

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

THE HONOURABLE	)	FRIDAY, THE 17 th
	)	
JUSTICE STEELE	)	DAY OF OCTOBER, 2025

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**")

**ORDER
(CRA TAX MATTERS RESOLUTION)**

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) authorizing the Applicant to accept the tax resolution as between Canada Revenue Agency ("**CRA**"), the Applicant and KSV Restructuring Inc., in its capacity as Monitor of the Applicant (the "**Monitor**") in respect of the 2013 and 2023 tax years (the "**CRA Tax Matters Resolution**") as set out in the Notice of Motion and described in more detail in the Eleventh Report of the Monitor, dated October 14, 2025 (the "**Eleventh Report**"); (ii) authorizing, empowering and directing the Monitor to cause the Applicant to do those things necessary to give effect to and to implement the CRA Tax Matters Resolution; (iii) authorizing and directing the Monitor to deposit the CRA Tax Payment in a segregated interest-bearing bank account of the Applicant as soon as practicable after receipt thereof; (iv) authorizing and directing the Monitor to calculate the amount of the Expense Deductions and to transfer an amount equal to the Expense Deductions from the CRA Tax Payment Account (as defined below) and deposit such amount in the Applicant's general bank account, subject to the terms hereof; and (v) granting certain related relief, was heard this day by Zoom videoconference.

ON READING the Notice of Motion of the Applicant, the Eleventh Report, filed, and on hearing the submissions of counsel to the Applicant, counsel to the Monitor, counsel to the Consenting Stakeholders, counsel to the Agent, counsel to CRA, counsel to Bread Financial Holdings Inc. and such other counsel as were present, no one else appearing although duly served as appears from the affidavits of service of Matteo Clarkson-Maciel sworn October 10, 2025 and October 15, 2025, 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 ARIO or the Eleventh Report, as applicable.

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3. **THIS COURT ORDERS** that the Applicant is authorized to accept the CRA Tax Matters Resolution.
4. **THIS COURT ORDERS** that pursuant to paragraph 5(h) of the Ancillary Relief Order of this Court made in this proceeding, the Monitor is hereby authorized, empowered and directed to cause the Applicant to do those things necessary to give effect to and to implement the terms of the CRA Tax Matters Resolution.
5. **THIS COURT ORDERS** that the Monitor is hereby authorized and directed to deposit the CRA Tax Payment into a segregated interest-bearing bank account of the Applicant (the “**CRA Tax Payment Account**”) as soon as practicable after receipt thereof.
6. **THIS COURT ORDERS** that the Monitor is hereby directed to calculate the amount of the Expense Deductions and shall set out its calculation in a report to be served on the Service List (the “**Expense Deductions Report**”). The Monitor is thereafter authorized to transfer an amount equal to the Expense Deductions from the CRA Tax Payment Account and to deposit such amount in the Applicant’s general bank account whereupon it shall form part of the Applicant’s cash on hand (and subject to the existing orders of this Court, as applicable), unless an objection

to the amount of the Expense Deductions is received in writing (setting out the basis of the objection and the specific amounts objected to with reasonable particularity) by the Monitor and the Applicant from an interested party within thirty (30) days of the issuance of the Expense Deductions Report, in which case the matter shall be promptly resolved by the Applicant, the Monitor and the relevant interested party(ies) or referred to this Court by the Monitor for resolution.

7. **THIS COURT ORDERS** that, except as provided for in paragraph 6 of this Order, the Applicant and the Monitor shall not without further order of the Court (a) make any distributions of the CRA Tax Payment, or (b) without prejudice to the rights of parties under existing orders of the Court, utilize any portion of the CRA Tax Payment for fees or any other expenses of the Applicant or the Monitor.

8. **THIS COURT ORDERS** that the CRA Remaining 2023 Tax Claim cannot be set-off against any future tax refunds that may be owing to the Applicant for taxation years subsequent to the 2013 tax year and prior to the 2023 tax year.

9. **THIS COURT ORDERS** that the CRA Remaining 2023 Tax Claim shall be an unsecured claim in this CCAA Proceeding and in any subsequent receivership or bankruptcy of the Applicant.

WITHOUT PREJUDICE TO OTHER TAX MATTERS

10. **THIS COURT ORDERS** that the CRA Tax Matters Resolution and this Order is without prejudice to the rights of the Applicant, the Monitor and CRA (and the Department of Justice on its behalf) as it relates to any other tax matters affecting the Applicant or remaining tax liabilities of the Applicant or positions such parties may take with respect to any federal or provincial taxes in each case not addressed by this Order, including the rights of CRA to seek to set off the CRA Remaining 2023 Tax Claim (if permitted) against future tax refunds owing to the Applicant that specifically relate to post-filing tax years.

GENERAL

11. **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.

12. **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.

13. **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.

Steele, 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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PROCEEDING COMMENCED AT
TORONTO

**ORDER
(CRA TAX MATTERS RESOLUTION)**

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