



SUPERIOR COURT OF JUSTICE

COUNSEL/ENDORSEMENT SLIP

COURT FILE NO.: CV-23-00696017-00CL

DATE: December 15, 2023

NO. ON LIST: in writing

TITLE OF PROCEEDING: IN RE LOYALTYONE CO.

BEFORE: JUSTICE CONWAY

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party:

Name of Person Appearing	Name of Party	Contact Info
Timothy Pinos	Counsel for the Applicant, Loyaltyone Co.	tpinos@cassels.com

For Defendant, Respondent, Responding Party:

Name of Person Appearing	Name of Party	Contact Info
Eliot Kolers	Counsel for the Respondent, Bread Financial Holdings Inc.	ekolers@stikeman.com

For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info
Graham Splawski	Counsel for the Bank of America as Administrative Agent	gsplawski@blg.com
Peter Ruby	Counsel for the Monitor	pruby@goodmans.ca
Robert Staley	Counsel for Term Loan B Lender Group	staley@bennettjones.com
Jesse Mighton		mightonj@bennettjones.com
David Sieradzki	CCAA Monitor	dsieradzki@ksvadvisory.com

ENDORSEMENT OF JUSTICE CONWAY:

[1] In accordance with paragraph 3 of my endorsement dated December 7, 2023, counsel have now sent me a consent/unopposed endorsement for my consideration. Apart from minor

wording corrections, which have been made, the endorsement is acceptable to me and I endorse it as set out below.

- [2] In addition, I have signed an order, on consent, authorizing the Monitor to bring the Proceedings (as defined therein). Order to go as signed by me and attached to this Endorsement. This order is effective from today's date and is enforceable without the need for entry and filing.
- [3] My endorsement is as follows:

Endorsement Relating to Scheduling of Motions

Bread, LoyaltyOne and the Monitor have agreed to consent to the following relief. Bank of America, N.A. as Administrative Agent and the Ad Hoc Group of Term Loan B Lenders have been given notice of this relief and do not oppose the making of this endorsement.

1. Bread has agreed to reimburse (i) the fees and disbursements (including any applicable taxes) actually invoiced by LoyaltyOne's Tax Dispute Litigation counsel, Osler Hoskin & Harcourt LLP ("**Osler**") and paid by LoyaltyOne and (ii) the costs actually incurred by LoyaltyOne for experts, consultants or witnesses¹, in each case in connection with the Tax Dispute Litigation for the period from February 1, 2024 to and including the date of the issuance of the CCAA Decision² (collectively, the "**Litigation Costs**"), if such decision is that Bread is entitled to the benefit of the Tax Dispute Litigation.
2. To secure Bread's agreement, Bread shall deposit in escrow with the Monitor (the "**Escrow Amount**"):
 - a. by December 18, 2023, the amount of CAD\$300,000 (the "**Initial Amount**"); and
 - b. after February 1, 2024 and continuing until the date of the CCAA Decision, the Litigation Costs, with such payments to be made by Bread within 5 business days of receipt of each Osler's invoice and such other invoice(s) paid by LoyaltyOne in respect of Litigation Costs (both redacted for privilege), and written confirmation (which may be by email) by the Monitor that such invoice(s) have been paid by LoyaltyOne.
3. Provided that Bread has complied with its funding obligations as described in paragraph 2, above, LoyaltyOne shall provide confidential and non-privileged monthly updates to Bread (which may be provided by conference call) on the status of the Tax Dispute Litigation.

¹ For greater certainty, the Litigation Costs shall not include any invoices for services rendered by the Monitor, Goodmans LLP or Cassels Brock & Blackwell LLP.

² "CCAA Decision" means the decision issued by this Court for the Motions currently scheduled to be heard on April 29 and 30, 2024.

4. If Bread is determined by Final Court Order³, or otherwise by agreement of Bread and LoyaltyOne, to be entitled to the benefit of the Tax Dispute Litigation, the Monitor shall forthwith:
 - a. pay to LoyaltyOne, from the Escrow Amount received by it from Bread pursuant to paragraph 2 above, the Litigation Costs; and
 - b. release the balance of the Escrow Amount, if any, to Bread.
5. If Bread is determined by Final Court Order, or otherwise by agreement of Bread and LoyaltyOne, to not be entitled to the benefit of the Tax Dispute Litigation, the Monitor shall release the Escrow Amount to Bread forthwith.
6. Any payments made by Bread or the Monitor under this endorsement shall not be subject to any challenge, deduction, set-off (legal or equitable) or counterclaims.
7. Following the release of the CCAA Decision, if any party seeks leave to appeal that decision, LoyaltyOne and Bread shall engage in good faith discussions with a view to entering into a further funding arrangement in respect of the Tax Dispute Litigation.
8. In consideration of the foregoing and upon receipt by the Monitor of the Initial Amount, Bread, LoyaltyOne and the Monitor have agreed to the attached schedule for the Motions.
9. The Monitor shall incur no liability or obligation as a result of receiving the Escrow Amount and performing its duties in respect of same, including for any action taken or omitted to be taken by it in good faith in reliance upon written consents believed by it to be genuine and to be executed by the proper person or persons, save and except for liability arising out of gross negligence or wilful misconduct on its part, and for greater certainty, the Monitor shall have no liability under any circumstance in disbursing any of the Escrow Amount pursuant to the terms of this Endorsement. If, at any time, there shall exist, in the sole and absolute discretion of the Monitor, any dispute between LoyaltyOne and Bread with respect to the Escrow Amount, or if at any time the Monitor is unable to determine the proper disposition of the Escrow Amount, then the Monitor may: (a) make a motion to the Court for direction with respect to such dispute or uncertainty and, to the extent required by law or otherwise at the sole and absolute discretion of the Monitor, pay the Escrow Amount or any portion thereof into the Court for holding and disposition in accordance with the instructions of the Court; or (b) hold the Escrow Amount or any portion thereof and not make any disbursement thereof until (i) the Monitor receives a written consent signed by each of Bread and LoyaltyOne directing the Monitor to disburse the Escrow Amount or any portion thereof in the manner provided for in such written consent, or (ii) the Monitor receives a final order from the Court instructing it to disburse the Escrow Amount or any portion thereof in the manner provided for in the order.

³ "Final Court Order" means the final determination of any and all appeals taken by Bread, LoyaltyOne, the Monitor or the Lenders.

10. This Endorsement and the agreement between LoyaltyOne, Bread and the Monitor, is without prejudice to any rights that the parties may otherwise have, apart from those specifically provided for herein.

11. The parties may seek the assistance of this Court should any of Bread, LoyaltyOne or the Monitor not comply with the terms of this Endorsement.

Conway J.

Schedule for the Motions

Step	Date
Delivery of Amended Notice of Motion	December 6
Amended Monitor Authorization Order and Schedule Settlement Order	December 15
Bread's Responding record/Disclaimer motion record	February 9
LoyaltyOne and Monitor Reply Records and Responses to Disclaimer Motion and supplemental Monitor's	March 8
Bread Reply Record (if any) on Disclaimer Motion only	March 22
Examinations	Week of April 1
Loyalty One, Monitor and any supporting parties Omnibus	April 8
Bread Omnibus Responding Factum	April 18
Loyalty One and Monitor Omnibus Reply Factums	April 24
Hearing	April 29 and 30 (2 days)