

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

THE HONOURABLE) THURSDAY, THE 26th
)
JUSTICE CONWAY) DAY OF SEPTEMBER, 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 LOYALTYONE, CO.

(the "**Applicant**")

SETTLEMENT AUTHORIZATION ORDER

THIS MOTION made by the Applicant, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), for an order, *inter alia*, (i) approving the Consent to Judgment by the Applicant and His Majesty the King (the "**Consent to Judgment**") and the Minutes of Settlement between the Applicant and His Majesty the King (the "**Minutes of Settlement**"), all in connection with the proceedings pending before the Tax Court of Canada (2020-1038(IT)G) (the "**Tax Dispute**") and in the form attached as Appendices "A" and "B" to the Eighth Report of the Monitor, dated September 16, 2024 (the "**Eighth Report**") and directing the Applicant and His Majesty the King to comply with the terms thereof; (ii) authorizing, empowering and directing KSV Restructuring Inc., in its capacity as Monitor of the Applicant (the "**Monitor**"), *nunc pro tunc*, to cause the Applicant to enter into the Minutes of Settlement and do those things necessary to give effect to (i) above; and (iii) granting certain related relief, was heard this day by Zoom videoconference.

ON READING the Notice of Motion of the Applicant, the Eighth Report, filed, and on hearing the submissions of counsel for the Applicant, counsel for the Monitor, counsel for the Consenting Stakeholders, counsel to His Majesty the King, counsel to Bread Financial Holdings

Inc. and such other counsel as were present, no one else appearing although duly served as appears from the affidavit of service of Stephanie Fernandes sworn September 16, 2024, filed.

SERVICE AND DEFINITIONS

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

2. **THIS COURT ORDERS AND DECLARES** that all terms not otherwise defined herein shall have the meaning ascribed to them in the Amended and Restated Initial Order dated March 20, 2023 or the Eighth Report, as applicable.

CONSENT TO JUDGMENT AND MINUTES OF SETTLEMENT

3. **THIS COURT ORDERS** that the Applicant's settlement of the Tax Appeal on the terms reflected in the Consent to Judgment and Minutes of Settlement is hereby approved with any such minor amendments as may be approved by the Court.

4. **THIS COURT ORDERS** that pursuant to paragraph 5(f) of the Ancillary Relief Order of this Court made in this proceeding, the Monitor is hereby authorized, empowered and directed, *nunc pro tunc*, to cause the Applicant to do those things necessary to enter into the Minutes of Settlement and Consent to Judgment and to comply with the terms thereof.

5. **THIS COURT ORDERS** that this order is without prejudice to the right, if any, of Canada Revenue Agency ("**CRA**") to seek by further order of this Court to set-off amounts owing to the Applicant by CRA against amounts that are asserted to be owing to CRA by the Applicant, and the right of the Applicant and any other party in interest (including for greater certainty the Applicant's secured lenders and/or Bread) to oppose such set-off.

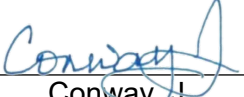
GENERAL

6. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicant, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby

respectfully requested to make such orders and to provide such assistance to the Applicant 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 Applicant and the Monitor and their respective agents in carrying out the terms of this Order.

7. **THIS COURT ORDERS** that the Applicant and the Monitor be at liberty and are each hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

8. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Toronto time on the date of this Order.


Conway, J.

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 LOYALTYONE, CO.

Court File No. CV-23-00696017-00CL

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(COMMERCIAL LIST)**

PROCEEDING COMMENCED AT
TORONTO

SETTLEMENT AUTHORIZATION ORDER

Cassels Brock & Blackwell LLP

Suite 3200, Bay Adelaide Centre – North Tower
40 Temperance St.
Toronto, ON M5H 0B4

Ryan Jacobs LSO#: 59510J

Tel: 416. 860.6465
rjacobs@cassels.com

Timothy Pinos LSO#: 20027U

Tel: 416.869.5784
tpinos@cassels.com

Natalie E. Levine LSO#: 64908K

Tel: 416. 860.6568
nlevine@cassels.com

Lawyers for the Applicant