject to certain specified carve-outs; and
- (c) the Plan Sponsor, the Plan Sponsor Subsidiaries and their current and former directors, officers and employees and their respective advisors, legal counsel and agents from all Claims, including any Claims based on any occurrence taking place on or prior to the later of the Plan Implementation Date and the dates on which actions are taken to implement the Plan, subject to certain specified carve-outs including the FLS Landlord Guarantee Claims.

(d) Treatment of Intercompany Claims

101. As discussed above, the Claims Procedure Order provides that an Intercompany Claim identified in the Monitor's Intercompany Claims Report shall not be accepted by the Nordstrom

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Canada Entities or the Monitor unless and until such Intercompany Claim has been approved by the Court. The Plan provides that the Sanction and Vesting Order would order that the Intercompany Claims set out in Schedule “A” to the Plan are deemed to be Proven Claims for the purposes of the Claims Procedure Order and the Plan. All of the amounts set out in Schedule “A” to the Plan are for amounts equal to or less than the amount set out for such Claim in the Monitor’s Intercompany Claims Report, other than the NINC Employee Trust Subrogated Claim. A copy of Schedule “A” to the Plan is separately attached as **Exhibit “D”** for ease of reference.

102. On the Plan Implementation Date, the Plan Transaction Steps set out in section 5.2 of the Plan will occur, including with respect to the Intercompany Claims, as follows:

- (a) NINC-NCH Services Claim: “**NINC-NCH Services Claim**” means the Pre-Filing Claim by the Plan Sponsor against NCH for unpaid fees relating to the provision of shared services pursuant to the NINC-NCH Services Agreement, in the amount of \$55,031 and identified as Claim No. 6 under the Intercompany Claims Report. The Plan Sponsor shall cause the NINC-NCH Services Claim to be contributed down the corporate ownership chain to the capital of NCH, in full and final settlement and extinguishment of the NINC-NCH Services Claim.
- (b) NINC-NCHII Services Claim: “**NINC-NCHII Services Claim**” means the Pre-Filing Claim by the Plan Sponsor against NCHII for unpaid fees relating to the provision of shared services pursuant to the NINC-NCHII Services Agreement, in the amount of \$56,829 and identified as Claim No. 7 under the Intercompany Claims Report. The Plan Sponsor shall cause the NINC-NCHII Services Claim to

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be contributed down the corporate ownership chain to the capital of NCH, and NCH shall in turn contribute the NINC-NCHII Services Claim to the capital of NCHII, in full and final settlement and extinguishment of the NINC-NCHII Services Claim.

- (c) NINC-NCRI Services Claim and the NCRI Transfer Pricing Claim: “**NINC-NCRI Services Claim**” means a Pre-Filing Claim by the Plan Sponsor against Nordstrom Canada for unpaid fees relating to the provision of shared services and the licensing of intellectual property pursuant to the License and Services Agreement, in the amount of \$17,661,179 and identified as Claim No. 2 under the Intercompany Claims Report. “**NCRI Transfer Pricing Claim**” means a claim by Nordstrom Canada against the Plan Sponsor for unpaid transfer pricing payments pursuant to the “Transfer Pricing Policy” under the License and Services Agreement, in the amount of \$87,400,488 and identified as Claim No. 3 under the Intercompany Claims Report. “**Net NINC-NCRI Services Claim**” means the remaining balance of the NINC-NCRI Services Claim of \$17,461,179, having been reduced by \$200,000, being the fair market value of the Canada Customer Data, as a result of the partial settlement and satisfaction in accordance with the Plan Transaction Steps. In full and final settlement and satisfaction of the Net NINC-NCRI Services Claim and the NCRI Transfer Pricing Claim:

- (i) Nordstrom Canada and the Plan Sponsor will fully and finally settle and satisfy the Net NINC-NCRI Services Claim (a Claim owing by Nordstrom Canada to NINC) by way of set-off of such claim against the NCRI Transfer Pricing Claim (a Claim owing by NINC to Nordstrom Canada), such that the amount of the NCRI Transfer Pricing Claim will be partially settled and reduced to the Net NCRI Transfer Pricing Claim; and

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- (ii) The Plan Sponsor will pay to Nordstrom Canada the Cash amount of the Net NCRI Transfer Pricing Claim in the amount of \$69,939,309 in full and final settlement and satisfaction of this Claim.
- (d) NCL Post-Filing Sublease Rent Claim: “**NCL Post-Filing Sublease Rent Claim**” means NCL’s Post-Filing Claim as against Nordstrom Canada for unpaid Real Estate Improvement Rent, in the amount of \$26,227,411 and identified as Claim No. 9 under the Intercompany Claims Report. Nordstrom Canada will pay from its Cash to NCL the Cash amount of the NCL Post-Filing Sublease Rent Claim in the amount of \$26,227,411 in full and final settlement and satisfaction of this Claim.
- (e) NCL-NCRI Claims Settlement Agreement: “**NCL-NCRI Claims Settlement Agreement**” means the agreement between NCL and Nordstrom Canada, to be deemed effective on the Plan Implementation Date, which results in the full and final settlement and satisfaction of the NCL Pre-Filing Sublease Rent Claim (Intercompany Claim No. 8), the NCL Sublease Termination Claim (Intercompany Claim No. 10) and the NCRI-NCL Services Claim (Intercompany Claim No. 11). The NCL-NCRI Claims Settlement Agreement will be, and will be deemed to be, effective, pursuant to which NCL will direct Nordstrom Canada to contribute the NCL-NCRI Claims Settlement Amount to the Consolidated Cash Pool for the benefit of NCL.

103. The three remaining Intercompany Claims included in the Intercompany Claims Report not described above will be proven and distributed from the Consolidated Cash Pool on a *pro rata* basis pursuant to the Plan as follows:

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- (a) NIL Canada Expansion Loan Claim: **“NIL Canada Expansion Loan Claim”** means a Pre-Filing Claim by NIL against NCH, in the amount of \$309,832,891, in respect of loans advanced by NIL under the NIL Canada Expansion Loan Agreement, which is identified as Claim No. 1 under the Intercompany Claims Report. Pursuant to the Plan, the NIL Canada Expansion Loan Claim shall be a Proven Claim in an amount which will generate total distributions under the Plan on account of such Claim equal to (and in any case no greater than) the Cash on hand at NCH available for distribution to Affected Creditors on the Plan Implementation Date, being approximately \$0.9 million. As a consequence, Nordstrom US (through NIL) will not recover the vast majority of the NIL Canada Expansion Loan Claim. Current modelling forecasts the NCL Canada Expansion Loan Claim to be proven in the amount of \$1.2 million, representing more than \$300 million not being recovered by the Plan Sponsor.
- (b) NINC Employee Trust Subrogated Claim: **“NINC Employee Trust Subrogated Claim”** means a subrogated Pre-Filing Claim by the Plan Sponsor against Nordstrom Canada authorized pursuant to the Initial Order in respect of the aggregate gross amounts paid to beneficiaries directly or indirectly from the Employee Trust, which was in the amount of \$13,633,426 as at the date of the Intercompany Claims Report and now constitutes a final amount of \$14,599,347, and is identified as Claim No. 4 under the Intercompany Claims Report.
- (c) NINC-NCL Services Claim: **“NINC-NCL Services Claim”** means a Pre-Filing Claim by the Plan Sponsor against NCL for unpaid fees relating to the provision of

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shared services pursuant to the NINC-NCL Services Agreement between the Plan Sponsor and NCL, in the amount of \$495,582 and identified as Claim No. 5 under the Intercompany Claims Report.

104. Nordstrom US will not recover on other Claims which could be subrogated Claims as against the Nordstrom Canada Entities in the amount of approximately \$1 million.

105. Holders of Intercompany Claims are not entitled to vote at the Creditors' Meeting.

(e) Distributions under the Plan

106. On the Initial Distribution Date, Nordstrom Canada, on behalf of itself and each of the other Nordstrom Canada Entities, will distribute the Cash in the Consolidated Cash Pool as follows:

- (a) first, each Other Priority Claim⁹ Creditor will receive a distribution in full amount of its Other Priority Claim, in full and final settlement and satisfaction of its Other Priority Claim;
- (b) second, each Convenience Class Creditor will receive a distribution in the full amount of its Convenience Class Claim, in full and final settlement and satisfaction of its Proven Claim;

⁹ “**Other Priority Claim**” means a Claim identified and accepted by the Nordstrom Canada Entities, in consultation with the Monitor, as a proven “priority claim” pursuant to the Claims Procedure Order.

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- (c) third, each Affected Creditor (other than a Convenience Class Creditor) with a Proven Claim will receive an initial distribution in respect of such Proven Claim in an amount equal to its Pro Rata Share of the Cash in the Consolidated Cash Pool Account on the Initial Distribution Date provided that, notwithstanding the Pro Rata Share distribution to such Affected Creditors, the amount of the distribution paid to each Supporting Rack Landlord on the Initial Distribution Date will be the full amount required to be paid to such Supporting Rack Landlord pursuant to its Supporting Rack Landlord Settlement Agreement (i.e., the Rack Landlord Settlement Payments), with no further distributions to be made to the Supporting Rack Landlords under the Plan. The amount of the Rack Landlord Settlement Payments shall be based on a Proven Claim for such Supporting Rack Landlord determined by the Nordstrom Canada Entities, with the consent of the Monitor, no less than five (5) Business Days prior to the Plan Implementation Date.

107. From and after the Initial Distribution Date, as frequently as the Nordstrom Canada Entities and the Monitor may determine, Nordstrom Canada, on behalf of itself and each of the other Nordstrom Canada Entities, as applicable, will distribute to each Affected Creditor with a Disputed Claim that has become a Proven Claim an amount of Cash from the Disputed Claims Reserve Account equal to the aggregate amount of all distributions such Affected Creditor would have already received pursuant to the Plan had its Claim been accepted as a Proven Claim prior to the applicable Distribution Date. Any remaining balance in the Disputed Claims Reserve Account relating to such Affected Creditor's Disputed Claim will be deposited into the Consolidated Cash

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Pool Account for distribution to each Affected Creditor with a Proven Claim in an amount equal to such Affected Creditor's respective Pro Rata Share.

108. From and after the Initial Distribution Date, as frequently as the Nordstrom Canada Entities and the Monitor may determine, Nordstrom Canada, on behalf of NCL, will make a distribution to each FLS Landlord with a Proven Claim in an amount equal to the amount of Cash in the NCL ITC Cash Pool Account multiplied by the FLS Landlord ITC Share in respect of such FLS Landlord applicable to such distribution. Although the Plan is consolidated, as described above, the creation of and distributions from the NCL ITC Cash Pool ensure that ITCs which are created solely from distributions to the FLS Landlords are distributed to such Landlords. From and after the Plan Implementation Date, NCL will deliver or cause to be delivered to Nordstrom Canada the Cash amount of any NCL Rack Distribution ITCs as and when received by NCL, which Cash shall be held by Nordstrom Canada in the Consolidated Cash Pool Account as nominee for NCL.

109. No later than the Initial Distribution Date, Nordstrom Canada, on behalf of itself and each of the other Nordstrom Canada Entities, shall distribute Cash from the Administrative Reserve to pay certain Administrative Reserve Costs to the extent they are due and owing on such date, as set out in the Plan.

110. To the extent any Plan Sponsor ITCs are held by NCL on the Plan Implementation Date, and at such later time or times that any additional Plan Sponsor ITCs are received or realized by NCL, the full Cash amount of such Plan Sponsor ITCs will be paid to the Plan Sponsor.

111. On the Final Distribution Date, once there are no remaining Disputed Claims, Nordstrom Canada, on behalf of itself and each of the other Nordstrom Canada Entities will:

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- (a) first, pay any final Administrative Reserve Costs from the Administrative Reserve Account;
- (b) second, contribute any balance remaining in the Administrative Reserve Account and the Disputed Claims Reserve Account to the Consolidated Cash Pool Account;
- (c) third, distribute to the Affected Creditors with Proven Claims an amount equal to such Affected Creditor's respective Pro Rata Share of any Cash in the Consolidated Cash Pool Account, in full and final settlement, satisfaction and extinguishment of such Affected Creditor's Proven Claim; and
- (d) fourth, provide written notice to the Monitor that it has completed its duties to fully and finally effect all distributions, disbursements and payments in accordance with the Plan.

112. To the extent that payments are not cashed and become stale-dated or are returned as undeliverable, the Affected Creditor must notify the Monitor of the Affected Creditor's current address or wire particulars, at which time all such distributions will be made to such Creditor. All claims for undeliverable or uncashed distributions in respect of Proven Claims must be made no later than the date that is four months following the Initial Distribution Date. If notice is not given before the deadline, the Affected Creditor's Claim will be forever discharged and barred and the Cash that otherwise would have been payable to that Affected Creditor will be returned to the Consolidated Cash Pool Account.

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113. An Affected Creditor may transfer or assign the whole of its Claim for distribution purposes after the Creditors' Meeting provided that the Nordstrom Canada Entities are not obliged to make distributions to any such transferee or assignee or otherwise deal with such transferee or assignee as an Affected Creditor in respect thereof unless and until actual notice of the transfer or assignment has been received and acknowledged by the Monitor in writing.

(f) Plan Sponsor Releases and Landlord Guarantee Claims

114. As described above, Nordstrom Canada's full-line store Leases were each subject to an Indemnity granted by Nordstrom US in favour of the applicable FLS Landlord. These FLS Landlord Guarantee Claims are required to be dealt with outside of the CCAA proceedings, pursuant to paragraph 15 of the Initial Order.

115. The Plan provides that the FLS Landlords, with respect to and to the extent of their FLS Landlord Guarantee Claims, shall be Unaffected Claims. Further, the Plan does not release or discharge any FLS Landlord Guarantee Claim. The FLS Landlord Guarantee Claims have been consensually resolved outside the Plan and the Plan does not purport to settle or otherwise resolve them.

116. The release of the Plan Sponsor in the Plan, excluding the FLS Landlord Guarantee Claims, is a necessary precondition to the contributions made by Nordstrom US under the Plan. The Nordstrom Canada Entities believe that Nordstrom US' involvement as Plan Sponsor is essential to achieving a successful Plan because, on balance, it will result in significantly higher and more timely recoveries to Affected Creditors as a whole from the Nordstrom Canada Entities' estates on

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a consolidated basis than they would receive from a non-consolidated plan or results that could have been achieved in bankruptcy proceedings.

117. Additionally, the Nordstrom Canada Entities believe that it is appropriate to release the Plan Sponsor in the Plan given that Nordstrom US has contributed, and continues to contribute, to the orderly wind down of the Nordstrom Canada Entities in a tangible and material way and will continue to do so after the Plan Implementation Date.

118. Nordstrom US' material contributions to these CCAA proceedings and the Plan include the following:

- (a) engaging in significant negotiations and discussions with the Nordstrom Canada Entities and the Monitor to resolve the CCAA Lease Claims associated with the FLS Landlords (the largest third-party Claims filed in the Claims Process) in a timely manner, without litigation, and at a level that resulted in a material increase to the unsecured creditor recovery;
- (b) not recovering on over \$300 million of the NIL Canada Expansion Loan Claim, which was a Pre-Filing Claim in the amount of \$309,832,891 and will be proven in the amount of approximately \$1.2 million and not recovering on other Claims against the Nordstrom Canada Entities of approximately \$1 million;
- (c) causing its wholly-owned subsidiary NIL to enter into the CRA Agreement with the CRA to vacate the CRA NCH Assessments in the amount of approximately \$36

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million as at June 27, 2023, and to cause the CRA to instead assess and accept security from NIL;

- (d) paying the approximately \$70 million transfer pricing amount due to Nordstrom Canada (after netting amounts owing by Nordstrom Canada for shared services);
- (e) funding the Employee Trust in the amount of \$15.2 million to cover payments to employees and the cost of administering the Employee Trust for the benefit of Nordstrom Canada's employees;
- (f) providing ongoing shared services to facilitate the orderly wind down of the Nordstrom Canada Entities' business;
- (g) maintaining the books and records of the Nordstrom Canada Entities for purposes of the completion of the Claims Process and the performance of the Nordstrom Canada Entities' duties under the Plan, or as the Nordstrom Canada Entities may otherwise be required under Applicable Law;
- (h) providing stability and certainty for the Nordstrom Canada Entities on filing for CCAA protection by entering into a new administrative services agreement, the Wind-Down Agreement, pursuant to which Nordstrom US agreed, in exchange for a fee, to continue providing Shared Services including required intellectual property and to provide \$15 million in debtor-in-possession financing, on reasonable terms, should such financing be required in these CCAA proceedings

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(although this financing was not ultimately required by the Nordstrom Canada Entities); and

- (i) pursuant to the Credit Agreement Amendment (as defined in the Initial Heckel Affidavit), removing Nordstrom Canada as a Loan Party to the Credit Agreement, negotiating for the release of Nordstrom Canada from its guaranty provided pursuant to the Guaranty Agreement and obtaining a release and discharge of the security interest granted by Nordstrom Canada to the Agent pursuant to the Canadian Security Agreement, among other things.

119. The Nordstrom Canada Entities note that if Nordstrom US recovered on all of its Claims against the Nordstrom Canada Entities, the recovery for Affected Creditors would be materially reduced. I understand that the Monitor agrees with this view.

120. The Nordstrom Canada Entities believe that the Releases are rationally related to the Plan and are in fact crucial to the successful implementation of the Plan. The Nordstrom Canada Entities have been advised by Tracie Hinson, the SVP Enterprise Operations of Nordstrom US, and believe that the aforementioned contributions of the Plan Sponsor are only available in the context of the Plan.

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(i) **The Plan Sponsor Support Agreement**

121. Attached as **Exhibit “E”** to this affidavit is a copy of the support agreement between Nordstrom US and the Nordstrom Canada Entities (the “**Plan Sponsor Support Agreement**”), which contains Nordstrom US’ agreement to be bound by the Plan.

122. The Plan Sponsor Support Agreement, dated December 13, 2023, provides that:

- (a) Nordstrom US agrees to be bound by the Plan and to perform, and cause its affiliates (other than the Nordstrom Canada Entities) to perform, all of the obligations of Nordstrom US and such affiliates under the Plan or incidental thereto, conditional upon the occurrence of the Plan Implementation Date; and
- (b) the Nordstrom Canada Entities agree to be bound by the Plan and to perform all of their respective obligations under the Plan, conditional upon the occurrence of the Plan Implementation Date. The Nordstrom Canada Entities agree to pursue the Plan, and will file the Plan with the Court consistent with the terms of the Plan Sponsor Support Agreement, recommend to any Person entitled to vote on the Plan that they vote to approve the Plan, and take all reasonable actions necessary to obtain approval of the Plan.

(g) **Other Plan Matters**

123. As described above, the Plan outlines the Plan Transaction Steps to be completed to implement the Plan. In addition to the Plan Transaction Steps related to the Intercompany Claims,

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described above, this includes the creation of the Consolidated and NCL ITC Cash Pool Accounts and both the Administrative and Disputed Claims Reserves, which are described above.

124. The Plan Transaction Steps also include:

- (a) payment by NCL to the Plan Sponsor of the full Cash amount of any Plan Sponsor ITCs held by NCL on the Plan Implementation Date. The Plan Sponsor ITCs were created solely from payments made by the Plan Sponsor and not from payments made by the Nordstrom Canada Entities. NCL will also be obligated to pay to the Plan Sponsor the Cash amount of any additional Plan Sponsor ITCs at such later time that such Plan Sponsor ITCs are received or realized by NCL;
- (b) the Nordstrom Canada Entities assigning, setting over and transferring to YSCHI, (a) any and all of NCL's right, title and interest in and to any amounts recovered by NCL pursuant to the Realty Tax Appeals¹⁰ and (b) on an "as is, where is" basis, any and all of NCL's right, title and interest in and to the Realty Tax Appeals, and all of NCL's benefits, burdens, obligations and liabilities related to such Realty Tax Appeals;
- (c) the transfer of the Canada Customer Data¹¹ by Nordstrom Canada to the Plan Sponsor (or its designee), in partial settlement and satisfaction of the NINC-NCRI Services Claim. Such Canada Customer Data will vest absolutely in and to the Plan

¹⁰ For purposes of the Plan, this means the two realty tax appeals referred to by (a) appeal number 3442661 for the taxation year 2021 and (b) appeal number 3487968 for the taxation year 2022, filed by NCL with respect to the former FLS Store located at Yorkdale Shopping Mall in Toronto, Ontario.

¹¹ "**Canada Customer Data**" means customer related data derived from the operation of the Business including, but not limited to, the Canada customer list(s).

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Sponsor (or its designee) free and clear of all Encumbrances pursuant to the Sanction and Vesting Order, such that the amount of the NINC-NCRI Services Claim shall be partially settled and reduced by \$200,000 to the Net NINC-NCRI Services Claim. Hilco Valuation Services provided a valuation of the Canada Customer Data for purposes of these CCAA proceedings. According to Hilco Valuation Services, the Canada Customer Data, on a standalone basis, separate and apart from any other intellectual property owned by Nordstrom Canada and its affiliates, is of nominal value (with a total net value of \$200,000).¹² The Nordstrom Canada Entities have reviewed this valuation and based on their knowledge of the Canada Customer Data, agree with such valuation. I am also informed that the Monitor believes the valuation is reasonable. The Nordstrom Canada Entities are in the process of considering privacy issues with respect to the Canada Customer Data and will address same at any motion for the Sanction and Vesting Order.

125. The implementation of the Plan will also be conditional on the fulfillment or waiver, where applicable, of certain conditions precedent, including that the Minister will have withdrawn and vacated the CRA NCH Assessments to the satisfaction of the Nordstrom Canada Entities and the Monitor, as described above.

126. The Plan also requires that the Plan Implementation Date must occur by no later than June 30, 2024, unless otherwise ordered by the Court.

¹² Hilco Valuation Services did not opine upon the ability of a buyer to legally obtain and utilize these assets under the CCAA and any other relevant Canadian law, including laws related to consumer privacy and anti-spam legislation.

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127. Upon receipt by the Monitor of written notice from the Nordstrom Canada Entities of the fulfilment or waiver of the conditions precedent to implementation of the Plan, the Monitor will deliver the Monitor's Plan Implementation Date Certificate to the Nordstrom Canada Entities and serve a copy thereof on the service list established in these CCAA proceedings. Following the Plan Implementation Date, the Monitor will file a copy of the Monitor's Plan Implementation Date Certificate with the Court and post a copy of same on the Monitor's Website.

128. If the Plan is approved by the Required Majority of the Affected Creditors at the Creditors' Meeting, the Nordstrom Canada Entities shall apply for the Sanction and Vesting Order. Among other things, the Sanction and Vesting Order will declare that following written notice from the Nordstrom Canada Entities to the Monitor that they have fully and finally effected all distributions in accordance with the Plan, the Monitor shall serve a copy of the Monitor's Plan Completion Certificate on the service list established in these CCAA proceedings, file a copy of the Monitor's Plan Completion Certificate with the Court and post a copy of same on the Monitor's Website.

F. The Proposed Meeting Order

129. The proposed Meeting Order authorizes the Nordstrom Canada Entities to convene the meeting of a single class of Creditors¹³ comprised of all Affected Creditors, the "Unsecured Creditors' Class", to consider and vote on the Plan. The Nordstrom Canada Entities propose that the Creditors' Meeting will be held at 10:00 a.m. on March 1, 2024 by electronic or virtual means.

¹³ All capitalized terms not otherwise defined in this section of the affidavit have the meanings given to them in the Meeting Order.

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(a) Notification

130. The Meeting Order provides for comprehensive notification of the Creditors' Meeting to the Affected Creditors. It is proposed that the Monitor will:

- (a) not later than January 15, 2024 or as soon as practicable thereafter, send the Letter to Creditors, Notice of Creditors' Meeting, the Proxy, the Convenience Class Claim Election, the Resolution, the Plan, and the Meeting Order (collectively, the **"Meeting Materials"**), to Affected Creditors and Employee Representative Counsel;
- (b) within four Business Days following the date of the Meeting Order, post a copy of the Meeting Materials to the Monitor's Website, and send a copy of the Meeting Materials to the Service List;
- (c) upon request by any Affected Creditor with a Voting Claim, received not less than five Business Days prior to the Creditors' Meeting, provide written or electronic copies of the Meeting Materials to such Affected Creditor; and
- (d) cause a notice of the Creditors' Meeting to be published once in *The Globe and Mail* (National Edition) on or before January 15, 2024.

(b) Conduct of the Creditors' Meeting

131. The Meeting Order provides that a representative of the Monitor will act as Chair of the Creditors' Meeting and, subject to any further order of this Court, will decide all matters relating

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to the conduct of the Creditors' Meeting. The Monitor may appoint one or more scrutineers for the supervision and tabulation of the attendance, quorum and votes cast at the Creditors' Meeting. One or more individuals designated by the Monitor will act as secretary at the Creditors' Meeting.

132. The only Persons entitled to attend the Creditors' Meeting are: (i) Affected Creditors entitled to vote at the Creditors' Meeting (or, if applicable, and Person holding a valid Proxy on behalf of one or more Affected Creditors) and any such Affected Creditor's legal counsel and financial advisors; (ii) the Chair, the scrutineers, and the secretary; (iii) representatives of the Monitor and the Monitor's legal counsel; (iv) representatives of the Nordstrom Canada Entities and the Nordstrom Canada Entities' legal counsel; (v) representatives of the Plan Sponsor and the Plan Sponsor's legal counsel; and (vi) Employee Representative Counsel. Any other Person may be admitted to the Creditors' Meeting on invitation of the Nordstrom Canada Entities, in consultation with the Monitor.

(c) Voting

133. The voting procedures were designed to provide a fair and equitable opportunity for Affected Creditors to register their votes for or against the Plan. The Meeting Order and the Plan provide, *inter alia*:

- (a) At the Creditors' Meeting, the Chair will direct a vote on the Resolution to approve the Plan and any amendments or variations thereto as the Monitor, the Nordstrom Canada Entities and the Plan Sponsor may consider appropriate.

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- (b) The quorum required at the Creditors' Meeting will be one Affected Creditor with a Voting Claim present at the Creditors' Meeting in person (by electronic or virtual means) or by proxy.
- (c) An Affected Creditor will be permitted to attend the Creditors' Meeting in person (electronically or virtually) or may appoint the Monitor or another person to attend the Creditors' Meeting as its proxyholder in accordance with the process provided in the Meeting Order. The Meeting Order also appoints Employee Representative Counsel as proxyholder for Represented Employees of the Nordstrom Canada Entities. The Meeting Order contains provisions outlining the requirements for voting and sets out the procedure and deadlines for an Affected Creditor to submit a Proxy or to notify the Monitor of its intention to attend and vote at the Creditors' Meeting in order to obtain a Personal Meeting Identifier.
- (d) Each Affected Creditor with a Voting Claim will be entitled to vote as part of the Unsecured Creditors' Class in the amount equal to the dollar value of its Voting Claim. For the purposes of voting or distribution under the Plan, a Claim will be denominated in Canadian dollars. Any Claim in a currency other than Canadian dollars must be converted to Canadian dollars, and any such amount will 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 for US dollars is US\$1:Cdn\$1.3614.

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- (e) Each Convenience Class Creditor will be deemed to vote as part of the Unsecured Creditors' Class in favour of the Plan. Each such vote will have a value equal to such Convenience Class Creditor's Proven Claim. Any Creditor who validly elects to be a Convenience Class Creditor by submitting a Convenience Class Election prior to the Election/Proxy Deadline will be deemed to have a Proven Claim in the amount of \$15,000 and will be deemed to vote in favour of the Plan.
- (f) The CRA will have one vote in respect of its Disputed Claims, the dollar value of which will be equal to \$1, without prejudice to the determination of the dollar value of such Disputed Claims for distribution purposes in accordance with the Claims Procedure Order and the Plan.
- (g) Each Affected Creditor with a Disputed Claim (other than the CRA in respect of its Disputed Claims) will be entitled to one vote at the Creditors' Meeting in the amount of a Voting Claim equal to the dollar value for such Disputed Claim as set out in the Notice of Revision or Disallowance delivered by the Monitor in respect of such Disputed Claim (or, if a Notice of Revision or Disallowance has not been delivered, the dollar value of such Disputed Claim as set out in such Affected Creditor's Proof of Claim or Notice of Dispute of Negative Notice Claim, as applicable), without prejudice to the determination of the dollar value of such Disputed Claim for distribution purposes in accordance with the Claims Procedure Order. The Monitor will keep a separate record of votes cast by Affected Creditors holding Disputed Claims and will report on same in the Monitor's Report Regarding the Creditors' Meeting (as defined below).

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- (h) An Affected Creditor may transfer or assign the whole of its Claim prior to the Creditors' Meeting, provided that neither the Nordstrom Canada Entities nor the Monitor will be obligated to give notice to or otherwise deal with the transferee or assignee of such Claim as an Affected Creditor, until notice of the transfer or assignment has been received and acknowledged by the Monitor in writing.¹⁴
- (i) Certain Persons are not entitled to vote on the Plan, including Persons holding Unaffected Claims and Intercompany Claims.
- (j) The Chair will be authorized to adjourn, postpone or otherwise reschedule the Creditors' Meeting on one or more occasions (without the need to first convene such Creditors' Meeting for the purpose of any adjournment, postponement or other rescheduling thereof). None of the Nordstrom Canada Entities, the Chair or the Monitor will be required to deliver any notice of adjournment of the Creditors' Meeting or adjourned Creditors' Meeting, provided that the Monitor will: (a) if applicable, announce the adjournment of the Creditors' Meeting or adjourned Creditors' Meeting; (b) post notice of the adjournment at the originally designated time and location of the Creditors' Meeting or adjourned Creditors' Meeting, as applicable; (c) forthwith post notice of the adjournment on the Monitor's Website; and (d) provide notice of the adjournment to the Service List forthwith.

¹⁴ Where a Claim has been transferred or assigned in part, the transferor or assignor will retain the right to vote at the Creditors' Meeting in respect of the full amount of the Claim, and the transferee or assignee will have no voting rights at the Creditors' Meeting in respect of such Claim.

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(d) Amendments to the Plan

134. The Meeting Order provides that the Nordstrom Canada Entities, with the consent of the Monitor and the Plan Sponsor, are authorized to make and to file any Plan Modification prior to or at the Creditors' Meeting, in which case any such Plan Modification will form part of and be incorporated into the Plan considered by Affected Creditors at the Creditors' Meeting.

135. The Meeting Order also provides that post-meeting amendments can be effected by the Nordstrom Canada Entities, with the consent of the Monitor and the Plan Sponsor, either pursuant to an Order of the Court or where such an amendment concerns a matter which is of an administrative nature required to better give effect to the implementation of the Plan and the Sanction and Vesting Order or to cure any errors, omissions or ambiguities. In either circumstance, the amendment cannot be materially adverse to the financial or economic interests of the Affected Creditors or the Unaffected Creditors.

(e) Approval and Court Sanction of the Plan

136. To be approved, the Plan must receive an affirmative vote by the Required Majority at the Creditors' Meeting. Following the vote at the Creditors' Meeting, the Monitor will tally the votes and determine whether the Plan has been approved by the Required Majority. The results of the Creditors' Meeting will be binding on all Affected Creditors, whether or not any such Affected Creditor is present or voting at the Creditors' Meeting, or was entitled to be present or vote at the Creditors' Meeting.

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137. The Nordstrom Canada Entities propose that, in the event that the Plan is approved by the Required Majority, the Nordstrom Canada Entities will bring the Sanction Motion on March 12, 2024 (or such later date as is acceptable to the Nordstrom Canada Entities and the Monitor).

138. The Monitor will provide a report to the Court as soon as practicable after the Creditors' Meeting (the "**Monitor's Report Regarding the Creditors' Meeting**") with respect to: (i) the results of voting at the Creditors' Meeting on the Resolution; (ii) whether the Required Majority has approved the Plan; (iii) the effect of the results of voting had all of the Affected Creditors with Disputed Claims also voted the full amount of their Disputed Claims; and (iv) in its discretion, any other matter relating to the Sanction Motion. A copy of the Monitor's Report Regarding the Creditors' Meeting, the Plan and a copy of the materials filed in respect of the Sanctions Motion will be served on the Service List and posted on the Monitor's Website prior to the Sanction Motion.

G. Extension of the Stay Period

139. The Initial Order granted a Stay Period until and including March 12, 2023. The Stay Period (including by extension the Co-Tenancy Stay) and the Parent Stay were extended to March 20, 2023, June 30, 2023, and later to September 29, 2023. The Stay Period (including by extension the Co-Tenancy Stay) were subsequently extended to December 22, 2023.

140. The Applicants are seeking to extend the Stay Period, including by extension the Co-Tenancy Stay, up to and including April 5, 2024. As set out above, the Nordstrom Canada Entities have made significant progress in these CCAA proceedings since the most recent stay extension motion. In particular, the Nordstrom Canada Entities have worked diligently to develop, and have

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developed, a comprehensive Plan to provide finality and certainty in these CCAA proceedings in a timely manner, and which is expected to provide significant recoveries to Creditors.

141. An extension of the Stay Period, including the Co-Tenancy Stay, is necessary to allow the Affected Creditors to consider and vote on the Plan and, if they approve the Plan, to permit the Nordstrom Canada Entities to bring the motion asking the Court to sanction the Plan. The Nordstrom Canada Entities believe that maintaining the Co-Tenancy Stay during the next stage of the case will continue to provide stability to the CCAA proceedings.

142. The Nordstrom Canada Entities have confirmed, in consultation with the Monitor, that they have sufficient cash resources to continue their wind down through to April 5, 2024. I understand that the Monitor will be filing a report with the Court prior to the hearing of this motion, which will include an updated cash flow forecast for the Nordstrom Canada Entities.

143. I believe that the Nordstrom Canada Entities have acted, and continue to act, in good faith and with due diligence in pursuing a controlled and orderly wind down. I believe that the proposed extension of the Stay Period, including the Co-Tenancy Stay, are in the best interests of the Nordstrom Canada Entities and their stakeholders. I am also informed by the Monitor that it supports the request to extend the Stay Period and the Co-Tenancy Stay.

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SWORN BEFORE ME over
videoconference this 13th day of December,
2023 in accordance with O. Reg. 431/20,
Administering Oath or Declaration Remotely.
The affiant is located in the City of Renton, in
the State of Washington and the commissioner
is located in the City of Toronto, in the
Province of Ontario.



Commissioner for Taking Affidavits
(or as may be)

HANNAH DAVIS
LSO# 85047N



MISTI HECKEL

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

Court File No: CV-23-00695619-00CL

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
NORDSTROM CANADA RETAIL, INC., NORDSTROM CANADA HOLDINGS, LLC and
NORDSTROM CANADA HOLDINGS II, LLC

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT TORONTO

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Lawyers for the Applicants

This is Exhibit “B” referred to in the Affidavit of Misti Heckel
sworn March 8, 2024.



Commissioner for Taking Affidavits (or as may be)

HANNAH DAVIS

Court File No. CV-23-0695619-00CL

**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 NORDSTROM CANADA RETAIL, INC.,
NORDSTROM CANADA HOLDINGS, LLC and NORDSTROM
CANADA HOLDINGS II, LLC

**CONSOLIDATED PLAN OF COMPROMISE
AND ARRANGEMENT**

pursuant to the *Companies' Creditors Arrangement Act*

December 13, 2023

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CONSOLIDATED PLAN OF COMPROMISE AND ARRANGEMENT

WHEREAS:

- A. Nordstrom Canada Retail, Inc. (“**NCRI**”), Nordstrom Canada Holdings, LLC (“**NCH**”) and Nordstrom Canada Holdings II, LLC (“**NCHII**”, and together with NCRI and NCH, collectively, the “**Applicants**”) and Nordstrom Canada Leasing LP (“**NCL**”, and together with the Applicants, collectively, the “**Nordstrom Canada Entities**”) are insolvent;
- B. The Applicants filed for and obtained protection under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) pursuant to an Order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) on March 2, 2023, as amended and restated on March 10, 2023 (and as further amended, restated or varied from time to time, the “**Initial Order**”);
- C. The Initial Order declared that, although not an Applicant, NCL shall enjoy the protections and authorizations provided by the Initial Order;
- D. Pursuant to the Initial Order, the Applicants have the authority to file with the Court a plan of compromise or arrangement, which plan will provide, among other things, a method of distribution to creditors with proven claims and the framework for the completion of the orderly wind-down of the Nordstrom Canada Entities’ business; and
- E. On December 20, 2023, the Court issued an Order (as may be amended, restated or varied from time to time, the “**Meeting Order**”), *inter alia*, accepting this consolidated plan of compromise and arrangement under and pursuant to the CCAA (including the Schedules hereto, as may be amended, supplemented or replaced from time to time, the “**Plan**”) for filing with the Court. Pursuant to and in accordance with the Initial Order and the Meeting Order, the Applicants hereby propose and present this consolidated Plan.

ARTICLE 1 INTERPRETATION

1.1 Definitions

In the Plan, unless otherwise stated or unless the subject matter or context otherwise requires:

“**A&M**” means Alvarez & Marsal Canada Inc.;

“**Administration Charge**” means the charge over the Property created by paragraph 53 of the Initial Order, and having the priority provided in paragraphs 54 and 56 of such Order;

“**Administrative Reserve**” means a Cash Reserve to be established on the Plan Implementation Date from the Consolidated Cash Pool (concurrently with the creation of the Disputed Claims Reserve and prior to any distributions to Affected Creditors therefrom) as authorized by the Court pursuant to the Sanction and Vesting Order, in an amount to be agreed by the Monitor and the Nordstrom Canada Entities five (5) Business Days prior to the Plan Implementation Date, and to be deposited by the Nordstrom Canada Entities into the Administrative Reserve Account for the purpose of paying the

Administrative Reserve Costs, which Administrative Reserve shall be subject to the Administrative Reserve Adjustment;

“Administrative Reserve Account” means a segregated interest-bearing trust account established by NCRI on behalf of itself and each of the Nordstrom Canada Entities to hold the Administrative Reserve on behalf of the beneficiaries thereof, under the supervision of the Monitor;

“Administrative Reserve Adjustment” means, on or after the Plan Implementation Date, a decrease in the Administrative Reserve in such amount and at such time(s) as the Monitor may determine to be appropriate, necessary or desirable, in consultation with the Nordstrom Canada Entities, and Cash in the amount of any such decrease shall be transferred to the Consolidated Cash Pool Account as appropriate;

“Administrative Reserve Costs” means costs incurred and payments to be made on or after the Plan Implementation Date (including costs incurred prior to the Plan Implementation Date which remain outstanding as of the Plan Implementation Date) in respect of:

- (a) 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 without limitation all costs associated with assisting the Nordstrom Canada Entities in completing the Claims Process, making distributions pursuant to this Plan, and the wind-down of the Nordstrom Canada Entities;
- (b) the Nordstrom Canada Entities’ fees and disbursements (including of their legal counsel and other consultants and advisors) in connection with the performance of their duties under the Plan and in the CCAA Proceedings, including without limitation all costs associated with completing the Claims Process, making distributions pursuant to this Plan, and the wind-down of the Nordstrom Canada Entities;
- (c) costs incurred by the Plan Sponsor in respect of the provision of any shared services in connection with the completion of the Claims Process and the performance of the Nordstrom Canada Entities’ duties under the Plan (including without limitation maintaining the books and records of the Nordstrom Canada Entities, and administering distributions, disbursements and payments under the Plan) pursuant to and in accordance with the Wind-Down Agreement, the Plan, and the Sanction and Vesting Order;
- (d) any third-party fees incurred in connection with the administration of distributions, disbursements and payments under the Plan;
- (e) any fees incurred in connection with the bankruptcy and/or the dissolution under corporate law or otherwise of the Nordstrom Canada Entities, including any retainer for the fees and disbursements of any trustee;
- (f) Post-Filing Claims;

- (g) Post-Filing Tax Claims;
- (h) the fees and disbursements of Employee Representative Counsel;
- (i) the fees and disbursements of any claims officers appointed under the Claims Procedure Order;
- (j) Excluded Claims, Government Priority Claims and Employee Priority Claims; and
- (k) any other reasonable amounts as the Monitor may determine in consultation with the Nordstrom Canada Entities;

“Affected Claim” means a Claim other than an Unaffected Claim;

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

“Applicable Law” means any law (including any principle of civil law, common law or equity), statute, Order, decree, judgment, rule, regulation, ordinance, 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;

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

“Assessments” means Claims of His Majesty the King in Right of Canada or of His Majesty the King in Right of any province or territory or of any municipality or of any other Taxing Authority in any Canadian or other jurisdictions, including without limitation 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;

“Basic Sublease Rent” means all Basic Sublease Rent or Minimum Sublease Rent (each as defined in the applicable Sublease) required to be paid by NCRI to NCL under the applicable Sublease during the Term (as defined in the applicable Sublease) of the applicable Sublease;

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

“Business” means the integrated operations and activities formerly carried on collectively by the Nordstrom Canada Entities;

“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;

“Canada Customer Data” means customer-related data derived from the operation of the Business including, but not limited to, the Canada customer list(s);

“Cash” means cash, certificates of deposit, bank deposits, commercial paper, treasury bills, amounts on account of ITCs (but excluding Plan Sponsor ITCs), refunds, cash collateral

posted on account of customs or other bonds, and any other cash equivalents, whether or not acquired or realized before or after the Plan Implementation Date;

“Cash Elected Amount” means \$15,000;

“Cash Management Bank” means any Person who is providing cash management services to any of the Nordstrom Canada Entities under the Cash Management System (as defined in the Initial Order);

“Cash Management Bank Claim” means any claim of any Cash Management Bank in connection with the provision of cash management services under the Cash Management System (as defined in the Initial Order) to any of the Nordstrom Canada Entities;

“Cash Reserves” means, collectively, the Administrative Reserve and the Disputed Claims Reserve, and **“Cash Reserve”** means any one of them;

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

“CCAA Charges” means collectively the Administration Charge and the Directors’ Charge;

“CCAA Proceedings” means the CCAA proceedings in respect of the Nordstrom Canada Entities commenced pursuant to the Initial Order;

“Claim” means a Pre-Filing Claim, a Restructuring Period Claim, a Pre-Filing D&O Claim, and a Restructuring Period D&O Claim, provided, however, that in any case the term “Claim” shall not include an Excluded Claim or any right, interest or claim of any Person that was previously released, barred, estopped, and/or permanently stayed, but shall include any claim arising through subrogation against any Nordstrom Canada Entity or any Director or Officer;

“Claims Bar Date” means: (a) in respect of a Pre-Filing Claim or a Pre-Filing D&O Claim, 5:00 p.m. on August 4, 2023; and (b) in respect of a Restructuring Period Claim or Restructuring Period D&O Claim, the later of (i) thirty (30) days after the date on which the Monitor sends a Negative Notice Claims Package or General Claims Package (each as defined in the Claims Procedure Order) with respect to such Claim, and (ii) 5:00 p.m. on August 4, 2023;

“Claims Procedure Order” means the Order of the Court made May 30, 2023 (including all schedules and appendices thereto) approving and implementing the claims procedure in respect of the Nordstrom Canada Entities and the Directors and Officers, and as may be further amended, restated or varied from time to time;

“Claims Process” means the procedures outlined in the Claims Procedure Order in connection with the assertion of Claims against any of the Nordstrom Canada Entities and/or the Directors and Officers;

“Conditions Precedent” means the conditions precedent to Plan implementation set out in Section 8.3;

“Consolidated Cash Pool” means the Cash pool comprised of all Cash of and contributed by the Nordstrom Canada Entities, excluding the Plan Sponsor ITCs, the NCL FLS Distribution ITCs and the Cash Reserves, and including without limitation the net proceeds of the Liquidation Sale, consolidated for purposes of making distributions to Creditors of all of the Nordstrom Canada Entities;

“Consolidated Cash Pool Account” means a segregated interest-bearing trust account established by NCRI to hold the Consolidated Cash Pool on behalf of itself and each of the other Nordstrom Canada Entities under the supervision of the Monitor;

“Convenience Class Claim” excludes a Disputed Claim and means: (a) one or more Proven Claims of an Affected Creditor that are less than or equal to \$15,000 in the aggregate; and (b) one or more Proven Claims of an Affected Creditor in an amount in excess of \$15,000 in the aggregate that such Affected Creditor has validly elected to value at \$15,000 for purposes of the Plan by filing a Convenience Class Claim Election by the Election/Proxy Deadline;

“Convenience Class Claim Election” means the election by an Affected Creditor with one or more Proven Claims that are in an amount in excess of \$15,000 in the aggregate, submitted by no later than the Election/Proxy Deadline, to receive only the Cash Elected Amount and pursuant to which such Affected Creditor is thereby deemed to have foregone any recovery on its Proven Claim in excess of the Cash Elected Amount, to vote in favour of the Plan in respect of such Proven Claims, and to receive no other entitlements under the Plan;

“Convenience Class Creditor” means a Person having a Convenience Class Claim (including, for greater certainty, any Affected Creditor that has timely submitted a Convenience Class Claim Election);

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

“CRA NCH Assessments” means the Notices of Assessment under the ITA dated June 27, 2023 issued to NCH on the asserted basis that NCH is liable to pay non-resident withholding tax under Part XIII of the ITA on behalf of NIL pursuant to subsection 215(6) of the ITA in respect of interest paid by NCH to NIL in 2014, 2015, 2016, 2017, 2018, 2019, 2020 and 2021, and for certainty includes any and all claims relating thereto;

“Creditor” means any Person asserting an Affected Claim or an Unaffected Claim and may, where the context requires, include the assignee of such Claim or a personal representative, agent, litigation guardian, mandatary, trustee, interim receiver, receiver, receiver and manager, liquidator or other Person acting on behalf of such Person;

“Creditors’ Meeting” means the meeting of Affected Creditors to be called and held pursuant to the Meeting Order for the purpose of considering and voting upon the Plan, and includes any adjournment, postponement or rescheduling of such meeting;

“Director” means any Person 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 Nordstrom Canada Entities, in such capacity;

“Directors’ Charge” means the charge over the Property created by paragraph 43 of the Initial Order, and having the priority provided in paragraphs 54 and 56 of such Order;

“Disputed Claim” means that portion of an Affected Claim of an Affected Creditor in respect of which a Proof of Claim or Negative Notice Claim, as applicable, has been filed or issued in accordance with the Claims Procedure Order that has not been finally determined to be a Proven Claim in whole or in part in accordance with the Claims Procedure Order, the Meeting Order, or any other Order made in the CCAA Proceedings;

“Disputed Claims Reserve” means a Cash Reserve to be established on the Plan Implementation Date from the Consolidated Cash Pool (concurrently with the creation of the Administrative Reserve and prior to any distributions to Affected Creditors therefrom) as authorized by the Court pursuant to the Sanction and Vesting Order, in an amount to be determined by the Monitor in consultation with the Nordstrom Canada Entities five (5) Business Days prior to the Plan Implementation Date, which Cash Reserve shall be held by NCRI on behalf of itself and each of the other Nordstrom Canada Entities in the Disputed Claims Reserve Account for distribution in accordance with the Plan;

“Disputed Claims Reserve Account” means a segregated interest-bearing trust account established by NCRI on behalf of itself and each of the other Nordstrom Canada Entities to hold the Disputed Claims Reserve under the supervision of the Monitor;

“Distribution Date” means the day on which a distribution to Creditors of the Nordstrom Canada Entities with Proven Claims is made, other than the Initial Distribution Date or the Final Distribution Date;

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

“Election/Proxy Deadline” means the deadline for making a Convenience Class Claim Election and for submitting Proxies in accordance with the Meeting Order;

“Employee Priority Claims” means the following claims of Employees:

- (a) claims equal to the amounts that any such Employees would have been qualified to receive under paragraph 136(1)(d) of the BIA if the Nordstrom Canada Entities had become bankrupt on the Filing Date; and
- (b) claims for wages, salaries, commissions or compensation for services rendered by them 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 and about the Business during the same period;

“Employee Representative Counsel” means Ursel Phillips Fellows Hopkinson LLP, appointed pursuant to paragraph 30 of the Initial Order as counsel for all Represented Employees in the CCAA Proceedings, any proceeding under the BIA or in any other proceeding respecting the insolvency of the Applicants which may be brought before the Court;

“Employee Trust” means the employee trust created pursuant to the Employee Trust Agreement and approved by the Court pursuant to paragraph 24 of the Initial Order;

“Employee Trust Agreement” means the Trust Agreement dated as of March 2, 2023 among the Plan Sponsor, the Monitor and the Employee Trust Trustee, which was approved by the Court pursuant to paragraph 24 of the Initial Order;

“Employee Trust Trustee” means Gale Rubenstein in her capacity as trustee of the Employee Trust;

“Employees” means all current and former employees of the Nordstrom Canada Entities other than Directors and Officers, and **“Employee”** means any one of them;

“Encumbrance” means any charge, mortgage, lien, pledge, claim, restriction, security interest, security agreement, hypothecation, assignment, deposit arrangement, hypothec, lease, rights of others including without limitation Transfer Restrictions, deed of trust, trust or deemed trust, lien, financing statement, preferential arrangement of any kind or nature whatsoever, including any title retention agreement, or any other arrangement or condition which in substance secures payment or performance of any obligations, action, claim, demand or equity of any nature whatsoever, execution, levy, charge or other financial or monetary claim, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise, or other encumbrance, whether created or arising by agreement, statute or otherwise at law, attaching to property, interests or rights and shall be construed in the widest possible terms and principles known under law applicable to such property, interests or rights and whether or not they constitute specific or floating charges as those terms are understood under Applicable Law, including without limiting the generality of the foregoing, the CCAA Charges;

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

“ETA” means the *Excise Tax Act* (Canada), R.S.C. 1985, c. E-15, as amended, and any regulations thereunder;

“Excluded Claim” means any:

- (a) claim secured by any of the CCAA Charges;
- (b) claim that cannot be compromised pursuant to sections 5.1(2) and 19(2) of the CCAA; and
- (c) the Cash Management Bank Claim;

“Filing Date” means March 2, 2023;

“Final Distribution Date” has the meaning ascribed thereto in Section 6.10;

“Final Order” means a final Order of the Court, the implementation, operation or effect of which shall not have been stayed, varied, vacated or subject to pending appeal and as to which Order any appeal periods relating thereto shall have expired;

“FLS Landlord Guarantee Claim” means the rights, remedies and claims of a FLS Landlord against the Plan Sponsor arising under a Plan Sponsor Landlord Guarantee;

“FLS Landlord ITC Distribution” means the distributions to FLS Landlords from the NCL ITC Cash Pool Account under Section 6.6(b);

“FLS Landlord ITC Share” means the proportionate share of the NCL FLS Distribution ITCs generated by prior distributions to the applicable FLS Landlord which have not been distributed, which, in respect of a particular FLS Landlord, shall be calculated as:

A / B, where

“A” equals

(i) the aggregate amount of NCL FLS Distribution ITCs previously contributed to the NCL ITC Cash Pool Account which are generated on distributions made to such FLS Landlord, less

(ii) the aggregate amount of all FLS Landlord ITC Distributions previously made to such FLS Landlord, and

divided by

“B” equals

(i) the aggregate amount of all NCL FLS Distribution ITCs previously contributed to the NCL ITC Cash Pool Account, less

(ii) the aggregate amount of all FLS Landlord ITC Distributions previously made to any FLS Landlord;

“FLS Landlord Settlement Agreements” means, collectively, the settlement and other agreements entered into by the Plan Sponsor and the Nordstrom Canada Entities, as applicable, and each of the FLS Landlords to, among other things, consensually resolve the indemnity claims of such FLS Landlords against the Plan Sponsor arising under the Plan Sponsor Landlord Guarantees;

“FLS Landlords” means, collectively, the third-party Landlords of the FLS Stores, and **“FLS Landlord”** means any one of them;

“FLS Stores” means the former Nordstrom full-line stores in Canada listed on Schedule B hereto;

“Government Priority Claims” means all Claims of Governmental Authorities that are enumerated in section 6(3) of the CCAA in respect of amounts that are outstanding and that are of a kind that could be subject to a demand on or before the Final Distribution Date;

“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;

“Guarantee” means any guarantee, indemnity, surety or similar agreement by a Person to guarantee, indemnify or otherwise hold harmless any Person from or against any indebtedness, losses, Liabilities or damages of that Person, but excludes all Plan Sponsor Landlord Guarantees;

“HST/GST” means the goods and services tax and harmonized sales tax imposed under the ETA, and any equivalent or corresponding tax imposed under any applicable provincial or territorial legislation imposing a similar value added or multi-staged tax;

“Initial Distribution Date” means a date no more than five (5) Business Days after the Plan Implementation Date or such other date as the Nordstrom Canada Entities and the Monitor may agree;

“Initial Order” has the meaning ascribed thereto in the Recitals;

“Insurance Policy” means any insurance policy pursuant to which any Nordstrom 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 Nordstrom 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 Policy;

“Intercompany Claim” means any Claim that may be asserted against any Nordstrom Canada Entity by or on behalf of itself and: (a) any other Nordstrom Canada Entity; or (b) the Plan Sponsor or any of its affiliated companies, partnerships, or other corporate entities other than the Nordstrom Canada Entities, all as more particularly described in the Intercompany Claims Report;

“Intercompany Claims Report” means the Fifth Report of the Monitor dated August 3, 2023 reporting on the Monitor’s review of the Intercompany Claims pursuant to and in accordance with paragraph 44 of the Claims Procedure Order;

“ITA” means the *Income Tax Act* (Canada), R.S.C. 1985, c. 1 (5th Supp.), as amended, and any regulations thereunder;

“ITC” means an input tax credit receivable and claimed under the ETA or any equivalent or corresponding amount receivable and claimed under any applicable provincial or territorial legislation imposing a similar value-added or multi-staged tax, on account of HST/GST paid or payable;

“KERP” means the Key Employees Retention Plan approved by paragraph 39 of the Initial Order;

“KERP Claim” means a claim of any Person who was entitled to payment under the KERP;

“Landlord” means any Person who in its capacity as lessor was a party to a real property Lease to which any of the Nordstrom Canada Entities was a party, and for the avoidance of doubt includes NCL as sublandlord;

“Lease” means any real property lease, including a sublease, and any and all amendments, modifications, assignments and restatements thereto and thereof and related agreements, to which any Nordstrom Canada Entity is a party;

“Lease Monetization Process” means the sales process conducted in respect of the Nordstrom Canada Entities’ Leases, which sales process was authorized by the Court pursuant to the Initial Order;

“Liabilities” means all indebtedness, obligations and other liabilities of a Person whether absolute, accrued, contingent, fixed or otherwise, known or unknown, or whether due or to become due, and **“Liability”** means any one of them;

“Liquidation Sale” means the sale of the Nordstrom Canada Entities’ inventory, furniture, fixtures and equipment that was approved by the Court pursuant to an Order dated March 20, 2023;

“Master Lease” means, in each case, the Lease pursuant to which former store premises were leased by NCL, as tenant, from a third-party Landlord and any and all amendments, modifications, assignments and restatements thereto and thereof and all related agreements;

“Meeting Materials” has the meaning ascribed thereto in the Meeting Order;

“Meeting Order” has the meaning ascribed thereto in the Recitals;

“Monitor” means A&M, in its capacity as Court-appointed monitor of the Nordstrom Canada Entities and not in its personal capacity;

“Monitor’s Plan Completion Certificate” means the certificate substantially in the form to be attached to the Sanction and Vesting Order to be served on the service list established in the CCAA Proceedings and filed by the Monitor with the Court following written notice from the Nordstrom Canada Entities to the Monitor pursuant to Section 6.10(d) that the Nordstrom Canada Entities have completed their duties to fully and finally effect all steps, distributions, disbursements and payments in accordance with the Plan;

“Monitor’s Plan Implementation Date Certificate” means the certificate substantially in the form to be attached to the Sanction and Vesting Order to be delivered by the Monitor to the Nordstrom Canada Entities, served on the service list established in the CCAA Proceedings, and filed by the Monitor with the Court, declaring that the Nordstrom Canada Entities have advised the Monitor that all of the Conditions Precedent to implementation of the Plan have been satisfied or waived;

“NCL FLS Distribution ITCs” means any ITCs generated solely in favour of NCL pursuant to the ETA on account of HST/GST deemed to have been paid by NCL on distributions made to FLS Landlords from the Consolidated Cash Pool or the NCL ITC

Cash Pool, as applicable, other than amounts which the Monitor may determine in its sole and unfettered discretion to be immaterial and which shall not be claimed by NCL;

“NCL Improvement Rent Claim” means NCL’s Restructuring Period Claim against NCRI arising from the termination of each Sublease equal to the net present value of unpaid Real Estate Improvement Rent for the remaining term of each Sublease, in the amount of \$368,027,201 and identified as Claim No. 10B under the Intercompany Claims Report, which Claim shall be a Proven Claim in an amount required for NCL to have the Cash necessary to make the distributions to Affected Creditors of NCL as contemplated under the Plan;

“NCL ITC Cash Pool” means the Cash pool comprised of all Cash received by NCL pursuant to the ETA on account of any NCL FLS Distribution ITCs resulting from distributions made to FLS Landlords pursuant to this Plan, and contributed by NCL for purposes of making further distributions to such FLS Landlords;

“NCL ITC Cash Pool Account” means a segregated interest-bearing trust account established by NCRI to hold the NCL ITC Cash Pool in trust on behalf of NCL under the supervision of the Monitor;

“NCL Master Lease Flow-Through Claim” means NCL’s Restructuring Period Claim against NCRI for the claims of Landlords against NCL arising from the disclaimer of the unassigned Master Leases and identified as Claim No. 10A under the Intercompany Claims Report;

“NCL Post-Filing Sublease Rent Claim” means NCL’s Post-Filing Claim as against NCRI for unpaid Real Estate Improvement Rent, in the amount of \$26,227,411 and identified as Claim No. 9 under the Intercompany Claims Report;

“NCL Pre-Filing Sublease Rent Claim” means NCL’s Pre-Filing Claim as against NCRI for unpaid Basic Sublease Rent, Sublease Additional Rent and Real Estate Improvement Rent, in the amount of \$64,879,810 and identified as Claim No. 8 under the Intercompany Claims Report;

“NCL Rack Distribution ITCs” means any ITCs generated solely in favour of NCL pursuant to the ETA on account of HST/GST deemed to have been paid by NCL on distributions made to Supporting Rack Landlords from the Consolidated Cash Pool;

“NCL Sublease Termination Claim” means NCL’s Restructuring Period Claim against NCRI for damages suffered by NCL as a result of the termination of the Master Leases and Subleases, consisting of the aggregate of the NCL Master Lease Flow-Through Claim and NCL Improvement Rent Claim and identified as Claim No. 10 under the Intercompany Claims Report;

“NCL-NCRI Claims Settlement Agreement” means the agreement between NCL and NCRI, to be deemed effective on the Plan Implementation Date, which results in the full and final settlement and satisfaction of the NCL Pre-Filing Sublease Rent Claim (Intercompany Claim No. 8), the NCL Sublease Termination Claim (Intercompany Claim No. 10) and the NCRI-NCL Services Claim (Intercompany Claim No. 11);

“NCL-NCRI Claims Settlement Amount” means the Cash amount to be paid by NCRI to NCL pursuant to the NCL-NCRI Claims Settlement Agreement;

“NCRI Transfer Pricing Claim” means a claim by NCRI against the Plan Sponsor for unpaid transfer pricing payments pursuant to the “Transfer Pricing Policy” under the NINC-NCRI Services Agreement, in the amount of \$87,400,488 and identified as Claim No. 3 under the Intercompany Claims Report;

“NCRI-NCL Services Agreement” means the Inter-Affiliate Services Agreement between NCRI and NCL dated as of December 10, 2014;

“NCRI-NCL Services Claim” means NCRI’s Pre-Filing Claim against NCL for unpaid fees relating to the provision of shared services pursuant to the NCRI-NCL Services Agreement, in the amount of \$55,046 and identified as Claim No. 11 under the Intercompany Claims Report;

“Negative Notice Claim” means the statement of negative notice claim that was prepared by the Nordstrom Canada Entities, in consultation with the Monitor and disseminated to each applicable Creditor in accordance with the Claims Procedure Order;

“Net NCRI Transfer Pricing Claim” means the remaining balance of the NCRI Transfer Pricing Claim of \$69,939,309, having been reduced by \$17,461,179, being the amount of the Net NINC-NCRI Services Claim, as a result of the set-off in Section 5.2(f);

“Net NINC-NCRI Services Claim” means the remaining balance of the NINC-NCRI Services Claim of \$17,461,179, having been reduced by \$200,000, being the fair market value of the Canada Customer Data, as a result of the partial settlement and satisfaction in Section 5.2(e);

“NIL” means Nordstrom International Limited;

“NIL Canada Expansion Loan Agreement” means the loan agreement between NIL and NCH dated April 18, 2014;

“NIL Canada Expansion Loan Claim” means a Pre-Filing Claim by NIL against NCH in respect of loans advanced by NIL under the NIL Canada Expansion Loan Agreement, in the amount of \$309,832,891 and identified as Claim No. 1 under the Intercompany Claims Report, which Claim shall be a Proven Claim in an amount which will generate total distributions under the Plan on account of such Claim equal to (and in any case no greater than) the Cash on hand at NCH available for distribution to Affected Creditors on the Plan Implementation Date;

“NINC Employee Trust Subrogated Claim” means a subrogated Pre-Filing Claim by the Plan Sponsor against NCRI authorized pursuant to the Initial Order in respect of the aggregate gross amounts paid to beneficiaries directly or indirectly from the Employee Trust, in the final amount of \$14,599,347 and which was in the amount of \$13,633,426 as at the date of the Intercompany Claims Report and identified as Claim No. 4 under the Intercompany Claims Report;

“NINC-NCH Services Agreement” means the Inter-Affiliate Services Agreement between the Plan Sponsor and NCH dated October 10, 2016;

“NINC-NCH Services Claim” means the Pre-Filing Claim by the Plan Sponsor against NCH for unpaid fees relating to the provision of shared services pursuant to the NINC-NCH Services Agreement, in the amount of \$55,031 and identified as Claim No. 6 under the Intercompany Claims Report;

“NINC-NCHII Services Agreement” means the Inter-Affiliate Services Agreement between the Plan Sponsor and NCHII dated October 10, 2016;

“NINC-NCHII Services Claim” means the Pre-Filing Claim by the Plan Sponsor against NCHII for unpaid fees relating to the provision of shared services pursuant to the NINC-NCHII Services Agreement, in the amount of \$56,829 and identified as Claim No. 7 under the Intercompany Claims Report;

“NINC-NCL Services Agreement” means the Inter-Affiliate Services Agreement between the Plan Sponsor and NCL dated December 10, 2014;

“NINC-NCL Services Claim” means the Pre-Filing Claim by the Plan Sponsor against NCL for unpaid fees relating to the provision of shared services pursuant to the NINC-NCL Services Agreement between the Plan Sponsor and NCL, in the amount of \$495,582 and identified as Claim No. 5 under the Intercompany Claims Report;

“NINC-NCRI Services Agreement” means the Inter-Affiliate License and Services Agreement between the Plan Sponsor and NCRI dated February 3, 2019;

“NINC-NCRI Services Claim” means a Pre-Filing Claim by the Plan Sponsor against NCRI for unpaid fees relating to the provision of shared services and the licencing of intellectual property pursuant to the NINC-NCRI Services Agreement, in the amount of \$17,661,179 and identified as Claim No. 2 under the Intercompany Claims Report;

“Nordstrom Canada Entities” has the meaning ascribed thereto in the Recitals;

“Nordstrom Canada Entities Released Party” has the meaning ascribed thereto in Section 7.1(a);

“Nordstrom Rack Stores” means the former Nordstrom Rack stores in Canada;

“Officer” means anyone who is or was or may be deemed to be or have been, whether by statute, operation of law or otherwise, an officer or manager or *de facto* officer or *de facto* manager of any of the Nordstrom Canada Entities, in such capacity;

“Order” means any order of the Court, or any order, directive, judgment, decree, injunction, decision, ruling, award or writ of any Governmental Authority;

“Other Priority Claim” means a Claim accepted by the Nordstrom Canada Entities, in consultation with the Monitor, as a proven “priority claim” pursuant to the Claims Procedure Order;

“Other Priority Claim Creditor” means a Creditor who has an Other Priority Claim, but only in respect of and to the extent of such Other Priority Claim;

“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” has the meaning ascribed thereto in the Recitals;

“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 the Monitor’s Plan Implementation Date Certificate to be delivered to the Nordstrom Canada Entities and filed with the Court;

“Plan Sanction Date” means the date that the Sanction and Vesting Order issued by the Court becomes a Final Order;

“Plan Sponsor” means Nordstrom, Inc., a corporation incorporated under the laws of the State of Washington;

“Plan Sponsor ITCs” means any ITCs generated in favour of NCL pursuant to the ETA solely upon and as a result of payment by the Plan Sponsor of amounts required to be paid under the FLS Landlord Settlement Agreements, which ITCs as and when received or otherwise realized by NCL are to be held in trust by NCL for the benefit of the Plan Sponsor, and for greater certainty, which Plan Sponsor ITCs shall not be contributed to the Consolidated Cash Pool, the NCL ITC Cash Pool or the Cash Reserves;

“Plan Sponsor Landlord Guarantee” means any indemnity, guarantee or surety in favour of any Landlord executed by the Plan Sponsor in relation to any Lease to which any Nordstrom Canada Entity is a party;

“Plan Sponsor Released Party” has the meaning ascribed thereto in Section 7.1(c);

“Plan Sponsor Subsidiaries” means all direct and indirect subsidiaries of the Plan Sponsor, including corporations and partnerships, other than the Nordstrom Canada Entities;

“Plan Sponsor Support Agreement” means the support agreement dated December 13, 2023 between the Plan Sponsor and the Nordstrom Canada Entities, pursuant to which the Plan Sponsor has agreed to be bound by the Plan and to perform all of its obligations hereunder;

“Plan Transaction Steps” has the meaning ascribed thereto in Section 5.2;

“Plan Transactions” means all of the steps or transactions considered necessary or desirable to give effect to the transactions contemplated in the Plan, including the Plan Transaction Steps set out in Section 5.2, and **“Plan Transaction”** means any individual step or transaction;

“Post-Filing Claim” means any indebtedness, Liability, or obligation of the Nordstrom Canada Entities of any kind that arises during and in respect of the period commencing on the Filing Date and ending on the day immediately preceding the Plan Implementation Date in respect of services rendered or supplies provided to the Nordstrom Canada Entities during such period; provided that, for certainty, such amounts are not a Restructuring Period Claim or a Restructuring Period D&O Claim;

“Post-Filing Tax Claims” means any claims of any Taxing Authorities against any of the Nordstrom Canada Entities arising on and after the Filing Date, but for greater certainty shall not include the CRA NCH Assessments;

“Pre-Filing Claim” means any right or claim of any Person against any of the Nordstrom Canada Entities, whether or not asserted, in connection with any indebtedness, Liability or obligation of any kind whatsoever of any such Nordstrom 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 any right or claim with respect to any Assessment, 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 Nordstrom 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 any claim against any of the Nordstrom Canada Entities for indemnification by any Director or Officer in respect of a Pre-Filing D&O Claim;

“Pre-Filing D&O Claim” means any right or claim of any Person against one or more of the Directors and/or Officers arising based in whole or in part on facts that existed prior to 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 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, whether existing at present or arising or commenced in the future, 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;

“Principal Claim” has the meaning ascribed thereto in Section 3.8;

“Priority Claim” means any (a) Employee Priority Claim; (b) Government Priority Claim and (c) Other Priority Claim;

“Pro Rata Share” means the fraction that is equal to (a) the amount of the Proven Claim of an Affected Creditor who is not a Convenience Class Creditor, divided by (b) the

aggregate amount of all Proven Claims held by Affected Creditors who are not Convenience Class Creditors;

“Proof of Claim” means the form that was to be completed by a Creditor setting forth its applicable Claim and filed by the Claims Bar Date or such later date as the Monitor may have agreed to in its sole discretion, pursuant to the Claims Procedure Order;

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

“Proven Claim” means a Claim of an Affected Creditor finally determined for voting and/or distribution purposes in accordance with the Claims Procedure Order and the Plan;

“Proxy” means the proxy form enclosed with the Meeting Materials to be delivered to or otherwise made available to the Affected Creditors in accordance with the Meeting Order;

“Real Estate Improvement Rent” means the Real Estate Improvement Rent (as defined in each Sublease), which in each Sublease is an amount equal to a percentage of the costs of TI Work (as defined in the applicable Subleases);

“Realty Tax Appeals” means the two realty tax appeals referred to by (a) appeal number 3442661 for the taxation year 2021 and (b) appeal number 3487968 for the taxation year 2022, filed by NCL with respect to the former FLS Store located at Yorkdale Shopping Mall in Toronto, Ontario;

“Released Parties” means those Persons who are released pursuant to Section 7.1, including the Nordstrom Canada Entities Released Parties, the Plan Sponsor Released Parties and the Third Party Released Parties;

“Represented Employees” means (a) all store-level Employees; and (b) all non-store level Employees, other than (i) non-store level Employees who were eligible for a KERP payment, (ii) directors and officers of the Nordstrom Canada Entities, and (iii) the Senior Vice President, Regional Manager for Canada;

“Required Majority” means a majority in number of Affected Creditors who represent at least two-thirds in value of the Voting Claims of such Affected Creditors who actually vote on the Resolution (in person or by Proxy) at the Creditors’ Meeting or who were deemed to vote on the Resolution in accordance with the Plan and the Meeting Order;

“Resolution” means the resolution approving the Plan presented to the Affected Creditors for consideration at the Creditors’ Meeting;

“Restructuring Period Claim” means any right or claim of any Person against any of the Nordstrom Canada Entities in connection with any indebtedness, Liability or obligation of any kind whatsoever of any such Nordstrom Canada Entity to such Person arising out of the restructuring, disclaimer, termination or breach by such Nordstrom Canada Entity on or after the Filing Date of any contract, lease or other agreement, whether written or oral, and including any right or claim with respect to any Assessment;

“Restructuring Period D&O Claim” means any right or claim of any Person against one or more of the Directors and/or Officers arising after 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 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, whether existing at present or arising or commenced in the future, 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;

“Sanction and Vesting Order” means the Order to be sought by the Applicants from the Court as contemplated under the Plan which, *inter alia*, approves and sanctions the Plan and the transactions contemplated thereunder;

“Sublease” means, in each case, the sublease pursuant to which NCL subleased each of the former store premises subject to a Master Lease to NCRI;

“Sublease Additional Rent” means all Additional Rent (as defined in the applicable Sublease) required to be paid by NCRI to NCL under the applicable Sublease;

“Supporting Rack Landlord Settlement Agreements” means, collectively, the settlement agreements entered into by the Nordstrom Canada Entities and the third-party Landlords of the Nordstrom Rack Stores in respect of, among other things, such Landlords’ Proven Claims pursuant to the Claims Procedure Order and the Plan;

“Supporting Rack Landlords” means, collectively, the third-party Landlords of the Nordstrom Rack Stores that have executed and remain, at the relevant time, subject to a Supporting Rack Landlord Settlement Agreement, and **“Supporting Rack Landlord”** means any one of them;

“Tax” 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;

“Tax Obligation” means any amount of Tax owing by a Person to a Taxing Authority;

“Taxing Authorities” means His Majesty the King in right of Canada, His Majesty the King 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 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;

“Third Party Released Party” has the meaning ascribed thereto in Section 7.1(b);

“Transfer Restrictions” means any and all restrictions on the transfer of shares, limited partnership or other units or interests in real property including rights of first refusal, rights of first offer, shotgun rights, purchase options, change of control consent rights, puts or forced sales provisions or similar rights of shareholders or lenders in respect of such interests;

“Unaffected Claim” means any: (a) Excluded Claim; (b) claim in respect of the Administrative Reserve Costs; (c) FLS Landlord Guarantee Claim; (d) Priority Claim; and (e) Insured Claim;

“Unaffected Creditor” means a Creditor who has an Unaffected Claim, but only in respect of and to the extent of such Unaffected Claim;

“Unsecured Creditors’ Class” has the meaning ascribed thereto in Section 3.1;

“Voting Claim” means the amount of the Affected Claim of an Affected Creditor as finally determined for voting purposes in accordance with the Claims Procedure Order and the Meeting Order entitling such Affected Creditor to vote at the Creditors’ Meeting in accordance with the provisions of the Meeting Order, the Plan and the CCAA, and includes, for greater certainty, a Proven Claim;

“Website” means www.alvarezandmarsal.com/nordstromcanada;

“Wind-Down Agreement” means the wind-down agreement dated as of March 1, 2023 between the Plan Sponsor and the Nordstrom Canada Entities, as amended on June 8, 2023, and as may be further amended, restated or supplemented from time to time with the consent of the Monitor; and

“Withholding Obligation” has the meaning ascribed thereto in Section 6.14(c).

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 and shall include all schedules and appendices thereto;
- (b) any reference in the Plan to an Order or an existing document or exhibit filed or to be filed means such Order, document or exhibit as it may have been or may be amended, restated or varied from time to time;

- (c) 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;
- (d) references in the Plan to “Articles”, “Sections”, “Subsections” and “Schedules” are references to Articles, Sections, Subsections and Schedules of or to the Plan;
- (e) 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;
- (f) 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;
- (g) 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;
- (h) the terms “the Plan”, “hereof”, “herein”, “hereto”, “hereunder” and similar expressions shall be deemed to refer generally to the Plan and not to any particular “Article”, “Section” or other portion of the Plan and include any documents supplemental hereto; and
- (i) 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, unless otherwise stipulated.

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 any 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, 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 Creditors on account of their Proven Claims shall be made in Canadian dollars. Any Claim in a currency other than Canadian dollars must 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 for US dollars is US\$1:Cdn\$1.3614.

1.8 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 | Intercompany Claims |
| Schedule B | FLS Stores |

ARTICLE 2 PURPOSE AND EFFECT OF THE PLAN

2.1 Purpose of Plan

The purpose of the Plan is to:

- (a) complete the controlled, orderly and timely wind-down of the Nordstrom Canada Entities;

- (b) provide for a compromise and settlement of all Affected Claims and to effect timely distributions as provided for herein in respect of Proven Claims;
- (c) effect a release and discharge of all Affected Claims and of all claims released pursuant to the Plan, but for certainty not including the FLS Landlord Guarantee Claims; and
- (d) effect a global resolution of the CCAA Proceedings,

in the expectation that, on balance, all Persons with an economic interest in the Nordstrom Canada Entities will derive a greater benefit from the implementation of the Plan than would otherwise result from a non-consolidated plan or results that could have been achieved in a bankruptcy of the Nordstrom Canada Entities.

2.2 Persons Affected

The Plan provides for the compromise and settlement of the Affected Claims on a consolidated basis. The Plan will become effective at the Effective Time on the Plan Implementation Date. On the Plan Implementation Date, the Affected Claims will be fully and finally compromised, settled, released and discharged to the extent provided for under the Plan. The Plan shall be binding on and shall enure to the benefit of the Nordstrom Canada Entities, the Affected Creditors, the Released Parties and all other Persons named or referred to in, receiving the benefit of or subject to, the Plan.

2.3 Persons Not Affected

For greater certainty, the Plan does not affect the Unaffected Creditors with respect to and to the extent of their Unaffected Claims, including for greater certainty the FLS Landlords with respect to and to the extent of their FLS Landlord Guarantee Claims. Nothing in the Plan shall affect any Nordstrom Canada Entity's rights and defences, both legal and equitable, with respect to any Unaffected Claims including, but not limited to, all rights with respect to legal and equitable defences or entitlements to set-offs or recoupments against such Unaffected Claims.

2.4 Equity Claims

All Persons holding Equity Claims shall not be entitled to vote at the Creditors' Meeting and shall not receive any distributions under the Plan or otherwise receive any other compensation in respect of their Equity Claims.

ARTICLE 3 CLASSIFICATION OF CREDITORS, VOTING, TREATMENT AND RELATED MATTERS

3.1 Classification of Creditors

For the purposes of considering, voting on and receiving distributions under the Plan, the Affected Creditors shall constitute a single class, referred to as the **"Unsecured Creditors' Class"**.

3.2 Creditors' Meeting

The Creditors' Meeting shall be held in accordance with the Meeting Order and any further Order of the Court. The only Persons entitled to attend the Creditors' Meeting shall be representatives of the Nordstrom Canada Entities and the Plan Sponsor and their respective legal counsel and advisors, the Monitor and its legal counsel and advisors, the Employee Representative Counsel and all other Persons, including the holders of Proxies, entitled to vote at the Creditors' Meeting and their respective legal counsel and advisors. Any other Person may be admitted to the Creditors' Meeting only by invitation of the Monitor or as permitted pursuant to the Meeting Order or any further Order of the Court.

3.3 Procedure for Valuing Voting Claims

The procedure for valuing Voting Claims and resolving disputes and entitlements to voting shall be as set forth in the Claims Procedure Order, the Meeting Order, the Plan and the CCAA. The Nordstrom Canada Entities, in consultation with the Monitor, shall have the right to seek the assistance of the Court in valuing any Voting Claim in accordance with the Meeting Order and the Plan, if required, and to ascertain the result of any vote on the Plan.

3.4 Approval by Creditors

In order to be approved, the Plan must receive the affirmative vote of the Required Majority of the Unsecured Creditors' Class.

3.5 Voting of the Unsecured Creditors' Class

- (a) Each Affected Creditor in the Unsecured Creditors' Class who is entitled to vote at the Creditors' Meeting, pursuant to and in accordance with the Claims Procedure Order, the Meeting Order, the Plan and the CCAA, shall be entitled to one vote in the amount equal to its Voting Claim.
- (b) Each Convenience Class Creditor shall each be deemed to vote in favour of the Plan in the amount equal to its Voting Claim. For greater certainty, the Voting Claim of a Convenience Class Creditor that has filed a Convenience Class Claim Election shall be the Cash Elected Amount.
- (c) Holders of Intercompany Claims shall not be entitled to vote on the Plan.
- (d) The Plan Sponsor shall not be entitled to vote on the Plan in respect of any amounts paid to any FLS Landlord in respect of any FLS Landlord Guarantee Claim.

3.6 Treatment of Affected Claims

In accordance with the terms herein, on the Plan Implementation Date, in full and final settlement and satisfaction of all Affected Claims,

- (a) Convenience Class Creditors:
 - (i) Each Affected Creditor with Proven Claims in the aggregate that are less than or equal to \$15,000 shall be deemed to have made the Convenience

Class Claim Election and hold a Convenience Class Claim, and shall be entitled to receive cash distributions on the Initial Distribution Date equivalent to the amount of their Proven Claims and shall not be entitled to any further distributions under the Plan.

- (ii) Each Affected Creditor with Proven Claims in the aggregate in excess of \$15,000 who delivers a duly completed and executed Convenience Class Claim Election to the Monitor by the Election/Proxy Deadline, shall be treated for all purposes as a Convenience Class Creditor and hold a Convenience Class Claim, and shall be entitled to receive only the Cash Elected Amount on the Initial Distribution Date and shall not be entitled to any further distributions under the Plan.

(b) Other Affected Creditors:

- (i) Affected Creditors who are not Convenience Class Creditors (including Affected Creditors with Disputed Claims which have become Proven Claims) shall each be entitled to receive distributions on their Proven Claims from the Consolidated Cash Pool pursuant to and in accordance with the Plan.

3.7 Unaffected Claims

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

- (a) treated as a Convenience Class Creditor;
- (b) entitled to vote on the Plan or attend at any Creditors' Meeting in respect of such Unaffected Claim; or
- (c) 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.

3.8 Guarantees and Similar Covenants

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

- (a) entitled to any greater rights as against the Nordstrom Canada Entities than the Person holding the Principal Claim;
- (b) entitled to vote on the Plan to the extent that the Person holding the Principal Claim is voting on the Plan; or
- (c) entitled to receive any distribution under the Plan to the extent that the Person holding the Principal Claim is receiving a distribution.

ARTICLE 4 PRELIMINARY STEPS

4.1 Creation of Accounts

(a) Creation of the Consolidated Cash Pool Account

No less than five (5) Business Days prior to the Plan Implementation Date, NCRI shall establish the Consolidated Cash Pool Account with a Cash Management Bank as a segregated trust account in the name of NCRI for itself (for its own contributions) and as nominee for the other Nordstrom Canada Entities (to the extent of their contributions).

(b) Creation of the NCL ITC Cash Pool Account

No less than five (5) Business Days prior to the Plan Implementation Date, NCRI shall establish the NCL ITC Cash Pool Account with a Cash Management Bank as a segregated trust account in the name of NCRI as nominee for NCL.

(c) Creation of the Administrative Reserve Account

No less than five (5) Business Days prior to the Plan Implementation Date, NCRI shall establish the Administrative Reserve Account with a Cash Management Bank on behalf of itself and each of the other Nordstrom Canada Entities as a segregated trust account in the name of NCRI for itself and as nominee for the other Nordstrom Canada Entities.

(d) Creation of the Disputed Claims Reserve Account

No less than five (5) Business Days prior to the Plan Implementation Date, NCRI shall establish the Disputed Claims Reserve Account with a Cash Management Bank on behalf of itself and each of the other Nordstrom Canada Entities as a segregated trust account in the name of NCRI for itself and as nominee for the other Nordstrom Canada Entities.

ARTICLE 5 PLAN TRANSACTION STEPS

5.1 Corporate Authorizations

The adoption, execution, delivery, implementation and consummation of all matters contemplated under the Plan involving any corporate or company action of any of the Nordstrom Canada Entities will occur and be effective as of the Effective Time on the Plan Implementation Date as set out in Section 5.2, and will be authorized and approved under the Plan and by the Court, where appropriate, as part of the Sanction and Vesting Order, in all respects and for all purposes without any requirement of further action by shareholders, members, partners, managers, Directors or Officers of any of the Nordstrom Canada Entities. All necessary approvals to take actions shall be deemed to have been obtained from the Directors or shareholders or members or partners or managers of the Nordstrom Canada Entities, as applicable.

5.2 Plan Transaction Steps

At the Effective Time, on the Plan Implementation Date, the following transactions, steps, offsets, distributions, payments, disbursements, compromises, set-offs, releases and discharges to be effected as part of the implementation of the Plan (the “**Plan Transaction Steps**”) will occur and be deemed to have occurred in the order set out below and become effective without any further act or formality:

- (a) NINC-NCH Services Claim: The Plan Sponsor shall cause the NINC-NCH Services Claim to be contributed to the capital of NCH, in full and final settlement and extinguishment of the NINC-NCH Services Claim.
- (b) NINC-NCHII Services Claim: The Plan Sponsor shall cause the NINC-NCHII Services Claim to be contributed to the capital of NCH, and NCH shall in turn contribute the NINC-NCHII Services Claim to the capital of NCHII, in full and final settlement and extinguishment of the NINC-NCHII Services Claim.
- (c) Plan Sponsor ITCs: NCL shall pay to the Plan Sponsor the full Cash amount of any Plan Sponsor ITCs held by NCL on the Plan Implementation Date, and shall be obligated to pay to the Plan Sponsor the Cash amount of any additional Plan Sponsor ITCs at such later time or times that such Plan Sponsor ITCs are received or realized by NCL.
- (d) Realty Tax Appeals: The Nordstrom Canada Entities shall assign, set over and transfer to Yorkdale Shopping Centre Holdings Inc., (i) any and all of NCL’s right, title and interest in and to any amounts recovered by NCL pursuant to the Realty Tax Appeals; and (ii) on an “as is, where is” basis, any and all of NCL’s right, title and interest in and to the Realty Tax Appeals, and all of NCL’s benefits, burdens, obligations and liabilities related to such Realty Tax Appeals.
- (e) Canada Customer Data: In partial settlement and satisfaction of the NINC-NCRI Services Claim, NCRI shall transfer the Canada Customer Data to the Plan Sponsor (or its designee) and such Canada Customer Data shall vest absolutely in and to the Plan Sponsor (or its designee) free and clear of all Encumbrances pursuant to the Sanction and Vesting Order, such that the amount of the NINC-NCRI Services Claim shall be partially settled and reduced to the Net NINC-NCRI Services Claim.
- (f) NINC-NCRI Services Claim and the NCRI Transfer Pricing Claim: In full and final settlement and satisfaction of the Net NINC-NCRI Services Claim and the NCRI Transfer Pricing Claim:
 - (i) NCRI and the Plan Sponsor shall fully and finally settle and satisfy the Net NINC-NCRI Services Claim by way of set-off of such claim against the NCRI Transfer Pricing Claim, such that the amount of the NCRI Transfer Pricing Claim shall be partially settled and reduced to the Net NCRI Transfer Pricing Claim; and

- (ii) The Plan Sponsor shall pay to NCRI the Cash amount of the Net NCRI Transfer Pricing Claim in full and final settlement and satisfaction of the Net NCRI Transfer Pricing Claim.
- (g) NCL Post-Filing Sublease Rent Claim: NCRI shall pay from its Cash to NCL the Cash amount of the NCL Post-Filing Sublease Rent Claim in full and final settlement and satisfaction of the NCL Post-Filing Sublease Rent Claim.
- (h) NCL-NCRI Claims Settlement Agreement: The NCL-NCRI Claims Settlement Agreement shall be, and shall be deemed to be, effective, pursuant to which NCL shall direct NCRI to contribute the NCL-NCRI Claims Settlement Amount to the Consolidated Cash Pool on behalf of and for the benefit of NCL.
- (i) The following shall occur concurrently:
 - (i) Consolidated Cash Pool:
 - (A) Each of the Nordstrom Canada Entities shall deliver or cause to be delivered to NCRI all of their Cash, if any, including all proceeds of sale from the Liquidation Sale and the Lease Monetization Process, which Cash shall be held by NCRI in the Consolidated Cash Pool Account.
 - (B) NCL shall become obligated to deliver or cause to be delivered to NCRI, from and after the Plan Implementation Date, the Cash amount of any NCL Rack Distribution ITCs as and when received by NCL, which Cash shall be held by NCRI in the Consolidated Cash Pool Account.
 - (ii) NCL ITC Cash Pool: NCL shall become obligated to deliver or cause to be delivered to NCRI, from and after the Plan Implementation Date, the Cash amount of any NCL FLS Distribution ITCs as and when received by NCL, which Cash shall be held by NCRI in the NCL ITC Cash Pool Account.
- (j) The following shall occur concurrently:
 - (i) Administrative Reserve: NCRI, on behalf of itself and each of the other Nordstrom Canada Entities, shall transfer the Cash necessary to establish the Administrative Reserve to the Administrative Reserve Account from the Consolidated Cash Pool.
 - (ii) Disputed Claims Reserve: NCRI, on behalf of itself and each of the other Nordstrom Canada Entities, shall transfer the Cash necessary to establish the Disputed Claims Reserve to the Disputed Claims Reserve Account from the Consolidated Cash Pool.
- (k) CCAA Charges: The Administration Charge and the Directors' Charge shall continue and shall be deemed to attach solely against the Consolidated Cash Pool,

the NCL ITC Cash Pool and the Cash Reserves, in the order of priority set out in the Initial Order.

- (l) Releases: The releases referred to in Article 7 shall become effective.

ARTICLE 6

DISTRIBUTIONS, DISBURSEMENTS AND PAYMENTS

6.1 General

All distributions, disbursements and payments to be effected pursuant to the Plan shall be made pursuant to this Article 6 and shall occur in the manner set out herein by NCRI, on behalf of itself and each of the other Nordstrom Canada Entities, under the supervision of the Monitor.

6.2 Administration of the Consolidated Cash Pool

NCRI shall hold the Consolidated Cash Pool in the Consolidated Cash Pool Account, on behalf of itself and each of the Nordstrom Canada Entities, for the purpose of making distributions to Creditors of the Nordstrom Canada Entities in accordance with the Plan.

6.3 Initial Distribution from the Consolidated Cash Pool

On the Initial Distribution Date, NCRI, on behalf of itself and each of the other Nordstrom Canada Entities, shall distribute the Consolidated Cash Pool as follows:

- (a) first, each Other Priority Claim Creditor shall receive a distribution in the full amount of its Other Priority Claim, in accordance with the Nordstrom Canada Entities' existing practice or by cheque sent by prepaid ordinary mail to the address for such Other Priority Claim Creditor as set out in its Proof of Claim or Negative Notice Claim (or, at the election of NCRI, by wire transfer in accordance with the wire transfer instructions provided by the applicable Other Priority Claim Creditor), in full and final settlement and satisfaction of its Other Priority Claim;
- (b) second, each Convenience Class Creditor shall receive a distribution in the full amount of its Convenience Class Claim, in accordance with the Nordstrom Canada Entities' existing practice or by cheque sent by prepaid ordinary mail to the address for such Convenience Class Creditor as set out in its Proof of Claim or Negative Notice Claim (or, at the election of NCRI, by wire transfer in accordance with the wire transfer instructions provided by the applicable Convenience Class Creditor), in full and final settlement and satisfaction of its Proven Claim; and
- (c) third, each Affected Creditor (other than a Convenience Class Creditor) with a Proven Claim shall receive an initial distribution in respect of such Proven Claim in an amount equal to its Pro Rata Share of the Cash in the Consolidated Cash Pool Account on the Initial Distribution Date (after effecting the payments in Sections 6.3(a) and 6.3(b)), in accordance with the Nordstrom Canada Entities' existing practice or by cheque sent by prepaid ordinary mail to the address for such Affected Creditor as set out in its Proof of Claim or Negative Notice Claim (or, at the election of NCRI, by wire transfer in accordance with the wire transfer instructions provided

by the applicable Affected Creditor); provided that, notwithstanding the Pro Rata Share distribution to such Affected Creditors contemplated in this Section 6.3(c), the amount of the distribution paid to each Supporting Rack Landlord on the Initial Distribution Date shall be the full amount required to be paid to such Supporting Rack Landlord pursuant to its Supporting Rack Landlord Settlement Agreement, which amount shall be based on a Proven Claim for such Supporting Rack Landlord determined by the Nordstrom Canada Entities, with the consent of the Monitor, no less than five (5) Business Days prior to the Plan Implementation Date.

6.4 Administration of the Disputed Claims Reserve

NCRI shall hold, on behalf of itself and each of the other Nordstrom Canada Entities, the Disputed Claims Reserve in the Disputed Claims Reserve Account for the purpose of paying amounts to Affected Creditors in respect of their Disputed Claims which have become Proven Claims, in whole or in part, in accordance with the Claims Procedure Order and the Plan. Notwithstanding any other provisions of the Plan, no distributions or transfers of Cash shall be made by any Nordstrom Canada Entity with respect to all or any portion of a Disputed Claim, unless and only to the extent that such Disputed Claim has become a Proven Claim, in whole or in part.

6.5 Resolution of Disputed Creditor Claims and Subsequent Distributions

Subject to Section 6.3, from and after the Initial Distribution Date, as frequently as the Nordstrom Canada Entities and the Monitor may determine, NCRI, on behalf of itself and each of the other Nordstrom Canada Entities, as applicable, shall distribute to:

- (a) each Affected Creditor with a Disputed Claim that has become a Proven Claim, in whole or in part, on or before the third (3rd) Business Day prior to a Distribution Date (other than the Final Distribution Date), an amount of Cash from the Disputed Claims Reserve Account equal to the aggregate amount of all distributions such Affected Creditor would have otherwise already received pursuant to the Plan had its Disputed Claim been a Proven Claim on and as of each previous Distribution Date, in accordance with the Nordstrom Canada Entities' existing practice or by cheque sent by prepaid ordinary mail to the address for such Affected Creditor as set out in its Proof of Claim or Negative Notice Claim (or, at the election of NCRI, by wire transfer in accordance with the wire transfer instructions provided by the applicable Affected Creditor), and any remaining balance in the Disputed Claims Reserve Account relating to such Affected Creditor's Disputed Claim shall be deposited into the Consolidated Cash Pool Account; and
- (b) each Affected Creditor (other than a Convenience Class Creditor or Supporting Rack Landlord) with a Proven Claim, an amount equal to such Affected Creditor's respective Pro Rata Share of the Cash in the Consolidated Cash Pool Account (subsequent to effecting any payments contemplated in Section 6.5(a)), in accordance with the Nordstrom Canada Entities' existing practice or by cheque sent by prepaid ordinary mail to the address for such Affected Creditor as set out in its Proof of Claim (or, at the election of NCRI, by wire transfer in accordance with the wire transfer instructions provided by the applicable Affected Creditor).

6.6 NCL ITCs

(a) Administration of the NCL ITC Cash Pool

NCRI shall hold the NCL ITC Cash Pool in the NCL ITC Cash Pool Account, on behalf of NCL, for the purpose of making further distributions of amounts in respect of NCL FLS Distribution ITCs to the FLS Landlords in accordance with the Plan.

(b) Distributions from the NCL ITC Cash Pool

From and after the Initial Distribution Date, as frequently as the Nordstrom Canada Entities and the Monitor may determine, NCRI, on behalf of NCL, shall make a distribution to each FLS Landlord with a Proven Claim in an amount equal to the amount of Cash in the NCL ITC Cash Pool Account multiplied by the FLS Landlord ITC Share in respect of such FLS Landlord applicable to such distribution, in accordance with the Nordstrom Canada Entities' existing practice or by cheque sent by prepaid ordinary mail to the address for such FLS Landlord as set out in its Proof of Claim or Negative Notice Claim (or, at the election of NCRI, by wire transfer in accordance with the wire transfer instructions provided by the applicable FLS Landlord).

(c) NCL Rack Distribution ITCs

Pursuant to and in accordance with Section 5.2(i), NCL shall deliver or cause to be delivered to NCRI, from and after the Plan Implementation Date, the Cash amount of any NCL Rack Distribution ITCs as and when received by NCL, which Cash shall be held by NCRI in the Consolidated Cash Pool Account as nominee for NCL.

6.7 Administration of the Administrative Reserve

NCRI shall hold the Administrative Reserve in the Administrative Reserve Account, on behalf of itself and each of the other Nordstrom Canada Entities, for the purpose of paying the Administrative Reserve Costs, both on the Initial Distribution Date and from time to time following thereafter to the extent that any such Administrative Reserve Costs are subsequently due and owing, in accordance with the Plan.

6.8 Initial Distributions from the Administrative Reserve

No later than the Initial Distribution Date, NCRI, on behalf of itself and each of the other Nordstrom Canada Entities, shall distribute Cash from the Administrative Reserve to pay the following Administrative Reserve Costs to the extent they are due and owing on the Initial Distribution Date:

- (a) all fees and disbursements owing as at the Plan Implementation Date to counsel to the Nordstrom Canada Entities, the Monitor, counsel to the Monitor, counsel to the Directors and the Employee Representative Counsel;
- (b) all amounts secured by the Directors' Charge;
- (c) all amounts on account of Government Priority Claims;
- (d) all amounts on account of Employee Priority Claims;

- (e) all amounts on account of Cash Management Bank Claims;
- (f) all amounts on account of Post-Filing Claims;
- (g) all amounts on account of Post-Filing Tax Claims; and
- (h) all fees owing to third-parties on account of the administration of distributions, disbursements and payments under the Plan.

6.9 Plan Sponsor ITCs

Pursuant to and in accordance with Section 5.2(c), to the extent any Plan Sponsor ITCs are held by NCL on the Plan Implementation Date, the full Cash amount of such Plan Sponsor ITCs shall be paid to the Plan Sponsor on the Plan Implementation Date, and at such later time or times that any additional Plan Sponsor ITCs are received or realized by NCL, NCL shall forthwith pay to the Plan Sponsor the Cash amount of such additional Plan Sponsor ITCs. For greater certainty, such Plan Sponsor ITCs shall not be contributed to the Consolidated Cash Pool, the NCL ITC Cash Pool, or any Cash Reserve.

6.10 Final Distribution

Once NCRI has effected all other distributions contemplated pursuant to this Article 6 (and, for certainty, there are no remaining Disputed Claims), on a date that the Nordstrom Canada Entities and the Monitor may determine (such date, the “**Final Distribution Date**”):

- (a) first, NCRI, on behalf of itself and each of the other Nordstrom Canada Entities, shall pay any final Administrative Reserve Costs from the Administrative Reserve Account;
- (b) second, NCRI, on behalf of itself and each of the other Nordstrom Canada Entities, shall contribute any balance remaining in the Administrative Reserve Account and the Disputed Claims Reserve Account to the Consolidated Cash Pool Account;
- (c) third, NCRI, on behalf of itself and each of the other Nordstrom Canada Entities, shall distribute to the Affected Creditors (other than Convenience Class Creditors and Supporting Rack Landlords) with Proven Claims an amount equal to such Affected Creditor’s respective Pro Rata Share of any Cash in the Consolidated Cash Pool Account, in full and final settlement, satisfaction and extinguishment of such Affected Creditor’s Proven Claim; and
- (d) fourth, NCRI, on behalf of itself and each of the other Nordstrom Canada Entities, shall provide written notice to the Monitor that it has completed its duties to fully and finally effect all distributions, disbursements and payments in accordance with the Plan.

6.11 Treatment of Undeliverable Distributions

If any Affected Creditor’s distribution is not cashed and becomes stale-dated or is returned as undeliverable, no further distributions to such Creditor shall be made unless and until the Monitor is notified by such Creditor of its current address or wire particulars, at which time all such

distributions shall be made to such Creditor without interest. All claims for undeliverable or uncashed distributions in respect of Proven Claims must be made no later than the date that is four months following the Initial Distribution Date, after which date the Claims of such Creditor or successor or assign of such Creditor with respect to such unclaimed or uncashed distributions shall be forever discharged and forever barred, without any compensation therefor, notwithstanding any Applicable Law to the contrary, at which time the Cash amount held by NCRI in relation to such Claim shall be returned to the Consolidated Cash Pool Account. Nothing in the Plan or Sanction and Vesting Order shall require the Monitor or the Nordstrom Canada Entities to attempt to locate the holder of any Proven Claim.

6.12 Assignment of Claims for Voting and Distribution Purposes Prior to the Creditors' Meeting

An Affected Creditor may transfer or assign the whole of its Claim prior to the Creditors' Meeting, provided that neither the Nordstrom Canada Entities nor the Monitor shall be obligated to give notice to or otherwise deal with the transferee or assignee of such Claim as an Affected Creditor in respect thereof, including allowing such transferee or assignee of an Affected Claim to vote at the Creditors' Meeting, unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment, has been received and acknowledged by the Monitor in writing no later than 5:00 p.m. on the date that is seven (7) days prior to the Creditors' Meeting. Thereafter such transferee or assignee shall, for all purposes in accordance with the Claims Procedure Order and the Meeting Order, constitute an Affected Creditor and shall be bound by any and all notices previously given to the transferor or assignor and any and all steps taken in respect of such Claim.

Where a Claim has been transferred or assigned in part, the transferor or assignor shall retain the right to vote at the Creditors' Meeting in respect of the full amount of the Claim, and the transferee or assignee shall have no voting rights at the Creditors Meeting in respect of such Claim.

6.13 Assignment of Claims for Distribution Purposes After the Creditors' Meeting

An Affected Creditor (other than a Convenience Class Creditor or Supporting Rack Landlord) may transfer or assign the whole of its Claim for distribution purposes after the Creditors' Meeting provided that the Nordstrom Canada Entities shall not be obliged to make distributions to any such transferee or assignee or otherwise deal with such transferee or assignee as an Affected Creditor in respect thereof unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment, has been received and acknowledged by the Monitor in writing; thereafter, such transferee or assignee shall, for all purposes in accordance with the Claims Procedure Order, the Meeting Order and the Plan, constitute an Affected Creditor and shall be bound by any and all notices previously given to the transferor or assignor and any and all steps previously taken in respect of such Claim.

6.14 Tax and Other Payment Matters

- (a) Any terms and conditions of any Affected Claims which purport to deal with the ordering of or grant of priority of payment of principal, interest, penalties or other amounts shall be deemed to be void and ineffective.

- (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.
- (c) 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 ITA, or any provision of federal, provincial, territorial, state, local or foreign tax law, in each case, as amended or succeeded (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 and NCRI such documentation prescribed by Applicable Law or otherwise reasonably required by NCRI as will enable NCRI 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.
- (d) All distributions made by NCRI, on behalf of itself and each of the other Nordstrom Canada Entities, pursuant to the Plan shall be first in satisfaction of the portion of Affected Claims that are not subject to any Withholding Obligation.
- (e) To the extent that amounts are withheld or deducted 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 as the remainder of the payment in respect of which such withholding and deduction were made.
- (f) For the avoidance of doubt, it is expressly acknowledged and agreed that the Monitor and any Director or Officer will not hold any assets hereunder, including Cash, or make distributions, payments or disbursements, and no provision hereof shall be construed to have such effect.

ARTICLE 7 RELEASES

7.1 Plan Releases

- (a) On the Plan Implementation Date, each of the Nordstrom Canada Entities and their respective Directors, Officers, current and former employees, advisors, legal counsel and agents (all of the foregoing Persons being referred to individually as a “**Nordstrom Canada Entities 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 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 Creditor, Affected Creditor or other Person may be entitled to assert, including any and all Claims in respect of the payment and receipt of proceeds, statutory liabilities of the Nordstrom Canada Entities Released Parties and any

alleged fiduciary or other duty thereof, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any omission, transaction, duty, responsibility, indebtedness, Liability, obligation, dealing or other occurrence existing or taking place on or prior to the later of the Plan Implementation Date and the date on which actions are taken to implement the Plan that are in any way relating to, arising out of or in connection with the Claims, the Business whenever or however conducted, the Plan, the CCAA Proceedings (including any KERP Claim), the Employee Trust, or any Claim that has been barred or extinguished by the Claims Procedure Order and all claims arising out of such actions or omissions shall be forever waived and released (other than the right to enforce the Nordstrom Canada Entities' obligations under the Plan or any related document), all to the full extent permitted by Applicable Law, provided that nothing herein shall release or discharge (i) the Nordstrom Canada Entities from and in respect of any Unaffected Claim that is not paid in full or otherwise addressed pursuant to the Plan, (ii) any Nordstrom Canada Entities Released Party if such Nordstrom Canada Entities Released Party is judged by the expressed terms of a judgment rendered on a final determination on the merits to have committed criminal, fraudulent or other wilful misconduct or (iii) the Directors with respect to matters set out in section 5.1(2) of the CCAA.

- (b) On the Plan Implementation Date, (i) the Monitor, A&M, and their respective affiliates, and each of their current and former directors, officers, employees, representatives, advisors, legal counsel and agents, (ii) counsel to the Directors and Officers, (iii) the Employee Trust Trustee, and (iv) Employee Representative Counsel (all of the foregoing Persons 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 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 Creditor, Affected 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 omission, transaction, duty, responsibility, indebtedness, Liability, obligation, dealing or other occurrence existing or taking place on or prior to the later of the Plan Implementation Date and the date on which actions are taken to implement the Plan that are in any way relating to, arising out of or in connection with the Claims, the Business whenever or however conducted, the Plan, the CCAA Proceedings (including any KERP Claim), the Employee Trust or any Claim that has been barred or extinguished by the Claims Procedure Order and all claims arising out of such actions or omissions shall be forever waived and released (other than the right to enforce the Monitor's obligations under the Plan or any related document), all to the full extent permitted by Applicable Law, provided that nothing herein shall release or discharge any Third Party Released Party if such Third Party Released Party is judged by the expressed terms of a judgment rendered on a final determination on the merits to have committed criminal, fraudulent or other wilful misconduct.

- (c) On the Plan Implementation Date, the Plan Sponsor, the Plan Sponsor Subsidiaries and their current and former directors, officers and employees and their respective advisors, legal counsel and agents (all of the foregoing Persons being referred to individually as a “**Plan Sponsor 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 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 Creditor, Affected Creditor or other Person (excluding an FLS Landlord in respect of its FLS Landlord Guarantee Claim) 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 omission, transaction, duty, responsibility, indebtedness, Liability, obligation, dealing or other occurrence existing or taking place on or prior to the later of the Plan Implementation Date and the date on which actions are taken to implement the Plan that are in any way relating to, arising out of or in connection with the Claims, the Business whenever or however conducted, the Plan, the CCAA Proceedings (including any KERP Claim), the Employee Trust, or any Claim that has been barred or extinguished by the Claims Procedure Order and all claims arising out of such actions or omissions shall be forever waived and released (other than the right to enforce the Plan Sponsor’s obligations under the Plan or any related document), all to the full extent permitted by Applicable Law, provided that nothing herein shall release or discharge (i) any FLS Landlord Guarantee Claim and (ii) any Plan Sponsor Released Party if such Plan Sponsor Released Party is judged by the expressed terms of a judgment rendered on a final determination on the merits to have committed criminal, fraudulent or other wilful misconduct. For greater certainty, the Plan Sponsor shall not be released from any indemnity or guarantee provided by the Plan Sponsor in favour of any Director, Officer or Employee.
- (d) Notwithstanding anything to the contrary herein, Insured Claims shall not be compromised, settled, released and discharged by the 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 and not from the Nordstrom Canada Entities. This Section 7.1(d) may be relied upon and raised or pleaded by the Nordstrom Canada Entities in defence or estoppel of or to enjoin any claim, action or proceeding brought in contravention of this Section 7.1(d). Nothing in the Plan shall prejudice, compromise, release or otherwise affect any right or defence of any insured or insurer in respect of an Insured Claim.
- (e) Nothing in the Plan shall be interpreted as restricting the application of Section 21 of the CCAA.

ARTICLE 8

COURT SANCTION, CONDITIONS PRECEDENT AND IMPLEMENTATION

8.1 Application for Sanction and Vesting Order

If the Plan is approved by the Required Majority of the Affected Creditors at the Creditors' Meeting, the Nordstrom Canada Entities shall apply for the Sanction and Vesting Order on or before the date set in the Meeting Order for the hearing of the Sanction and Vesting Order or such later date as the Court may set.

8.2 Sanction and Vesting Order

The Nordstrom Canada Entities will apply for a Sanction and Vesting Order that will have effect from and after the Effective Time on the Plan Implementation Date, and shall, among other things:

- (a) order that (i) the Plan has been approved by the Required Majority of Affected Creditors with Proven Claims in conformity with the CCAA; (ii) the Nordstrom Canada Entities have complied with the provisions of the CCAA and the Orders of the Court made in these CCAA Proceedings in all respects; (iii) the Court is satisfied that the Nordstrom Canada Entities have not done or purported to do anything that is not authorized by the CCAA; and (iv) the Plan and the Plan Transactions contemplated thereby are fair and reasonable;
- (b) order that the Plan and all associated steps, compromises, transactions, arrangements, releases and reorganizations effected thereby are approved, binding and effective on the Nordstrom Canada Entities, the Plan Sponsor, all Affected Creditors, the Released Parties and all other Persons and parties affected by the Plan as of the Effective Time;
- (c) grant to the Monitor, in addition to its rights and obligations under the CCAA, the powers, duties and protections contemplated by and required under the Plan and authorize and direct the Monitor to perform its duties and fulfil its obligations under the Plan to facilitate the implementation thereof;
- (d) order that all right, title and interest in and to the Canada Customer Data have vested absolutely in and to the Plan Sponsor (or its designee), free and clear of all Encumbrances as set out in Section 5.2(e);
- (e) direct the Plan Sponsor to maintain the books and records of the Nordstrom Canada Entities for purposes of the completion of the Claims Process and the performance of the Nordstrom Canada Entities' duties under the Plan, or as the Nordstrom Canada Entities may otherwise be required under Applicable Law;
- (f) confirm the releases set out in Article 7;
- (g) 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) order that any Affected Claim for which a Proof of Claim or dispute of Negative Notice Claim has not been filed by the Claims Bar Date in accordance with the Claims Procedure Order shall be forever barred and extinguished;
- (i) order that the Intercompany Claims set out in Schedule A herein are deemed to be and shall be Proven Claims for the purposes of the Claims Procedure Order and the Plan;
- (j) order that in no circumstance will the Monitor have any liability for any of the Nordstrom Canada Entities' tax or other liabilities regardless of how or when such liability may have arisen;
- (k) order that, in carrying out the terms of the Sanction and Vesting 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 and Vesting Order and/or the Plan; and (iii) the Monitor shall be entitled to rely on the books and records of the Nordstrom Canada Entities and any information provided by any of the Nordstrom 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;
- (l) approve the form of the Monitor's Plan Implementation Date Certificate, and declare that the Monitor, in its capacity as Monitor, following receipt of written notice from the Nordstrom Canada Entities of the fulfilment or waiver of the conditions precedent to implementation of the Plan as set out in Section 8.3 of the Plan, shall deliver the Monitor's Plan Implementation Date Certificate to the Nordstrom Canada Entities and serve a copy thereof on the service list established in the CCAA Proceedings;
- (m) provide for the continuation of the Administration Charge and the Directors' Charge solely against the Consolidated Cash Pool, the NCL ITC Cash Pool and the Cash Reserves, which Charges shall survive the Plan Implementation Date;
- (n) authorize the change in the name of each of the Nordstrom Canada Entities upon the Plan Implementation Date and authorize corresponding changes to the style of cause in these CCAA Proceedings;
- (o) authorize the Nordstrom Canada Entities (at their sole election) to seek an order of any court of competent jurisdiction to recognize the Plan and the Sanction and Vesting Order and to confirm the Plan and the Sanction and Vesting Order as binding and effective in any appropriate foreign jurisdiction;
- (p) order that the Nordstrom Canada Entities and the Monitor may apply to the Court from time to time for advice and direction in respect of any matters arising from or under the Plan; and

- (q) approve the form of the Monitor's Plan Completion Certificate, and declare that the Monitor, in its capacity as Monitor, following written notice from the Nordstrom Canada Entities to the Monitor pursuant to Section 6.10(d) of the Plan that the Nordstrom Canada Entities have completed their duties to fully and finally effect all distributions, disbursements and payments in accordance with the Plan, shall file the Monitor's Plan Completion Certificate with the Court.

8.3 Conditions Precedent to Implementation of the Plan

The implementation of the Plan shall be conditional upon the fulfilment or waiver, where applicable, of the following conditions precedent by the date specified therefor, provided however that any waiver of any such conditions precedent shall require the consent of the Monitor, acting reasonably:

- (a) the Minister of National Revenue (Canada) shall have withdrawn and vacated the CRA NCH Assessments to the satisfaction of the Nordstrom Canada Entities and the Monitor;
- (b) the Plan shall have been approved by the Required Majority of the Affected Creditors at the Creditors' Meeting;
- (c) all material consents, declarations, rulings, certificates or approvals of or by any Governmental Authority as may be considered necessary by the Nordstrom Canada Entities and the Monitor in respect of the Plan Transactions shall have been obtained;
- (d) the Sanction and Vesting Order shall have been granted by the Court, in form satisfactory to the Nordstrom Canada Entities, and shall have become a Final Order; and
- (e) the Plan Implementation Date shall have occurred, by no later than June 30, 2024, unless otherwise ordered by the Court.

8.4 Monitor's Certificates

Upon receipt by the Monitor of written notice from the Nordstrom Canada Entities of the fulfilment or waiver of the conditions precedent to implementation of the Plan as set out in Section 8.3 of the Plan, the Monitor shall deliver the Monitor's Plan Implementation Date Certificate to the Nordstrom Canada Entities and serve a copy thereof on the service list established in the CCAA Proceedings. Following the Plan Implementation Date, the Monitor shall file a copy of the Monitor's Plan Implementation Date Certificate with the Court and post a copy of same on the Website.

Upon receipt by the Monitor of written notice from the Nordstrom Canada Entities pursuant to Section 6.10(d) that the Nordstrom Canada Entities have completed their duties to fully and finally effect all steps, distributions, disbursements and payments in accordance with the Plan, the Monitor shall serve a copy of the Monitor's Plan Completion Certificate on the service list established in the CCAA Proceedings, file a copy of the Monitor's Plan Completion Certificate with the Court and post a copy of same on the Website.

ARTICLE 9 GENERAL

9.1 Binding Effect

On the Plan Implementation Date, or as otherwise provided in the Plan:

- (a) the Plan will become effective at the Effective Time and the Plan Transactions will be implemented;
- (b) the treatment of Affected Claims under the Plan shall be final and binding for all purposes and enure to the benefit of the Nordstrom Canada Entities, the Plan Sponsor, 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, administrators and other legal representatives, successors and assigns;
- (c) all Affected Claims shall be and shall be deemed to be forever discharged and released, excepting only the obligations to make distributions in respect of such Affected Claims in the manner and to the extent provided for in the Plan;
- (d) 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;
- (e) each Person named or referred to in, or subject to, the Plan shall be deemed to have executed and delivered to the Nordstrom Canada Entities and the Plan Sponsor, all consents, releases, directions, assignments and waivers, statutory or otherwise, required to implement and carry out the Plan in its entirety; and
- (f) each Person named or referred to in, or subject to, the Plan shall be deemed to have received from the Nordstrom Canada Entities and the Plan Sponsor, all statements, notices, declarations and notifications, statutory or otherwise, required to implement and carry out the Plan in its entirety.

9.2 Claims Bar Date

Nothing in this Plan extends or shall be interpreted as extending or amending the Claims Bar Date, 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 Order.

9.3 Deeming Provisions

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

9.4 Interest and Fees

Interest shall not accrue or be paid on Affected Claims after the Filing Date, and no holder of an Affected Claim shall be entitled to interest accruing nor to fees and expenses incurred in respect of an Affected Claim on or after the Filing Date and any Claims in respect of interest accruing or fees and expenses incurred on or after the Filing Date shall be deemed to be forever extinguished and released.

9.5 Non-Consummation

The Nordstrom Canada Entities reserve the right, with the consent of the Plan Sponsor, to revoke or withdraw the Plan at any time prior to the date on which the Court grants the Plan Sanction Order. If the Nordstrom Canada Entities revoke or withdraw the Plan, or if the Sanction and Vesting Order is not issued or if the Plan Implementation Date does not occur, (a) the Plan (including all Plan Transactions) shall be null and void in all respects, (b) any settlement or compromise embodied in the Plan (including the treatment of any Intercompany Claims set out herein), 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 (i) constitute or be deemed to constitute a waiver or release of any Claims by or against any of the Nordstrom Canada Entities, the Plan Sponsor or any other Person, (ii) prejudice in any manner the rights of the Nordstrom Canada Entities, the Plan Sponsor or any other Person in any further proceedings involving any of the Nordstrom Canada Entities or Intercompany Claims or (iii) constitute an admission of any sort by any of the Nordstrom Canada Entities, the Plan Sponsor or any other Person.

9.6 Modification of the Plan

- (a) The Nordstrom Canada Entities reserve the right, at any time and from time to time (including prior to, at or following the Creditors' Meeting), with the consent of the Monitor and the Plan Sponsor, to amend, restate, modify and/or supplement the Plan; provided:
 - (i) if made prior to or at the Creditors' Meeting, such amendment, restatement, modification or supplement shall be communicated to Affected Creditors in the manner required by the Meeting Order; and
 - (ii) if made following the Creditors' Meeting, such amendment, restatement, modification or supplement shall be approved by the Court following notice to the Affected Creditors.
- (b) Notwithstanding Section 9.6(a), any amendment, restatement, modification or supplement to the Plan may be made by the Nordstrom Canada Entities, with the consent of the Monitor and the Plan Sponsor or pursuant to an Order of the Court, at any time and from time to time, provided that it concerns a matter which (i) is of an administrative nature required to better give effect to the implementation of the Plan and the Sanction and Vesting Order or (ii) to cure any errors, omissions or ambiguities, and in either case is not materially adverse to the financial or economic interests of the Affected Creditors or the Unaffected Creditors.
- (c) Any amended, restated, modified or supplementary Plan or Plans filed with the Court and, if required by this Section, approved by the Court shall, for all purposes, be and be deemed to be a part of, and incorporated in, the Plan.

9.7 Paramountcy

From and after the Effective Time on the Plan Implementation Date, 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, bylaws of the Nordstrom Canada Entities, lease or other agreement, written or oral and any and all amendments or supplements thereto existing between any Person and the Nordstrom Canada Entities as at the Plan Implementation Date;

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

9.8 Severability of Plan Provisions

If, prior to the Plan Sanction Date, any term or provision of the Plan is held by the Court to be invalid, void or unenforceable, the Court, at the request of the Nordstrom Canada Entities and with the consent of the Monitor and the Plan Sponsor, shall have the power to either (a) sever such term or provision from the balance of the Plan and provide the Nordstrom Canada Entities with the option to proceed with the implementation of the balance of the Plan as of and with effect from the Plan Implementation Date, or (b) alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applied as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, and provided that the Nordstrom Canada Entities proceed with the implementation of the Plan, the remainder of the terms and provisions of the Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation.

9.9 Responsibilities of the Monitor

The Monitor is acting and will continue to act in all respects in its capacity as Monitor in the CCAA Proceedings with respect to the Nordstrom Canada Entities and not in its personal or corporate capacity, including without limitation supervising the establishment and administration of the Consolidated Cash Pool and the Cash Reserves (including any adjustments with respect to same) and establishing any of the Distribution Dates or the timing or sequence of the Plan Transactions and the Plan Transaction Steps. The Monitor will not be responsible or liable whatsoever for any obligations of the Nordstrom Canada Entities or the Plan Sponsor. The Monitor will have the powers and protections granted to it by the Plan, the CCAA, the Initial Order, the Meeting Order, the Sanction and Vesting Order and any other Order made in the CCAA Proceedings. Nothing herein shall prevent the Monitor from acting as trustee in any bankruptcy of the Nordstrom Canada Entities or the Property.

9.10 Different Capacities

Persons who are affected by the Plan may be affected in more than one capacity. Unless expressly provided herein to the contrary, a Person will be entitled to participate hereunder in each such capacity. Any action taken by a Person in one capacity will not affect such Person in any other capacity, unless expressly agreed by a Person in writing or unless its Claims overlap or are otherwise duplicative.

9.11 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, ordinary mail or by email addressed to the respective parties as follows:

- (a) If to the Nordstrom Canada Entities:

Nordstrom Canada Entities
PMB #402
6-1500 Upper Middle Road W
Oakville, Ontario
L6M 0C2

Attention: Misti Heckel
Email: Misti.Heckel@nordstrom.com

with a copy to:

Osler, Hoskin & Harcourt LLP
100 King Street West
1 First Canadian Place, Suite 6200
P.O. Box 50
Toronto, ON M5X 1B8

Attention: Tracy Sandler / Jeremy Dacks / Martino Calvaruso
Email: tsandler@osler.com / jdacks@osler.com / mcalvaruso@osler.com

- (b) If to the Plan Sponsor:

Nordstrom, Inc.
1600 Seventh Avenue
Suite 2500
Seattle, WA 98101

Attention: Tracie Hinson
Email: tracie.hinson@nordstrom.com

with a copy to:

Fasken Martineau DuMoulin LLP
Bay Adelaide Centre
333 Bay Street, Suite 2400
P.O. Box 20
Toronto, ON M5H 2T6

Attention: Aubrey Kauffman
Email: akauffman@fasken.com

- (c) If to the Monitor:

Alvarez & Marsal Canada Inc.
Royal Bank Plaza, South Tower
200 Bay Street, Suite 2900
PO Box 22
Toronto, ON M5J 2J1

Attention: Alan J. Hutchens / Skylar Rushton
Email: ahutchens@alvarezandmarsal.com /
srushton@alvarezandmarsal.com

with a copy to:

Goodmans LLP
Bay Adelaide Centre
333 Bay Street, Suite 3400
Toronto, ON M5H 2S7

Attention: Brendan O'Neill / Brad Wiffen
Email: boneill@goodmans.ca / bwiffen@goodmans.ca

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.

9.12 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 13th day of December, 2023.

- A-1 -

SCHEDULE A
INTERCOMPANY CLAIMS¹

| No. (Per Intercompany Claims Report) | Claim | Claim Type | Claim By | Claim Against | Claim Amount (Per Intercompany Claims Report) | Proven Claim Amount |
|--------------------------------------|--------------------------------------|-----------------------------|--------------|---------------|---|---|
| AFFILIATE CLAIMS | | | | | | |
| 1. | NIL Canada Expansion Loan Claim | Pre-Filing Claim | NIL | NCH | \$309,832,891 | An amount which will generate total distributions under the Plan on account of such Claim equal to (and in any case no greater than) the Cash on hand at NCH available for distribution to Affected Creditors on the Plan Implementation Date |
| 2. | NINC-NCRI Services Claim | Pre-Filing Claim | Nordstrom US | NCRI | \$17,661,179 | \$17,661,179 |
| 4. | NINC Employee Trust Subrogated Claim | Subrogated Pre-Filing Claim | Nordstrom US | NCRI | \$13,633,426 | \$14,599,347 |
| 5. | NINC-NCL Services Claim | Pre-Filing Claim | Nordstrom US | NCL | \$495,582 | \$495,582 |
| 6. | NINC-NCH Services Claim | Pre-Filing Claim | Nordstrom US | NCH | \$55,031 | \$55,031 |

¹ Intercompany Claims information is derived from the Intercompany Claims Report. Amounts set out herein are exclusive of any applicable GST/HST or provincial sales tax. The NCRI Transfer Pricing Claim (Claim No. 3 in the Intercompany Claims Report) is not listed in this table as it is a claim receivable by NCRI, and not a Proven Claim against any of the Nordstrom Canada Entities. The NCRI Transfer Pricing Claim is addressed through the payment of the Net NCRI Transfer Pricing Claim in accordance with the Plan.

- A-2 -

| No. (Per Intercompany Claims Report) | Claim | Claim Type | Claim By | Claim Against | Claim Amount (Per Intercompany Claims Report) | Proven Claim Amount |
|--------------------------------------|--|----------------------------|--------------|---------------|---|--|
| 7. | NINC-NCHII Services Claim | Pre-Filing Claim | Nordstrom US | NCHII | \$56,829 | \$56,829 |
| INTRACOMPANY CLAIMS | | | | | | |
| 8. | NCL Pre-Filing Sublease Rent Claim | Pre-Filing Claim | NCL | NCRI | \$64,879,810 | \$64,879,810 |
| 9. | NCL Post-Filing Sublease Rent Claim | Post-Filing Claim | NCL | NCRI | \$26,227,411 | \$26,227,411 |
| 10. | NCL Sublease Termination Claim | Restructuring Period Claim | NCL | NCRI | | |
| | A. NCL Master Lease Flow-Through Claim | Restructuring Period Claim | NCL | NCRI | \$TBD | An aggregate amount as determined by NCL and NCRI in the NCL-NCRI Claims Settlement Agreement with the consent of the Monitor. |
| | B. NCL Improvement Rent Claim | Restructuring Period Claim | NCL | NCRI | \$368,027,201 | |
| 11. | NCRI-NCL Services Claim | Pre-Filing Claim | NCRI | NCL | \$55,046 | \$55,046 |

-B-1-

**SCHEDULE B
FLS STORES**

| Store No. | Location | Street Address | City | Province | Postal Code |
|------------------|--------------------|------------------------------------|-------------|-----------------|--------------------|
| 830 | Chinook Centre | 6455 Macleod Trail SW #2150 | Calgary | AB | T2H OK8 |
| 831 | Rideau Centre | 50 Rideau Street #500 | Ottawa | ON | K1N 9J7 |
| 832 | Pacific Centre | 799 Robson Street POB 10435 LCD | Vancouver | BC | V7Y 0A2 |
| 833 | Sherway Gardens | 25 The West Mall | Etobicoke | ON | M9C 1B8 |
| 834 | Yorkdale | 3401 Dufferin Street | Toronto | ON | M6A 2T9 |
| 835 | Eaton Centre | 260 Yonge Street POB 710 | Toronto | ON | M5B 2L9 |

This is Exhibit “C” referred to in the Affidavit of Misti Heckel
sworn March 8, 2024.



Commissioner for Taking Affidavits (or as may be)

HANNAH DAVIS

From: Nordstrom Canada <NordstromCanada@alvarezandmarsal.com>
Sent: Thursday, January 11, 2024 6:27 PM
To: Nordstrom Canada
Subject: Nordstrom Canada Entities | Creditors' Meeting Materials
Attachments: Nordstrom Canada - Letter to Creditors - 28-DEC-2023.PDF; Consolidated Plan of Compromise and Arrangement.pdf; Notice of Creditors Meeting - 28-DEC-2023.pdf; Proxy and Instructions - 28-DEC-2023-2.pdf; Convenience Class Claim Election.pdf; Resolution.pdf

Re: Consolidated Plan of Compromise and Arrangement of Nordstrom Canada Retail, Inc., Nordstrom Canada Holdings, LLC, Nordstrom Canada II, LLC, and Nordstrom Canada Leasing LP (collectively, the “Nordstrom Canada Entities”)

To Affected Creditors:

In accordance with the Meeting Order dated December 20, 2023 in the above noted proceedings, please find attached: (i) the Letter to Creditors; (ii) the Consolidated Plan of Compromise and Arrangement of the Nordstrom Canada Entities dated December 13, 2023 (the “**Plan**”); and (iii) the other meeting materials for the meeting of creditors of the Nordstrom Canada Entities (being the Notice of the Creditors’ Meeting, the Proxy and related instructions, the Convenience Class Claim Election form, and the form of Resolution to approve the Plan).

We urge you to carefully review the attached documents, as you consider your vote with respect to the Plan. Should you have any questions or require further clarification, please refer to section 5 of the Letter to Creditors, which contains sources for additional information and contact details. Inquiries can be submitted to the Monitor at nordstromcanada@alvarezandmarsal.com with the subject line: “**Nordstrom Canada Entities Creditors’ Meeting – [Claim Number, Claimant Name]**”.

1. The Creditors’ Meeting

A meeting of the Affected Creditors of the Nordstrom Canada Entities (the “**Creditors’ Meeting**”) will be held on March 1, 2024 at 10:00 a.m. (Toronto time) by live audio webcast online at <https://web.lumiagm.com/436321841> for the following purposes:

1. to consider and, if deemed advisable, to pass, with or without variation, a resolution (the “**Resolution**”) approving the Plan pursuant to the *Companies’ Creditors Arrangement Act* (Canada); and
2. to transact such other business as may properly come before the Creditors’ Meeting or any adjournment or postponement thereof.

Affected Creditors that wish to cast a vote on the Resolution at the Creditors’ Meeting can do so in one of two ways: (1) by voting in advance by submitting a Proxy; or (2) by attending and voting at the virtual Creditors’ Meeting. Both voting options are described below.

2. Voting by Proxy

Please complete the enclosed Proxy form if you wish to appoint a proxyholder (which includes an option to appoint the Monitor as proxyholder), to attend the Creditors’ Meeting, vote your Voting Claim to accept or reject the Plan and otherwise act for and on your behalf at the Creditors’ Meeting.

If the Affected Creditor is a corporation and wishes to have an authorized representative attend and vote on its behalf at the Creditors’ Meeting, the Proxy Form must be submitted appointing the representative as the proxy.

In the absence of an instruction in a completed Proxy to vote for or against the approval of the Resolution, the Proxy shall be deemed to include instructions to vote for the approval of the Resolution. Any Proxy that is illegible or contains insufficient information to permit identification of the claimant will not be counted.

3. Attending and Voting at the Creditors' Meeting

Affected Creditors who wish to attend and vote at the virtual Creditors' Meeting (rather than voting in advance by Proxy) must contact the Monitor by e-mail at the address noted above by 5:00 p.m. (Toronto time) on February 28, 2024 in order to obtain a personal meeting identification number and instructions that will permit the Affected Creditor to access and vote at the virtual Creditors' Meeting.

4. Convenience Class Claims and Election Form

If you are an Affected Creditor with Proven Claim(s) in an amount less than or equal to Cdn\$15,000, you are deemed to vote in favour of the Plan without any requirement to cast a vote and you do not need to take any further action (i.e. you do not need to complete or submit a Proxy). Pursuant to the Plan, a Convenience Class Creditor will receive their Proven Claim (up to Cdn\$15,000) on the Initial Distribution Date and will receive no distributions thereafter.

If your Proven Claim(s) is/are in excess of Cdn\$15,000, you may elect to be treated as a Convenience Class Creditor by completing the attached Convenience Class Claim Election form and returning it to the Monitor prior to February 28, 2024 at 5:00 p.m. (Toronto Time).

As detailed in the Seventh Report of the Monitor, the current illustrative range of estimated recoveries for Affected Claims under the Plan is approximately 71% to 75%. As such, an Affected Creditor with a Proven Claim of greater than Cdn\$15,000 and less than approximately Cdn\$21,400 may receive greater economic recovery by submitting a Convenience Class Claim Election in order to be treated as a Convenience Class Creditor.

The Monitor will be filing a further report regarding the Plan at least seven days prior to the Creditors' Meeting. This report will be available for review on the Monitor's website accessible at: <http://www.alvarezandmarsal.com/NordstromCanada>.

Thank you,

Alvarez & Marsal Canada
Royal Bank Plaza, South Tower
200 Bay Street, Suite 2900
Toronto, ON M5J 2J1

AlvarezandMarsal.com

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This is Exhibit “D” referred to in the Affidavit of Misti Heckel
sworn March 8, 2024.



Commissioner for Taking Affidavits (or as may be)

HANNAH DAVIS

From: Nordstrom Canada <NordstromCanada@alvarezandmarsal.com>
Sent: Wednesday, January 10, 2024 5:35 PM
To: Nordstrom Canada
Subject: Nordstrom Canada Entities | Creditors' Meeting Materials
Attachments: Nordstrom Canada - Letter to Creditors - 28-DEC-2023.PDF; Consolidated Plan of Compromise and Arrangement.pdf; Notice of Creditors Meeting - 28-DEC-2023.pdf; Proxy and Instructions - 28-DEC-2023-2.pdf; Convenience Class Claim Election.pdf; Resolution.pdf

Re: Consolidated Plan of Compromise and Arrangement of Nordstrom Canada Retail, Inc., Nordstrom Canada Holdings, LLC, Nordstrom Canada II, LLC, and Nordstrom Canada Leasing LP (collectively, the “Nordstrom Canada Entities”)

To Represented Employees:

In accordance with the Meeting Order dated December 20, 2023 in the above noted proceedings, please find attached: (i) the Letter to Creditors; (ii) the Consolidated Plan of Compromise and Arrangement of the Nordstrom Canada Entities dated December 13, 2023 (the “**Plan**”); and (iii) the other meeting materials for the meeting of creditors of the Nordstrom Canada Entities (being the Notice of the Creditors’ Meeting, the Proxy and related instructions, the Convenience Class Claim Election form, and the form of Resolution to approve the Plan).

We urge you to carefully review the attached documents, as you consider your vote with respect to the Plan. Should you have any questions or require further clarification, please refer to section 5 of the Letter to Creditors, which contains sources for additional information and contact details. Inquiries can be submitted to the Monitor at nordstromcanada@alvarezandmarsal.com with the subject line: “**Nordstrom Canada Entities Creditors’ Meeting – [Claim Number, Claimant Name]**”.

1. The Creditors’ Meeting

A meeting of the Affected Creditors of the Nordstrom Canada Entities (the “**Creditors’ Meeting**”) will be held on March 1, 2024 at 10:00 a.m. (Toronto time) by live audio webcast online at <https://web.lumiagm.com/436321841> for the following purposes:

1. to consider and, if deemed advisable, to pass, with or without variation, a resolution (the “**Resolution**”) approving the Plan pursuant to the *Companies’ Creditors Arrangement Act* (Canada); and
2. to transact such other business as may properly come before the Creditors’ Meeting or any adjournment or postponement thereof.

Affected Creditors that wish to cast a vote on the Resolution at the Creditors’ Meeting can do so in one of two ways: (1) by voting in advance by submitting a Proxy; or (2) by attending and voting at the virtual Creditors’ Meeting. Both voting options are described below.

2. Voting by Proxy

Please be advised that Employee Representative Counsel has been deemed to be the proxyholder in respect of each Represented Employee including yourself and shall be entitled to vote your Voting Claim on your behalf, without the requirement for you to submit a Proxy to the Monitor.

If the Affected Creditor is a corporation and wishes to have an authorized representative attend and vote on its behalf at the Creditors’ Meeting, the Proxy Form must be submitted appointing the representative as the proxy.

In the absence of an instruction in a completed Proxy to vote for or against the approval of the Resolution, the Proxy shall be deemed to include instructions to vote for the approval of the Resolution. Any Proxy that is illegible or contains insufficient information to permit identification of the claimant will not be counted.

3. Attending and Voting at the Creditors' Meeting

Affected Creditors who wish to attend and vote at the virtual Creditors' Meeting (rather than voting in advance by Proxy) must contact the Monitor by e-mail at the address noted above by 5:00 p.m. (Toronto time) on February 28, 2024 in order to obtain a personal meeting identification number and instructions that will permit the Affected Creditor to access and vote at the virtual Creditors' Meeting.

4. Convenience Class Claims and Election Form

If you are an Affected Creditor with Proven Claim(s) in an amount less than or equal to Cdn\$15,000, you are deemed to vote in favour of the Plan without any requirement to cast a vote and you do not need to take any further action (i.e. you do not need to complete or submit a Proxy). Pursuant to the Plan, a Convenience Class Creditor will receive their Proven Claim (up to Cdn\$15,000) on the Initial Distribution Date and will receive no distributions thereafter.

If your Proven Claim(s) is/are in excess of Cdn\$15,000, you may elect to be treated as a Convenience Class Creditor by completing the attached Convenience Class Claim Election form and returning it to the Monitor prior to February 28, 2024 at 5:00 p.m. (Toronto Time).

As detailed in the Seventh Report of the Monitor, the current illustrative range of estimated recoveries for Affected Claims under the Plan is approximately 71% to 75%. As such, an Affected Creditor with a Proven Claim of greater than Cdn\$15,000 and less than approximately Cdn\$21,400 may receive greater economic recovery by submitting a Convenience Class Claim Election in order to be treated as a Convenience Class Creditor.

The Monitor will be filing a further report regarding the Plan at least seven days prior to the Creditors' Meeting. This report will be available for review on the Monitor's website accessible at: <http://www.alvarezandmarsal.com/NordstromCanada>.

Thank you,

Alvarez & Marsal Canada
Royal Bank Plaza, South Tower
200 Bay Street, Suite 2900
Toronto, ON M5J 2J1

AlvarezandMarsal.com

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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-23-00695619-00CL

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
NORDSTROM CANADA RETAIL, INC., NORDSTROM CANADA HOLDINGS, LLC and
NORDSTROM CANADA HOLDINGS II, LLC

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

PROCEEDING COMMENCED AT TORONTO

AFFIDAVIT OF MISTI HECKEL

OSLER, HOSKIN & HARCOURT LLP

100 King Street West
1 First Canadian Place
Suite 6200, P.O. Box 50
Toronto ON M5X 1B8

Tracy C. Sandler (LSO# 32443N)

Tel: 416.862.5890
Email: tsandler@osler.com

Jeremy Dacks (LSO# 41851R)

Tel: 416.862.4923
Email: jdacks@osler.com

Martino Calvaruso (LSO# 57359Q)

Tel: 416.862.6665
Email: mcalvaruso@osler.com

Marleigh Dick (LSO# 79390S)

Tel: 416.862.4725
Email: mdick@osler.com

Lawyers for the Applicants

TAB 3

Court File No. CV-23-00695619-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE

)

TUESDAY, THE 19TH

)

CHIEF JUSTICE MORAWETZ

)

DAY OF MARCH, 2024

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 NORDSTROM CANADA RETAIL, INC.,
NORDSTROM CANADA HOLDINGS, LLC and NORDSTROM
CANADA HOLDINGS II, LLC

SANCTION AND VESTING ORDER

THIS MOTION, made by Nordstrom Canada Retail, Inc., Nordstrom Canada Holdings, LLC, and Nordstrom Canada Holdings II, LLC (collectively, the “**Applicants**”, and together with Nordstrom Canada Leasing LP, the “**Nordstrom Canada Entities**”), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”), for an Order, *inter alia*: (a) sanctioning the Consolidated Plan of Compromise and Arrangement in respect of the Nordstrom Canada Entities dated December 13, 2023 (the “**Plan**”), a copy of which is attached hereto as Schedule “A”; (b) vesting in the Plan Sponsor all of the Nordstrom Canada Entities’ right, title and interest in and to the Canada Customer Data; and (c) extending the Stay Period until and including June 28, 2024, was heard this day at 130 Queen Street West, Toronto, Ontario.

ON READING the Notice of Motion of the Applicants, the Affidavit of Misti Heckel sworn December 13, 2023 including the exhibits thereto, the Affidavit of Misti Heckel sworn March 8, 2024 including the exhibits thereto, the Eighth Report of the Monitor dated February 21, 2024, the Ninth Report of the Monitor dated March 6, 2024 (collectively, the “**Monitor’s**

Reports”), and on hearing the submissions of counsel for the Nordstrom Canada Entities, counsel to the Monitor, and such other counsel as were present, no one else appearing for any other person on the service list in these CCAA Proceedings (the “**Service List**”), although properly served as appears from the affidavit of service of Hannah Davis sworn March 1, 2024, filed:

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion, the Motion Record in support of this motion and the Monitor’s Reports be and is hereby validated, such that this motion is properly returnable today and hereby dispenses with further service thereof.

2. **THIS COURT ORDERS** that there has been good and sufficient notice, service and delivery of the Meeting Materials (as defined in the Meeting Order granted by this Court on December 20, 2023 (the “**Meeting Order**”)) and that the Creditors’ Meeting was duly called, convened, held and conducted, all in conformity with the CCAA and the Meeting Order.

CAPITALIZED TERMS

3. **THIS COURT ORDERS** that any capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Plan.

SANCTION OF THE PLAN

4. **THIS COURT ORDERS** that the Plan and all associated steps, compromises, transactions, arrangements, releases, discharges, injunctions, and reorganizations effected thereby are hereby sanctioned, approved, binding and effective on the Nordstrom Canada Entities, the Plan Sponsor, all Affected Creditors, the Released Parties and all other Persons and parties affected by the Plan as of the Effective Time.

PLAN IMPLEMENTATION

5. **THIS COURT ORDERS** that the Nordstrom Canada Entities and the Monitor, and their respective representatives, are hereby authorized and directed to take all steps and actions to do all things, determined by the Nordstrom Canada Entities or the Monitor, respectively, to be necessary or appropriate to implement the Plan in accordance with its terms and to enter into, execute, deliver, complete, implement and consummate all of the steps, including the Plan Transaction Steps, and all other transactions, distributions, disbursements, payments, deliveries, instruments and agreements contemplated pursuant thereto, and such actions are hereby authorized, ratified and approved. The distributions, disbursements and payments contemplated in this paragraph 5 shall be free and clear of all claims, rights and interests of any Persons, including without limitation, the CCAA Charges, and neither the Nordstrom Canada Entities, the Monitor, nor their respective representatives shall incur any liability as a result of acting in accordance with the Plan and this Order.

6. **THIS COURT ORDERS** that upon receipt of written notice from the Nordstrom Canada Entities of the fulfilment or waiver of the conditions precedent to the implementation of the Plan as set out in Section 8.3 of the Plan, the Monitor shall deliver a certificate substantially in the form attached hereto as Schedule “B” (the “**Monitor’s Plan Implementation Date Certificate**”) to the Nordstrom Canada Entities and serve a copy of the same on the Service List. Following the Plan Implementation Date, the Monitor shall file a copy of the Monitor’s Plan Implementation Date Certificate with the Court and post a copy of the same on the Website.

EFFECT OF PLAN IMPLEMENTATION

7. **THIS COURT ORDERS** that the Plan, including the treatment of Affected Claims under the Plan shall be final and binding for all purposes and enure to the benefit of the Nordstrom

Canada Entities, the Plan Sponsor, 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.

8. **THIS COURT ORDERS** that all Affected Claims shall be and shall be deemed to be forever discharged and released, excepting only the obligations to make distributions in respect of such Affected Claims in the manner and to the extent provided for in the Plan.

9. **THIS COURT ORDERS** that each Person named or referred to in, or subject to, the Plan shall be deemed to have executed and delivered to the Nordstrom Canada Entities and the Plan Sponsor, all consents, releases, directions, receipts, acknowledgements, agreements, assignments and waivers, statutory or otherwise, required to implement and carry out the Plan in its entirety.

10. **THIS COURT ORDERS** that each Person named or referred to in, or subject to, the Plan shall be deemed to have received from the Nordstrom Canada Entities and the Plan Sponsor, all statements, notices, declarations and notifications, statutory or otherwise, required to implement and carry out the Plan in its entirety.

11. **THIS COURT ORDERS** that an Affected Creditor holding a Disputed Claim shall not be entitled to receive a distribution under the Plan in respect of any portion thereof unless and until such Disputed Claim becomes a Proven Claim in accordance with the Claims Procedure Order and Plan.

12. **THIS COURT ORDERS** that the Intercompany Claims set out in Schedule “A” to the Plan are deemed to be and shall be Proven Claims for the purposes of the Claims Procedure Order and the Plan.

13. **THIS COURT ORDERS** that nothing in the Plan extends to or shall be interpreted as extending or amending the Claims Bar Date 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 Order.

14. **THIS COURT ORDERS** that any Affected Claim for which a Proof of Claim has not been filed in accordance with the Claims Procedure Order shall be forever barred and extinguished.

ESTABLISHMENT OF RESERVES

15. **THIS COURT ORDERS** that on the Plan Implementation Date, NCRI for itself and as nominee for the other Nordstrom Canada Entities, shall be and is hereby authorized and directed to fund the Administrative Reserve from the Consolidated Cash Pool, which Administrative Reserve shall be subject to the Administrative Reserve Adjustment, in accordance with the Plan.

16. **THIS COURT ORDERS** that on the Plan Implementation Date, NCRI for itself and as nominee for the other Nordstrom Canada Entities, shall be and is hereby authorized and directed to fund the Disputed Claims Reserve from the Consolidated Cash Pool, in the amount determined by the Monitor in consultation with the Nordstrom Canada Entities in accordance with the Plan.

BIA PROVISIONS NOT APPLICABLE

17. **THIS COURT ORDERS** that sections 38 and 95 to 101 of the *Bankruptcy and Insolvency Act* (Canada) (the “BIA”) and any other federal or provincial law relating to preferences, fraudulent conveyances or transfers at undervalue, shall not apply to the Plan or to any transactions, distributions or payments made in connection with transactions entered into by or on behalf of the Nordstrom Canada Entities, whether before or after the Filing Date, including to any and all of the

payments, distributions and transactions contemplated by and to be implemented pursuant to the Plan.

DISTRIBUTIONS

18. **THIS COURT ORDERS** that the Nordstrom Canada Entities are authorized to take any and all such actions as may be necessary or appropriate to comply with applicable Tax withholding and reporting requirements. All amounts withheld on account of Taxes shall be treated for all purposes as having been paid to the Affected Creditors in respect of which such withholding was made, provided such withheld amounts be remitted to the appropriate Governmental Authority.

19. **THIS COURT ORDERS** that the Monitor or any other Person shall not incur or be deemed to incur any liability under any federal, provincial or territorial legislation or regulation relating to Taxes in respect of any payments or distributions to be made pursuant to the Plan or this Order.

20. **THIS COURT ORDERS** that in no circumstance shall the Monitor have any liability for any of the Nordstrom Canada Entities' tax or other liabilities regardless of how or when such liabilities may have arisen.

21. **THIS COURT ORDERS** that the Nordstrom Canada Entities, with the consent of the Monitor, shall be authorized to retain a third-party payment agent to assist with and facilitate any distributions or payments to be made pursuant to the Plan.

NOTICE

22. **THIS COURT ORDERS** that, as soon as practicable after the granting of this Order, the Monitor shall cause a copy of this Order to be posted on the Website, and the Nordstrom Canada

Entities shall serve a copy on the parties on the Service List. From and after the Effective Time, any notices, motions or documents that may be filed with the Court need only be served on the Nordstrom Canada Entities, the Monitor, the parties on the Service List and such Persons who deliver a Notice of Appearance to the Nordstrom Canada Entities and the Monitor, and filed such Notice of Appearance with the Court, after the Effective Time.

23. **THIS COURT ORDERS** that the steps to be undertaken in paragraph 22 shall constitute good and sufficient service and notice of this Order on all Persons who may be entitled to receive notice thereof or who may have an interest in these proceedings, and no other form of notice or service need be made on such Persons and no other document or material need be served on such Persons in respect of these proceedings.

VESTING OF THE CANADA CUSTOMER DATA

24. **THIS COURT ORDERS** that on the Plan Implementation Date, pursuant to Section 5.2(e) of the Plan, all of the Nordstrom Canada Entities' right, title and interest in and to the Canada Customer Data shall vest absolutely in the Plan Sponsor (or its designee) free and clear of all Encumbrances.

25. **THIS COURT ORDERS** that pursuant to section 7(3)(c) of the *Personal Information Protection and Electronic Documents Act* (Canada), section 18(1)(i) of the *Personal Information Protection Act* (British Columbia) and section 20(e) of the *Personal Information Protection Act* (Alberta), the Nordstrom Canada Entities are authorized and ordered to disclose to the Plan Sponsor all personal information in the Nordstrom Canada Entities' custody or control contained within the Canada Customer Data (the "**Personal Information**").

26. **THIS COURT ORDERS** that the Plan Sponsor shall:

- (a) maintain and protect the Personal Information with security safeguards appropriate to the sensitivity of the Personal Information and as may otherwise be required by applicable federal or provincial privacy legislation (collectively, the “**Applicable Privacy Laws**”);
- (b) use and disclose the Personal Information for the purposes for which the Personal Information was collected, permitted to be used or disclosed by the Nordstrom Canada Entities and as may otherwise be permitted by Applicable Privacy Laws; and
- (c) subject to paragraph 31 of this Order, give effect to any withdrawals of consent of the individuals to whom the Personal Information relates.

RELEASES

27. **THIS COURT ORDERS** that the compromises and releases set out in Article 7 of the Plan are approved and shall be binding and effective against all Affected Creditors and all other Persons as at the Plan Implementation Date.

28. **THIS COURT ORDERS** that solely with respect to any and all Affected Claims, all Persons are permanently and forever barred, estopped, stayed and enjoined, on and after the Plan Implementation Date, from: (a) commencing, conducting, continuing or making in any manner, directly or indirectly, any action, suits, claims, demands or other proceedings of any nature or kind whatsoever against any of the Released Parties, as applicable; (b) enforcing, levying, attaching, collecting or otherwise recovering or enforcing by any manner or means, directly or indirectly, any judgment, award, decree or order against any of 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.

29. **THIS COURT ORDERS** that all Persons who have previously commenced a proceeding in respect of an Affected Claim in any court, tribunal or other adjudicative body, which Affected Claim has not been finally determined, dismissed or discontinued prior to the Plan Implementation Date in such separate proceeding, shall forthwith after the Plan Implementation Date take steps to discontinue and/or dismiss, with prejudice and without costs, such Affected Claim.

CCAA CHARGES

30. **THIS COURT ORDERS** that the Administration Charge and the Directors' Charge shall continue and shall attach solely against the Consolidated Cash Pool, the NCL ITC Cash Pool and the Cash Reserves, in the order of priority set out in the Initial Order, which CCAA Charges shall survive the Plan Implementation Date.

THE PLAN SPONSOR

31. **THIS COURT ORDERS** that the Plan Sponsor shall be and is hereby directed to maintain the books and records of the Nordstrom Canada Entities for purposes of the completion of the Claims Process and the performance of the Nordstrom Canada Entities' duties under the Plan, or as the Nordstrom Canada Entities may otherwise be required under Applicable Law.

32. **THIS COURT ORDERS** that as part of and as may be necessary for the maintenance of the books and records of the Nordstrom Canada Entities in accordance with paragraph 31 hereof, the Plan Sponsor has the authority to engage with any of NCRI's former benefits providers regarding information (including Personal Information) and data held by such former benefits

providers with respect to the former employees of NCRI (“**Benefits Records**”) and to receive access to such Benefits Records.

THE MONITOR

33. **THIS COURT ORDERS** that in carrying out the terms of this Order and the Plan, (a) the Monitor shall benefit from all the protections given to it by the CCAA, the Initial Order and any other Order in these CCAA Proceedings, and as an officer of the Court, including the stay of proceedings in its favour; (b) the Monitor shall not incur any liability or obligation as a result of carrying out the provisions of this Order and/or the Plan; and (c) the Monitor shall be entitled to rely on the books and records of the Nordstrom Canada Entities and any information provided by the Nordstrom Canada Entities without independent investigation and the Monitor 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** that in addition to its prescribed rights and obligations under the CCAA and the Orders of the Court made in these CCAA Proceedings, the Monitor is granted the powers, duties and protections contemplated by and required under the Plan and that the Monitor be and is hereby authorized and directed to perform its duties and fulfill its obligations under the Plan to facilitate the implementation thereof, including without limitation to apply to any Governmental Authority for any consent, authorization, certificate or approval in connection with the taking of any step or transaction or performance of any function under or in connection with the Plan.

35. **THIS COURT ORDERS** that, without limiting the provisions of the Initial Order or the provisions of any other Order granted in these CCAA Proceedings, including this Order, the

Nordstrom Canada Entities shall remain in possession and control of the Property and that the Monitor shall not take possession or be deemed to be in possession and/or control of the Property.

36. **THIS COURT ORDERS** that (a) the form of certificate attached hereto as Schedule “C” (the “**Monitor’s Plan Completion Certificate**”) is hereby approved, and (b) following written notice from the Nordstrom Canada Entities to the Monitor pursuant to Section 6.10(d) of the Plan that the Nordstrom Canada Entities have completed their duties to fully and finally effect all distributions, disbursements and payments in accordance with the Plan (the “**Notice of Completion**”), the Monitor shall serve a copy of the same on the Service List, file a copy of the Monitor’s Plan Completion Certificate with the Court and post a copy of the same on the Website.

37. **THIS COURT ORDERS** that as soon as reasonably practicable following delivery from the Nordstrom Canada Entities to the Monitor of the Notice of Completion, the Nordstrom Canada Entities shall seek an Order (the “**Discharge and Termination Order**”), *inter alia*: (a) discharging the Monitor from its duties as monitor of the Nordstrom Canada Entities in these CCAA Proceedings and releasing the Monitor and its advisors from all claims related to its activities as monitor; (b) terminating these CCAA Proceedings; (c) authorizing the assignment into bankruptcy and/or dissolution under applicable corporate law of each of the Nordstrom Canada Entities; (d) discharging Employee Representative Counsel of their duties in the CCAA Proceedings; and (e) releasing the Nordstrom Canada Entities and any Directors and Officers holding office following the Plan Implementation Date and their advisors from all claims upon the filing of the Monitor’s Plan Completion Certificate.

STAY EXTENSION

38. **THIS COURT ORDERS** that the Stay Period in the Initial Order be and is hereby extended until and including June 28, 2024, or such later date as this Court may order.

GENERAL PROVISIONS

39. **THIS COURT ORDERS** that the Nordstrom Canada Entities and the Monitor may apply to this Court from time to time for advice and direction with respect to any matter arising from or under the Plan or this Order.

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

41. **THIS COURT AUTHORIZES** the Nordstrom Canada Entities (at their sole election) to seek an order of any court of competent jurisdiction to recognize the Plan and this Order and to confirm the Plan and this Order as binding and effective in any appropriate foreign jurisdiction.

42. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States, or in any other foreign jurisdiction, to recognize and give effect to the Plan and this Order, to confirm the Plan and this Order as binding and effective in any appropriate foreign jurisdiction, and to assist the Nordstrom Canada Entities, the Monitor and their respective agents in carrying out the terms of the Plan and this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Nordstrom 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 Nordstrom Canada Entities and the Monitor and their respective agents in carrying out the terms of this Order.

SCHEDULE “A”
CONSOLIDATED PLAN OF COMPROMISE AND ARRANGEMENT
(see attached)

**SCHEDULE “B”
MONITOR’S PLAN IMPLEMENTATION DATE CERTIFICATE**

Court File No. CV-23-00695619-00CL

**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 NORDSTROM CANADA RETAIL, INC.,
NORDSTROM CANADA HOLDINGS, LLC and NORDSTROM
CANADA HOLDINGS II, LLC

MONITOR’S PLAN IMPLEMENTATION DATE CERTIFICATE

RECITALS

A. Pursuant to an Initial Order of this Court dated March 2, 2023, as amended and restated on March 10, 2023, these proceedings were commenced and Alvarez & Marsal Canada Inc. was appointed as monitor (in such capacity and not in its personal or corporate capacity, the “**Monitor**”) of Nordstrom Canada Retail, Inc., Nordstrom Canada Holdings, LLC, Nordstrom Canada Holdings II, LLC and Nordstrom Canada Leasing LP (collectively, the “**Nordstrom Canada Entities**”).

B. Pursuant to a Sanction and Vesting Order of this court dated March 19, 2024, the Plan of Compromise and Arrangement of the Nordstrom Canada Entities dated December 13, 2023 (the “**Plan**”) was sanctioned and approved.

C. Section 8.3 of the Plan sets out the various conditions required to be fulfilled prior to implementation of the Plan (collectively, the “**Conditions Precedent**”).

D. Section 8.4 of the Plan requires the Nordstrom Canada Entities to provide to the Monitor written notice of the satisfaction or waiver of the Conditions Precedent, and that upon receipt of such written notice, the Monitor shall deliver this Monitor’s Plan Implementation Date Certificate to the Nordstrom Canada Entities and serve a copy of this certificate on the service list established in these CCAA Proceedings. Following the Plan Implementation Date (as defined in the Plan), the

Monitor shall file a copy of this certificate with this court and post a copy of same on the Monitor's website.

THE MONITOR CERTIFIES the following:

On the date of this Monitor's Plan Implementation Certificate listed below, (a) the Nordstrom Canada Entities provided the Monitor with written notice of the satisfaction of the Conditions Precedent; and (b) the Plan Implementation Date occurred.

DATED at Toronto, this _____ day of _____, 2024.

**ALVAREZ & MARSAL CANADA INC.,
in its capacity as Monitor of the Nordstrom
Canada Entities, and not in its personal or
corporate capacity**

Per: _____
Name:
Title:

**SCHEDULE “C”
MONITOR’S PLAN COMPLETION CERTIFICATE**

Court File No. CV-23-00695619-00CL

**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 NORDSTROM CANADA RETAIL, INC.,
NORDSTROM CANADA HOLDINGS, LLC and NORDSTROM
CANADA HOLDINGS II, LLC

MONITOR’S PLAN COMPLETION CERTIFICATE

RECITALS

A. Pursuant to an Initial Order of this court dated March 2, 2023, as amended and restated on March 10, 2023, these proceedings were commenced and Alvarez & Marsal Canada Inc. was appointed as monitor (in such capacity and not in its personal or corporate capacity, the “**Monitor**”) of Nordstrom Canada Retail, Inc. (“**NCRI**”), Nordstrom Canada Holdings, LLC, Nordstrom Canada Holdings II, LLC and Nordstrom Canada Leasing LP (collectively, the “**Nordstrom Canada Entities**”).

B. Pursuant to a Sanction and Vesting Order of this court dated March 19, 2024, the Plan of Compromise and Arrangement of the Nordstrom Canada Entities dated December 13, 2023 (the “**Plan**”) was sanctioned and approved.

C. Section 6.10(d) of the Plan requires NCRI on behalf of itself and each of the other Nordstrom Canada Entities, to provide written notice to the Monitor that it has completed its duties to fully and finally effect all distributions, disbursements and payments in accordance with the Plan (the “**Notice of Completion**”).

D. Section 8.4 of the Plan provides that, upon receipt by the Monitor of the Notice of Completion from the Nordstrom Canada Entities, the Monitor is required to serve a copy of the Monitor’s Plan Completion Certificate on the service list established in these CCAA Proceedings,

file a copy of the Monitor's Plan Completion Certificate with the Court and post a copy of same on the Monitor's website.

THE MONITOR CERTIFIES the following:

On the date of this Monitor's Plan Completion Certificate listed below, NCRI, on behalf of itself and each of the other Nordstrom Canada Entities, provided the Monitor with the Notice of Completion.

DATED at Toronto, this _____ day of _____, 2024.

**ALVAREZ & MARSAL CANADA INC.,
in its capacity as Monitor of the Nordstrom
Canada Entities, and not in its personal or
corporate 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 NORDSTROM CANADA
 RETAIL, INC., NORDSTROM CANADA HOLDINGS, LLC and NORDSTROM CANADA HOLDINGS II, LLC

Court File No: CV-23-00695619-00CL

Applicants

Ontario
**SUPERIOR COURT OF JUSTICE
 COMMERCIAL LIST**

Proceeding commenced at Toronto

SANCTION AND VESTING ORDER

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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-23-00695619-00CL

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
**NORDSTROM CANADA RETAIL, INC., NORDSTROM CANADA HOLDINGS,
LLC and NORDSTROM CANADA HOLDINGS II, LLC**

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

PROCEEDING COMMENCED AT TORONTO

**MOTION RECORD OF THE APPLICANTS
(MOTION FOR SANCTION AND VESTING ORDER)**

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