

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE) WEDNESDAY, THE 21st
)
REGIONAL SENIOR JUSTICE) DAY OF OCTOBER, 2015
)
MORAWETZ)



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 TARGET CANADA CO., TARGET CANADA HEALTH CO., TARGET CANADA MOBILE GP CO., TARGET CANADA PHARMACY (BC) CORP., TARGET CANADA PHARMACY (ONTARIO) CORP., TARGET CANADA PHARMACY CORP., TARGET CANADA PHARMACY (SK) CORP., and TARGET CANADA PROPERTY LLC (collectively the “Applicants”)

EMPLOYEE TRUST CLAIMS PROCEDURE ORDER

THIS MOTION, made by Alvarez & Marsal Canada Inc. in its capacity as Court-appointed Monitor (the “**Monitor**”) of the Applicants and the Partnerships listed on Schedule “A” (collectively, the “**Target Canada Entities**”, and each individually a “**Target Canada Entity**”), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. c-36 as amended (the “**CCAA**”) and as Administrator of the Employee Trust (collectively the “**Administrator**”), for an order establishing the procedure for the determination of whether parties (the “**Trust Claimants**”) who have provided notices of dispute pursuant to the Amended and Restated Initial Order (the “**Notices of Dispute**”) have been paid in full in respect of their

Eligible Employee Claims, if any, was heard this day at 330 University Avenue, Toronto, Ontario.

ON HEARING the submissions of counsel for Alvarez & Marsal Canada Inc., in its capacity as Administrator, and on being advised that the Representative Counsel and Trustee have consented to the relief requested herein, no one else appearing although duly served as appears from the Affidavit of Service of Jesse Mighton sworn October 16, 2015.

1. THIS COURT ORDERS that capitalized terms used but not defined herein have the meaning ascribed thereto in the Amended and Restated Initial Order in these proceedings dated January 15, 2015 as further amended, restated, supplemented and/or modified from time to time, and in the Claims Procedure Order dated June 11, 2015.

2. FOR THE PURPOSES OF THIS ORDER the following terms shall have the following meanings:

- (a) **“Notice of Resolution Letter”** means the letter substantially in the form attached as Schedule “B”;
- (b) **“Notice of Dispute of Resolution”** means the notice substantially in the form attached as Schedule “C”;
- (c) **“Notice of Employee Trust Claim Revision or Disallowance”** means the notice substantially in the form attached as Schedule “D”; and
- (d) **“Notice of Dispute of Employee Trust Claim Revision or Disallowance”** means the notice substantially in the form attached as Schedule “E”.

3. THIS COURT ORDERS that the procedure for determining whether there has been payment in full of the Eligible Employee Claim, if any, of a Trust Claimant who has delivered a Notice of Dispute is:

(a) Where, in the case of a Trust Claimant who has been contacted by the Administrator or by a representative of Target Canada Co., the Administrator and Trustee consider the subject matter of such Trust Claimant's Notice of Dispute has been resolved:

(i) the Administrator shall notify the Trust Claimant by delivering a Notice of Resolution Letter;

(ii) any Trust Claimant who intends to dispute that his claim has been resolved shall deliver a completed Notice of Dispute of Resolution, along with the reasons for the dispute, to the Administrator, with a copy to Representative Counsel, by no later than twenty-eight (28) days after the date on which the Trust Claimant is deemed to receive the Notice of Resolution Letter, or such other date as may be agreed to by the Administrator in writing; and

(iii) if a Trust Claimant who receives a Notice of Resolution does not deliver a completed Notice of Dispute of Resolution by the time set out in paragraph 3(a)(ii), such Trust Claimant's Eligible Employee Claim shall be deemed to be as set out in the Notice of Resolution Letter and such Trust Claimant shall have no further right to dispute same; and

(b) Where the Administrator in consultation with the Trustee intends to deny that the Eligible Employee Claim of a Trust Claimant has not been paid in full or to revise the amount of the Eligible Employee Claim from the amount referred to in his Notice of Dispute:

- (i) the Administrator shall notify the Trust Claimant by delivery of a Notice of Trust Claim Revision or Disallowance;
- (ii) Any Trust Claimant who intends to dispute a Notice of Employee Trust Claim Revision or Disallowance shall deliver a completed Notice of Dispute of Employee Trust Claim Revision or Disallowance, along with the reasons for the dispute, to the Administrator, with a copy to Representative Counsel, by no later than twenty-eight (28) days after the date on which the Trust Claimant is deemed to receive the Notice of Employee Trust Claim Revision or Disallowance, or such other date as may be agreed to by the Administrator in writing;
- (iii) if a Trust Claimant who receives a Notice of Employee Trust Claim Revision or Disallowance does not deliver a completed Notice of Dispute of Employee Trust Claim Revision or Disallowance by the time set out in paragraph 3(a)(ii), such Trust Claimant's Eligible Employee Claim shall be deemed to be as set out in the Notice of Employee Trust Claim Revision or Disallowance and such Trust Claimant shall have no further right to dispute same, provided further that in the event of any insufficiency of Trust funds to cover an individual's total Eligible

Employee Claim, only the Payment Release shall be effective and there shall be no deemed full and final release of the full Eligible Employee Claim.

4. THIS COURT ORDERS that in the event that a dispute raised in a Notice of Dispute of Resolution or Notice of Dispute of Employee Trust Claim Revision or Disallowance is not settled within a time period or in a manner satisfactory to the Trustee in consultation with the Administrator, the Administrator shall refer the dispute raised therein to a Claims Officer or the Court for adjudication at its election by sending written notice to the Trust Claimant at any time.

5. THIS COURT ORDERS that the Administrator may, unless otherwise specified by this Order, serve and deliver or cause to be served and delivered the Notice of Resolution Letter or Notice of Dispute of Employee Trust Claim Revision or Disallowance, and any letters, notices or other documents, to the Trust Claimants or any other interested Person by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery, facsimile transmission or email to such Persons at the physical or electronic address, as applicable, last shown on the books and records of the Target Canada Entities or set out in such Trust Claimant's Notice of Dispute. Any such service and delivery shall be deemed to have been received: (i) if sent by ordinary mail, on the third Business Day after mailing within Ontario, the fifth Business Day after mailing within Canada (other than within Ontario), and the tenth Business Day after mailing internationally; (ii) if sent by courier or personal delivery, on the next Business Day following dispatch; and (iii) if delivered by facsimile transmission or email by 5:00 p.m. on a Business Day, on such Business Day and if delivered after 5:00 p.m. or other than on a Business Day, on the following Business Day.

6. THIS COURT ORDERS that any notice or communication required to be provided or delivered by a Trust Claimant to the Administrator under this Order shall be in writing in substantially the form, if any, provided for in this Order and will be sufficiently given only if delivered by prepaid ordinary mail, registered mail, courier, personal delivery, facsimile transmission or email addressed to:

Alvarez & Marsal Canada Inc., Target Canada Administrator
200 Bay Street, Suite 2900
P.O. Box 22
Toronto, ON
M5J 2J1

Attention: Stephen Ferguson
Email: targetcanadamonitor@alvarezandmarsal.com
Fax: 416-847-5201

7. THIS COURT ORDERS that if, during any period in which notices or other communications are being given pursuant to this Order, a postal strike or postal work stoppage of general application should occur, such notices or other communications sent by ordinary or registered mail and then not received shall not, absent further Order of this Court, be effective and notices and other communications given hereunder during the course of any such postal strike or work stoppage of general application shall only be effective if given by courier, personal delivery, facsimile transmission or email in accordance with this Order.

ENTERED IN THE COURT OF QUEBEC
ON 21 OCT 2015
16:40:00


_____ RJS



OCT 21 2015

SCHEDULE "A"

List of the Applicants and Partnerships

Applicants

Target Canada Co.

Target Canada Health Co.

Target Canada Mobile GP Co.

Target Canada Pharmacy (BC) Corp.

Target Canada Pharmacy (Ontario) Corp.

Target Canada Pharmacy (SK) Corp.

Target Canada Pharmacy Corp.

Target Canada Property LLC

Partnerships

Target Canada Pharmacy Franchising LP

Target Canada Mobile LP

Target Canada Property LP

SCHEDULE "B"

NOTICE OF RESOLUTION LETTER

(Letterhead of the Administrator)

●, 2015

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Dear :

Re: ●

As you know, Target Canada Co. (the "Company") and certain of its subsidiaries and affiliates (collectively "Target Canada") filed for and were granted creditor protection under the *Companies' Creditors Arrangement Act* ("CCAA"), pursuant to an order (the "Initial Order") of the Ontario Superior Court (the "Court") (the "CCAA Proceedings"). In connection with the CCAA filing, the Court appointed Alvarez & Marsal Canada Inc. as the Monitor to oversee the CCAA Proceedings and as Administrator of the Employee Trust. A copy of the Court's Orders and other information relating to the CCAA Proceedings has been posted to www.alvarezandmarsal.com/targetcanada, the Administrator's website.

The Court also appointed Koskie Minsky LLP as Representative Counsel in order to assist eligible employees through the CCAA Proceedings. Information about the proceedings and matters of specific interest to employees may be found at www.kmlaw.ca/targetemployees.

You are receiving this letter because:

1. you filed an Employee Trust Dispute, disputing that you have been paid the amount to which you are entitled from the Employee Trust;
2. you were contacted by a representative of Target Canada or of the Administrator;
3. the Administrator and Trustee now consider your Employee Trust Dispute has been resolved; and
4. the particulars of the resolution of your Employee Trust Dispute are:

If you agree, you do not need to do anything. If you disagree, you must complete the attached Notice of Dispute of Resolution and return it to the Administrator with a copy to Representative Counsel as set out in the notice.

If you have questions, you may contact:

- o The Administrator at targetcanadamonitor@alvarezandmarsal.com or 1.844.864.9548;
- o Representative Counsel at targetemployees@kmlaw.ca or 1.866.860.9364.

Yours truly,

Alvarez & Marsal Canada Inc., solely in its capacities as Administrator of Target Employee Trust and Monitor of the Target Canada Entities, and not in its personal or corporate capacity.

Per: _____

SCHEDULE "C"

NOTICE OF DISPUTE OF RESOLUTION

With respect to the Target Employee Trust

Claims Reference Number: _____

1. Particulars of Claimant:

Full Legal Name of Claimant

(the "Trust Claimant")

Full Mailing Address of the Trust Claimant:

Other Contact Information of the Trust Claimant:

Telephone Number:

Email Address:

Facsimile Number:

Attention (Contact Person):

2. **Dispute of Resolution:**

The Trust Claimant hereby disagrees that his Employee Trust Claim Dispute has been resolved and asserts the following:

\$_____ is owing

Reasons:

SERVICE OF NOTICE DISPUTING THIS NOTICE

If you disagree that your Employee Trust Claim has been resolved, you must, no later than 5:00 p.m. (prevailing time in Toronto) on ● [NTD: WILL INSERT DATE IN ACCORDANCE WITH ORDER] deliver this Notice of Dispute of Resolution to the Administrator by ordinary prepaid mail, registered mail, courier, personal delivery or electronic transmission to the address below.

Alvarez & Marsal Canada Inc., Administrator

Address: Royal Bank Plaza, South Tower
200 Bay Street
Suite 2900
P.O. Box 22
Toronto, Ontario Canada
M5J 2J1

Fax No.: 416-847-5201

Email: targetcanadamonitor@alvarezandmarsal.com

Attention: Stephen Ferguson

In accordance with the Order, notices shall be deemed to be received by the Administrator upon actual receipt thereof by the Administrator during normal business hours on a Business Day, or if delivered outside of normal business hours, on the next Business Day.

The form of Notice of Dispute of Revision or Disallowance is enclosed and can also be accessed on the Administrator's website at www.alvarezandmarsal.com/targetcanada.

IF YOU FAIL TO FILE A NOTICE OF DISPUTE WITHIN THE PRESCRIBED TIME PERIOD, THIS NOTICE OF TRUST CLAIM REVISION OR DISALLOWANCE WILL BE BINDING UPON YOU.

DATED this day of , 2015.

Alvarez & Marsal Canada Inc., solely in its capacities as Administrator of Target Employee Trust and Monitor of the Target Canada Entities, and not in its personal or corporate capacity

Per: _____

For more information see www.alvarezandmarsal.com/targetcanada, or contact the Administrator by telephone (1-844-846-9548)

SCHEDULE "D"

NOTICE OF EMPLOYEE TRUST CLAIM REVISION OR DISALLOWANCE
Employee Trust Claimants in Response to a Notice of Dispute Regarding Eligible
Employee Claim

Claims Reference Number: _____ ●

TO: ● _____
(the "Trust Claimant")

Pursuant to the Employee Trust Claims Procedure Order, the Administrator hereby gives you notice that it has reviewed your Notice of Dispute Regarding Eligible Employee Claim and has revised or disallowed all or part of your purported claim against the Employee Trust. Subject to further dispute by you in accordance with the Employee Trust Claims Procedure Order, your Employee Trust Claim will be as follows:

Amount as submitted	Amount allowed by Administrator
\$ _____	\$ _____

Reasons for Revision or Disallowance:

●

SERVICE OF NOTICE DISPUTING THIS EMPLOYEE TRUST CLAIM REVISION OR DISALLOWANCE

If you intend to dispute this Notice of Employee Trust Claim Revision or Disallowance, you must, no later than 5:00 p.m. (prevailing time in Toronto) on ● [NTD: WILL INSERT DATE IN ACCORDANCE WITH ORDER] deliver a Notice of Dispute of Employee Trust Claim Revision or Disallowance to the Administrator by ordinary prepaid mail, registered mail, courier, personal delivery or electronic transmission to the address below.

Alvarez & Marsal Canada Inc., Administrator

Address: Royal Bank Plaza, South Tower
200 Bay Street
Suite 2900
P.O. Box 22
Toronto, Ontario Canada
M5J 2J1

Fax No.: 416-847-5201

Email: targetcanadamonitor@alvarezandmarsal.com

Attention: Stephen Ferguson

In accordance with the Order, notices shall be deemed to be received by the Administrator upon actual receipt thereof by the Administrator during normal business hours on a Business Day, or if delivered outside of normal business hours, on the next Business Day.

The form of Notice of Dispute of Revision or Disallowance is enclosed and can also be accessed on the Administrator's website at www.alvarezandmarsal.com/targetcanada.

IF YOU FAIL TO FILE A NOTICE OF DISPUTE WITHIN THE PRESCRIBED TIME PERIOD, THIS NOTICE OF EMPLOYEE TRUST CLAIM REVISION OR DISALLOWANCE WILL BE BINDING UPON YOU.

DATED this _____ day of _____, 2015.

Alvarez & Marsal Canada Inc., solely in its capacities as Administrator of Target Employee Trust and Monitor of the Target Canada Entities, and not in its personal or corporate capacity

Per: _____

For more information see www.alvarezandmarsal.com/targetcanada, or contact the Administrator by telephone (1-844-846-9548)

SCHEDULE "E"

**NOTICE OF DISPUTE OF EMPLOYEE TRUST CLAIM REVISION OR
DISALLOWANCE**

With respect to the Target Employee Trust

Claims Reference Number: _____

1. Particulars of Claimant:

Full Legal Name of Claimant

(the "Trust Claimant")

Full Mailing Address of the Trust Claimant:

Other Contact Information of the Trust Claimant:

Telephone Number:

Email Address: _____

Facsimile Number: _____

Attention (Contact Person): _____

2. **Dispute of Revision or Disallowance of Claim:**

The Trust Claimant hereby disagrees with the value of its Claim, as set out in the Notice of Revision or Disallowance and asserts a Claim as follows:

Amount allowed by Administrator: (Notice of Revision or Disallowance)	Amount claimed by Trust Claimant:
\$	\$

Reasons:



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IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF TARGET
CANADA CO.,
TARGET CANADA HEALTH CO., TARGET CANADA MOBILE GP CO., TARGET CANADA
PHARMACY (BC) CORP., TARGET CANADA PHARMACY (ONTARIO) CORP. TARGET
CANADA PHARMACY CORP., TARGET CANADA PHARMACY (SK) CORP., AND TARGET
CANADA PROPERTY LLC.

Court File No.: CV-15-10832-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
Proceeding commenced at Toronto

ORDER
(Employee Trust Claims Procedure Order)

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