

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

THE HONOURABLE MR. ) THURSDAY, THE 19TH  
)  
JUSTICE McEWEN ) DAY OF SEPTEMBER, 2019

**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 PAYLESS  
SHOESOURCE CANADA INC. AND PAYLESS SHOESOURCE CANADA GP INC.**

(the "**Applicants**")

**MEETINGS ORDER**

**THIS MOTION**, made by Payless ShoeSource Canada Inc. and Payless ShoeSource Canada GP Inc. (collectively, the "**Applicants**", and together with Payless ShoeSource Canada LP, the "**Payless 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) if necessary, abridging the time for service of the Notice of Motion and the Motion Record and validating service thereof; (b) accepting the filing of a Plan of Compromise and Arrangement (the "**Plan**") pursuant to the CCAA filed by the Payless Canada Entities dated September 17, 2019 and attached hereto at **Schedule "A"**; (c) authorizing the Payless Canada Entities to establish two (2) voting classes: (i) the General Unsecured Creditors class, and (ii) the Landlords class for the purpose of considering and voting on the Plan; (d) authorizing the Payless Canada Entities to call, hold and conduct a meeting of the General Unsecured Creditors and a meeting of the Landlords (together, the "**Creditors' Meetings**") to consider and vote on a resolution to approve the Plan (the "**Plan Resolution**"); (e) approving the procedures to be followed with respect to the calling and conduct of the Creditors' Meetings; (f) setting the date for the hearing of the Payless Canada Entities'

motion seeking an order to sanction the Plan (the “**Sanction Order**”); and (g) approving a claims resolution procedure, was heard this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the Notice of Motion, the affidavit of Adrian Frankum sworn on September 10, 2019 (the “**Frankum Affidavit**”), including the exhibits thereto, the fifth report of FTI Consulting Canada Inc. in its capacity as court-appointed monitor (“**Monitor**”) dated September 12, 2019 (the “**Fifth Report**”), the supplement to the Fifth Report (the “**Supplemental Report**”), the Affidavit of Stephen Marotta sworn on September 17, 2019 (the “**Supplemental Marotta Affidavit**”), and upon hearing the submissions of counsel for the Payless Canada Entities and the Monitor, and such other counsel as were present, no one else appearing although duly served as appears from the affidavits of service of Taschina Ashmeade, sworn September 10, 2019, September 11, 2019 and September 17, 2019, filed.

#### **SERVICE**

1. **THIS COURT ORDERS** that the time and method for service of the Notice of Motion and the Motion Record herein is hereby validated so that this Motion is properly returnable today and that service thereof upon any interested party other than the persons served with the Motion Record is hereby dispensed with.
2. **THIS COURT ORDERS** that any capitalized terms not otherwise defined in this Meetings Order shall have the meanings ascribed to them in the Plan, the Order of the Ontario Superior Court of Justice (Commercial List) dated April 24, 2019 (the “**Claims Procedure Order**”), Supplemental Marotta Affidavit or the Frankum Affidavit.

### **PLAN OF COMPROMISE AND ARRANGEMENT**

3. **THIS COURT ORDERS** that the Plan is hereby accepted for filing, and the Payless Canada Entities are hereby authorized and directed to call the Creditors' Meetings for the purpose of having the Eligible Voting Creditors vote on the Plan in the manner set out herein.

4. **THIS COURT ORDERS** that the Payless Canada Entities may, at any time and from time to time prior to or after the Creditors' Meetings, amend, restate, modify and/or supplement the Plan, in accordance with the terms of the Plan.

### **FORMS OF DOCUMENTS**

5. **THIS COURT ORDERS** that the Notice of Creditors' Meetings and Sanction Motion substantially in the form attached hereto as **Schedule "B"** (the "**Notice of Creditors' Meetings and Sanction Motion**"), the Proxy substantially in the form attached hereto as **Schedule "C"** (the "**Proxy**"), and the form of Plan Resolution substantially in the form attached hereto as **Schedule "D"**, are each hereby approved and the Payless Canada Entities, with the consent of the Monitor, are authorized to make such changes to such forms of documents as it considers necessary or desirable to conform the content thereof to the terms of the Plan or this Meetings Order.

### **CLASSIFICATION OF CREDITORS**

6. **THIS COURT ORDERS** that for the purposes of considering and voting on the Plan, there shall be two (2) classes: (i) the General Unsecured Creditor class; and (ii) the Landlord class.

### **NOTICE OF CREDITORS' MEETINGS**

7. **THIS COURT ORDERS** that in order to effect notice of the Creditors' Meetings, as soon as practicable after the granting of this Meetings Order and, in any event, no later than September 24, 2019, the Monitor shall cause to be sent by email, regular pre-paid mail, or courier, copies of

(i) the Notice of Creditors' Meetings and Sanction Motion, referring to the Fifth Report, the Supplemental Report, this issued Meetings Order, the Plan, the U.S. Disclosure Statement and the Information Memorandum and (ii) the Proxy, (the "**Information Package**"), which shall be posted on the Monitor's Website, to each known Eligible Voting Creditor, at the address for such Eligible Voting Creditor set out in the books and records of the Payless Canada Entities, as noted on the Notice of Dispute of Claim Statement or Proof of Claim filed by the Eligible Voting Creditor, or to such other address subsequently provided to the Monitor by such Eligible Voting Creditor.

8. **THIS COURT ORDERS** that the Monitor shall forthwith following the granting of this Meetings Order post an electronic copy of the Information Package (and any amendments made thereto in accordance with paragraph 7 hereof) on the Monitor's Website, send a copy of the Information Package to the Service List and provide a written copy to any Eligible Voting Creditor upon request.

9. **THIS COURT ORDERS** that on or before October 1, 2019 the Monitor shall cause the Notice of Creditors' Meetings and Sanction Motion to be published for a period of two (2) Business Days in *The Globe and Mail* (National Edition) and *La Presse*.

10. **THIS COURT ORDERS** that the delivery, posting and sending of the Information Package in the manner set out in paragraphs 7, 8 and 9, shall constitute good and sufficient service of this Meetings Order, the Plan and the Sanction Motion, and good and sufficient notice of each of the Creditors' Meetings on all Persons who may be entitled to receive notice thereof in these proceedings or who may wish to be present in person or by Proxy at any Creditors' Meeting or who may wish to appear in these proceedings, and no other form of notice or service need be made on such Persons.

11. **THIS COURT ORDERS** that no later than five (5) Business Days before the Creditors' Meetings or such shorter period as may be agreed by the Monitor and the Supporting Term Loan

Lenders, the Payless Canada Entities shall serve a supplement to the Plan (the “**Plan Supplement**”), in form and substance acceptable to the Payless Canada Entities, the Monitor and the Supporting Term Loan Lenders, on the Service List and the Monitor shall cause the Plan Supplement to be posted on the Monitor’s Website.

12. **THIS COURT ORDERS** that no later than three (3) Business Days before the Creditors’ Meetings, the Monitor shall serve a report regarding the Plan on the Service List and cause such report to be posted on the Monitor’s Website.

13. **THIS COURT ORDERS** that the posting and sending of the Plan Supplement in the manner set out in paragraph 11 shall constitute good and sufficient service of the Plan Supplement, and no other form of notice or service need be made in respect of the Plan Supplement.

#### **CONDUCT AT THE CREDITORS’ MEETINGS**

14. **THIS COURT ORDERS** that the Payless Canada Entities are hereby authorized to call, hold and conduct the meeting of the General Unsecured Creditors on October 23, 2019 at 10:00 a.m. (Toronto time) and the meeting of the Landlords on October 23, 2019 at 10:15 a.m. (Toronto time) respectively, at the offices of Cassels Brock & Blackwell LLP, for the purpose of considering, and if deemed advisable by the General Unsecured Creditor class and Landlord class, voting in favour of, with or without variation, the Plan Resolution to approve the Plan.

15. **THIS COURT ORDERS** that a representative of the Monitor, designated by the Monitor in consultation with the Payless Canada Entities, shall preside as the chair of each of the Creditors’ Meetings (the “**Chair**”) and, subject to any further Order of this Court, shall decide all matters relating to the conduct of the Creditors’ Meetings.

16. **THIS COURT ORDERS** that the Chair, in consultation with the Payless Canada Entities, is authorized to accept and rely upon Proxies, or such other forms as may be acceptable to the Chair.

17. **THIS COURT ORDERS** that the quorum required at each of the Creditors' Meetings shall be one (1) Eligible Voting Creditor with a Voting Claim present at such meeting in person or by Proxy (the "**Requisite Quorum**").

18. **THIS COURT ORDERS** that the Monitor may appoint in its sole discretion scrutineers for the supervision and tabulation of the attendance at, Requisite Quorum at and votes cast at each of the Creditors' Meetings (the "**Scrutineers**"). A Person designated by the Monitor shall act as secretary at each of the Creditors' Meetings (the "**Secretary**").

19. **THIS COURT ORDERS** that if (a) the Requisite Quorum is not present at each of the Creditors' Meetings, or (b) either of the Creditors' Meetings is postponed by the request of the Payless Canada Entities in consultation with the Supporting Term Loan Lenders or by vote of the majority in value of General Unsecured Creditors or Landlords holding Voting Claims in person or by Proxy at the applicable Creditors' Meeting, then the Creditors' Meetings shall be adjourned by the Chair to such time and place as the Chair deems necessary or desirable with the consent of the Payless Canada Entities.

20. **THIS COURT ORDERS** that the Chair, with the consent of the Payless Canada Entities, and in consultation with the Supporting Term Loan Lenders, be, and is hereby, authorized to adjourn, postpone or otherwise reschedule the Creditors' Meetings on one or more occasions to such time(s), date(s) and place(s) as the Chair with the consent of the Payless Canada Entities and in consultation with the Supporting Term Loan Lenders, deems necessary or desirable (without the need to first convene such Creditors' Meetings). None of the Payless Canada Entities,

the Chair or the Monitor shall be required to deliver any notice of the adjournment of either of the Creditors' Meetings or adjourned Creditors' Meetings, provided that the Monitor shall:

- (a) announce the adjournment of either of the Creditors' Meetings or adjourned Creditors' Meetings, as applicable;
- (b) post notice of the adjournment at the originally designated time and location of each of the Creditors' Meetings or adjourned Creditors' Meetings, 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.

21. **THIS COURT ORDERS** that any Proxies validly delivered in connection with either of the Creditors' Meetings shall be accepted as Proxies in respect of any adjourned Creditors' Meetings.

22. **THIS COURT ORDERS** that the only Persons entitled to attend and speak at either of the Creditors' Meetings are Eligible Voting Creditors (or their respective duly appointed proxyholder), representatives of the Monitor and the Payless Canada Entities, the Supporting Term Loan Lenders and the Term Loan Agent, the Chair, the Secretary and Scrutineers, and all such parties' respective legal counsel and advisors. Any other Person may be admitted to either of the Creditors' Meetings on invitation of the Payless Canada Entities or the Chair.

#### **VOTING PROCEDURE AT THE CREDITORS' MEETINGS**

23. **THIS COURT ORDERS** that, after consultation with the Payless Canada Entities, the Chair and the Monitor be and are hereby authorized to direct a vote by confidential written ballot

or by such other means as the Chair or Monitor may consider appropriate, with respect to the Plan Resolution to approve the Plan.

24. **THIS COURT ORDERS** that any Proxy for a General Unsecured Creditor and Landlord must be (a) received by the Monitor by 10:00 am (Toronto time) on October 21, 2019, or 48 hours (excluding Saturdays, Sundays and statutory holidays) prior to any adjourned, postponed or rescheduled Creditors' Meeting (the "**Proxy Deadline**").

25. **THIS COURT ORDERS** that, in the absence of instruction to vote for or against the approval of the Plan Resolution in a duly signed and returned Proxy, the Proxy shall be deemed to include instructions to vote for the approval of the Plan Resolution, provided the Proxy holder does not otherwise exercise its right to vote at the applicable Creditors' Meetings.

26. **THIS COURT ORDERS** that to the extent that the Monitor is in receipt of more than one Proxy in respect of the same Eligible Voting Creditor, the last submitted duly signed and returned Proxy, shall be deemed to be such Eligible Voting Creditor's instructions with respect to the Plan.

27. **THIS COURT ORDERS** that each Eligible Voting Creditor shall be entitled to one vote equal to the aggregate dollar value of its Voting Claim plus its Disputed Voting Claim, if any. For greater certainty, each Eligible Voting Creditor that casts a vote at the applicable Creditors' Meeting in accordance with this Order shall be counted as an individual Eligible Voting Creditor for the purposes of that Creditors' Meeting, even if that Eligible Voting Creditor is an Eligible Voting Creditor in respect of multiple Affected Claims.

28. **THIS COURT ORDERS** that only General Unsecured Creditors (other than holders of Intercompany Claims) and Landlords shall be entitled to vote on the Plan.

29. **THIS COURT ORDERS** that notwithstanding anything to the contrary in this Order, (i) the Term Loan Lenders and the Term Loan Agent shall not be entitled to vote in respect of any portion



of the Term Loan Claims, and shall not be taken into account in determining whether the Required Majorities are obtained; and (ii) holders of Intercompany Claims and Equity Claims shall not be entitled to vote in respect of their Intercompany Claims or Equity Claims and shall not be taken into account in determining whether the Required Majorities are obtained.

30. **THIS COURT ORDERS** that a Voting Claim or Disputed Voting Claim shall not include fractional numbers and shall be rounded down to the nearest whole Dollar amount.

31. **THIS COURT ORDERS** that an Eligible Voting Creditor may transfer or assign the whole of its Claim prior to the applicable Creditors' Meeting, provided that none of the Payless Canada Entities nor the Monitor shall be obligated to give notice to or otherwise deal with the transferee or assignee of such Claim in respect thereof, including allowing such transferee or assignee of an Eligible Voting Creditor to vote at the applicable Creditors' Meeting, unless and until written notice of such transfer or assignment, together with evidence satisfactory to the Monitor, in its sole discretion, of such transfer or assignment, has been received by the Monitor and the Monitor has provided written confirmation acknowledging the transfer or assignment of such Claim, no later than 10:00 am (Toronto time) on the date that is two (2) Business Days prior to the Creditors' Meetings. Thereafter, such transferee or assignee shall, for all purposes in accordance with the Claims Procedure Order and this Meetings Order, constitute an "Eligible Voting Creditor" in respect of such Claim, and shall be bound by any and all notices given to the transferor or assignor and steps taken in respect of such Claim. Any such transferee or assignee is not entitled to set-off, apply, merge, consolidate or combine any Claims assigned or transferred to it against or on account or in reduction of any amounts owing by such transferee or assignee to the Payless Canada Entities. Where a Claim has been transferred or assigned in part, the transferor or assignor shall retain the right to vote at the applicable Creditors' Meeting in respect of the full amount of the Claim as determined for voting purposes in accordance with this Meetings Order,

and the transferee or assignee shall have no voting rights at the Creditors' Meetings in respect of such Claim.

32. **THIS COURT ORDERS** that an Affected Creditor may transfer or assign the whole of such Claim after the applicable Creditors' Meeting provided that none of the Payless Canada Entities nor the Monitor shall be obligated to make any 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 written notice of such transfer or assignment, together with evidence satisfactory to the Monitor, in its sole discretion, of such transfer or assignment, has been received by the Monitor and the Monitor has provided written confirmation acknowledging the transfer or assignment of such Claim. Thereafter, such transferee or assignee shall, for all purposes in accordance with the Claims Procedure Order, this Meetings Order and the Plan, constitute an Affected Creditor, and shall be bound by any notices given or steps taken in respect of such Claim.

#### **DISPUTED VOTING CLAIMS**

33. **THIS COURT ORDERS** that the dollar value of a Disputed Voting Claim of an Eligible Voting Creditor for voting purposes at the applicable Creditors' Meeting shall be (i) for Creditors who filed a Notice of Dispute of Claim Statement, the dollar value of such Disputed Voting Claim as set out in such Eligible Voting Creditor's Notice of Dispute of Claim Statement previously delivered to the Monitor pursuant to the Claims Procedure Order or (ii) for creditors who have filed a Proof of Claim, the dollar value set out in the Proof of Claim, in each case, without prejudice to the determination of the dollar value of such Eligible Voting Creditor's Claim for distribution purposes in accordance with the Claims Procedure Order and this Meetings Order.

34. **THIS COURT ORDERS** that the Monitor shall keep a separate record of votes cast by Eligible Voting Creditors in respect of Disputed Voting Claims and shall report to the Court with respect thereto at the Sanction Motion.

### **APPROVAL OF THE PLAN**

35. **THIS COURT ORDERS** that in order to be approved, the Plan must receive an affirmative vote by each of the Required Majorities.

36. **THIS COURT ORDERS** that following the votes at the Creditors' Meetings, the Monitor shall tally the votes and determine whether the Plan has been approved by each of the Required Majorities.

37. **THIS COURT ORDERS** that the results of all votes provided at each of the Creditors' Meetings shall be binding on all Affected Creditors, whether or not any such Affected Creditor was present or voted at the applicable Creditors' Meeting.

### **SANCTION MOTION**

38. **THIS COURT ORDERS** that the Monitor shall serve on the Service List and file a report to the Court as soon as practicable after the Creditors' Meetings (the "**Monitor's Report Regarding the Creditors' Meetings**") with respect to:

- (a) the results of voting on the Plan Resolution at each of the Creditors' Meetings;
- (b) whether each of the Required Majorities has approved the Plan;
- (c) the separate tabulation for Disputed Voting Claims required by paragraph 34 herein; and
- (d) in its discretion, any other matter relating to the Payless Canada Entities' motion seeking the Sanction Order (the "**Sanction Motion**").

39. **THIS COURT ORDERS** that an electronic copy of the Monitor's Report Regarding the Creditors' Meetings, the Plan, including any Plan modifications, and a copy of the materials filed

in respect of the Sanction Motion shall be posted on the Monitor's Website prior to the Sanction Motion.

40. **THIS COURT ORDERS** that in the event the Plan is approved by each of the Required Majorities, the Payless Canada Entities may bring the Sanction Motion before this Court on October 29, 2019, or such later date as the Monitor may advise the Service List in these proceedings, provided that such later date shall be acceptable to the Payless Canada Entities, the Monitor and the Supporting Term Loan Lenders.

41. **THIS COURT ORDERS** that any Person intending to oppose the Sanction Motion shall (i) file or have filed with the Court a Notice of Appearance and serve such Notice of Appearance on the Service List at least seven (7) Business Days before the date set for the Sanction Motion; and (ii) serve on the Service List a notice setting out the basis for such opposition and a copy of the materials to be used to oppose the Sanction Motion that are available at least seven (7) Business Days before the date set for the Sanction Motion, or such shorter time as the Court, by Order, may allow.

42. **THIS COURT ORDERS** that in the event that the Sanction Motion is adjourned, only those Persons appearing on the Service List as of the date of service shall be served with notice of the adjourned date.

43. **THIS COURT ORDERS** that, subject to any further Order of the Court, in the event of any conflict, inconsistency, ambiguity or difference between the provisions of the Plan and this Meetings Order, the terms, conditions and provisions of the Plan shall govern and be paramount, and any such provision of this Meetings Order shall be deemed to be amended to the extent necessary to eliminate any such conflict, inconsistency, ambiguity or difference.

## **ADJUDICATION OF CLAIMS FOR DISTRIBUTION PURPOSES**

44. **THIS COURT ORDERS** that any acceptance, revision or rejection of any Claim by the Payless Canada Entities in accordance with this Meetings Order and the Claims Procedure Order will be solely for the purposes of voting and/or receiving a distribution under any plan of arrangement or compromise put forward by the Payless Canada Entities in these proceedings, and, for greater certainty, the claims adjudication process contained in this Meetings Order does not apply to the Term Loan Claims.

45. **THIS COURT ORDERS** that, notwithstanding anything to the contrary contained in this Meetings Order, the Claims Procedure Order, or any other order of the Court in these proceedings, the Payless Canada Entities and the Monitor shall not accept, reject, revise or settle any Claim ranking or purporting to rank *pari passu* with, or in priority to, the Term Loan Claims without the consent of the Supporting Term Loan Lenders or further Order of this Court.

46. **THIS COURT ORDERS** that if the Payless Canada Entities, in consultation with the Monitor, intend to revise or reject a Claim, the Monitor shall notify the Claimant who has delivered such Proof of Claim or Notice of Dispute of Claim Statement that such Claim has been revised or rejected, and the reasons therefore, by sending a notice substantially in the form attached as **Schedule "E"** hereto (a "**Notice of Revision or Disallowance**") to the Claimant, and in the case of a Director/Officer Claim, with a copy to the applicable Director or Officer, unless otherwise ordered by this Court on application by the Monitor.

47. **THIS COURT ORDERS** that where a Claimant to whom a Notice of Revision or Disallowance has been delivered in accordance with paragraph 46 hereof does not file a completed notice of dispute substantially in the form attached as **Schedule "F"** (a "**Notice of Dispute**") by the time set out in paragraph 48, such Claimant's Claim, shall be deemed to be as

set out in the Notice of Revision or Disallowance issued to such Claimant and no Person shall have any further right to dispute same.

48. **THIS COURT ORDERS** that any Claimant to whom a Notice of Revision or Disallowance has been delivered in accordance with paragraph 46, and who intends to dispute such notice, shall:

- (a) deliver a completed Notice of Dispute, along with the reasons for the dispute, together with any additional material upon which the Claimant intends to rely, to the Monitor by no later than fifteen (15) days after the date on which the Claimant is deemed to receive the Notice of Revision or Disallowance, or such other date as may be agreed to by the Payless Canada Entities in writing, and in such event the Payless Canada Entities, in consultation with the Monitor, shall attempt to settle the dispute raised in the Notice of Dispute through consensual negotiations; and
- (b) in the event that a dispute raised in a Notice of Dispute is not settled within a time period or in a manner satisfactory to the Payless Canada Entities and the Monitor, the Payless Canada Entities in consultation with the Monitor shall refer the dispute raised in the Notice of Dispute to a claims officer or the Court (at the Payless Canada Entities' election in consultation with the Monitor) for adjudication.

49. **THIS COURT ORDERS** that the Payless Canada Entities, in consultation with the Monitor, may attempt to consensually resolve any Claim (including any Claim for which a Notice of Dispute of Claim Statement, Proof of Claim, or Notice of Revision or Disallowance has been delivered) and may refer any Claim to a claims officer, subject to further order of the Court, or the Court for adjudication by sending written notice to the Claimant at any time.

50. **THIS COURT ORDERS** that the Payless Canada Entities shall not be required to review, reject or accept any Claim and may, in consultation with the Monitor, deem any Disputed Claim to be a Proven Claim or a Proven Priority Claim in the amount asserted by the Claimant.

51. **THIS COURT ORDERS** that, notwithstanding anything contained in this Meetings Order or the Claims Procedure Order and given that the Payless Canada Entities are not subject to a bankruptcy or receivership proceeding at this time, any Claimant that does not deliver a Notice of Dispute of Claim Statement in connection with a Employee Claim Statement, shall not be barred from claiming additional amounts from Her Majesty in right of Canada or the Minister of National Revenue in respect of his or her entitlement to any future amounts claimable under WEPPA (an “**Additional WEPPA Claim**”) should WEPPA apply, provided that in no circumstances shall any Person other than Her Majesty in right of Canada or the Minister of National Revenue have any liability whatsoever for any Additional WEPPA Claim.

52. **THIS COURT ORDERS** that copies of all forms delivered hereunder, as applicable, shall be maintained by the Monitor. The Monitor shall promptly provide copies of all such forms received by the Monitor in connection with this Meetings Order including any Proxies or Notices of Dispute to counsel for the Payless Canada Entities, Cassels Brock & Blackwell LLP, by email to Monique Sassi (msassi@casselsbrock.com).

53. **THIS COURT ORDERS** that the forms attached hereto as **Schedule “E”** (Notice of Revision or Disallowance) and as **Schedule “F”** (Notice of Dispute), are each hereby approved and the Payless Canada Entities, with the consent of the Monitor, are authorized to make such changes to such forms of documents as it considers necessary or desirable to conform the content thereof to the terms of this Order.

#### **MONITOR’S ROLE**

54. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under: (i) the CCAA; (ii) the Initial Order; (iii) the Claims Procedure Order; and (iv) any other order of the Court, is hereby directed and empowered to take such other actions and fulfill such other roles as are authorized by this Meetings Order.

55. **THIS COURT ORDERS** that: (i) in carrying out the terms of this Meetings Order, the Monitor shall have all the protections given to it by the CCAA, the Initial Order, the Claims Procedure Order, any other order of the Court, or 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 this Meetings Order, save and except for any gross negligence or wilful misconduct on its part; (iii) the Monitor shall be entitled to rely on the books and records of the Payless Canada Entities and any information provided by the Payless Canada Entities and any information acquired by the Monitor as a result of carrying out its duties under this Meetings Order without independent investigation; and (iv) the Monitor shall not be liable for any claims or damages resulting from any errors or omissions in such books, records or information.

#### **GENERAL PROVISIONS**

56. **THIS COURT ORDERS** that the Payless Canada Entities and the Monitor shall use reasonable discretion as to the adequacy of compliance with respect to the manner in which any forms hereunder are completed and executed and the time in which they are submitted and may waive strict compliance with the requirements of this Meetings Order including with respect to the completion, execution and time of delivery of required forms.

57. **THIS COURT ORDERS** that the Payless Canada Entities or the Monitor may, in consultation with the Supporting Term Loan Lenders, from time to time, apply to this Court to amend, vary, supplement or replace this Meetings Order or for advice and directions concerning the discharge of their respective powers and duties under this Meetings Order or the interpretation or application of this Meetings Order.

58. **THIS COURT ORDERS** that any notice or other communication to be given under this Meetings Order by an Affected Creditor to the Monitor or the Payless Canada Entities shall be in writing in substantially the form, if any, provided for in this Meetings Order and will be sufficiently



given only if given by prepaid ordinary mail, registered mail, courier, personal delivery or email addressed to:

Counsel to the  
Payless Canada Entities:

Cassels Brock & Blackwell LLP  
Scotia Plaza, 40 King Street West  
Suite 2100  
Toronto, ON M5H 3C2

Attention: Ryan C. Jacobs and Jane O. Dietrich  
Email: rjacobs@casselsbrock.com  
jdietrich@casselsbrock.com

The Monitor:

FTI Consulting Canada Inc.  
79 Wellington Street West  
Toronto Dominion Centre, Suite 2010, P.O. Box 104  
Toronto, ON M5K 1G8

Attention: Greg Watson, Paul Bishop and Jim Robinson  
Email: paylesscanada@fticonsulting.com

With a copy to  
Monitor's Counsel:

Bennett Jones LLP  
100 King Street West, Suite 3400  
Toronto, ON M5X 1A4

Attention: Sean Zweig and Michael S. Shakra  
Email: zweigs@bennettjones.com  
shakram@bennettjones.com

59. **THIS COURT ORDERS** that any notice or other communication to be given under this Meetings Order shall be deemed to have been received: (a) if sent by prepaid ordinary mail or registered mail, on the third Business Day after mailing in Ontario, the fifth Business Day after mailing within Canada (other than within Ontario), and the tenth Business Day after mailing internationally; (b) if sent by courier or personal delivery, on the next Business Day following dispatch; and (c) if delivered by facsimile transmission or email by 5:00 p.m. (Toronto time) on a Business Day, on such Business Day and if delivered after 5:00 p.m. (Toronto time) or other than on a Business Day, on the following Business Day.

60. **THIS COURT ORDERS** that, in the event that the day on which any notice or communication required to be delivered pursuant to this Meetings Order is not a Business Day, then such notice or communication shall be required to be delivered on the next Business Day.

61. **THIS COURT ORDERS** that if, during any period during which notices or other communications are being given pursuant to this Meetings 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 or e-mail in accordance with this Order.

62. **THIS COURT ORDERS** that all references to time in this Meetings Order shall mean prevailing local time in Toronto, Ontario and any references to an event occurring on a Business Day shall mean prior to 5:00 p.m. (Toronto time) on the Business Day unless otherwise indicated.

63. **THIS COURT ORDERS** that references to the singular shall include the plural, references to the plural shall include the singular and to any gender shall include the other gender.

64. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative bodies, having jurisdiction in Canada, in the United States of America or in any other foreign jurisdiction to give effect to this Meetings Order and to assist the Payless Canada Entities, the Monitor and their respective agents in carrying out the terms of this Meetings Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Payless 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 Payless Canada Entities in any foreign proceeding, or to

assist the Payless Canada Entities and the Monitor and their respective agents in carrying out the terms of this Order.

---

## **Schedule "A"**

Plan of Compromise and Arrangement of the Payless Canada Entities

Schedule "B"

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 PAYLESS  
SHOESOURCE CANADA INC. AND PAYLESS SHOESOURCE CANADA GP INC. (the  
"Applicants")

PLAN OF COMPROMISE AND ARRANGEMENT

NOTICE OF CREDITORS' MEETINGS AND SANCTION MOTION

**TO:** The General Unsecured Creditors and Landlords of Payless ShoeSource Canada Inc., Payless ShoeSource Canada GP Inc. and Payless ShoeSource Canada LP (the "**Payless Canada Entities**").

**NOTICE IS HEREBY GIVEN** that a meeting of the General Unsecured Creditors and a meeting of the Landlords will be held on October 23, 2019 at 10:00 a.m. (Toronto time) and 10:15 a.m. (Toronto time), respectively, at the offices of Cassels Brock & Blackwell LLP (the "**Creditors' Meetings**") for the following purposes:

1. to consider and, if deemed advisable, to pass, with or without variation, a resolution (the "**Plan Resolution**") approving the Plan of Compromise and Arrangement of the Payless Canada Entities pursuant to the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**") dated September 17, 2019 (as amended, restated, modified and/or supplemented from time to time in accordance with the terms thereof, the "**CCAA Plan**"); and
2. to transact such other business as may properly come before either of the Creditors' Meetings or any adjournment or postponement thereof.

The Creditors' Meetings are being held pursuant to an order (the "**Meetings Order**") of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") made on September 19, 2019.

Capitalized terms used and not otherwise defined in this notice have the respective meanings given to them in the CCAA Plan or the Meetings Order.

Copies of the relevant information, including: (i) this Notice of Creditors' Meetings and Sanction Motion, (ii) the Fifth Report, (iii) the Supplemental Report, (iv) the issued Meetings Order, (v) the CCAA Plan, (vi) the U.S. Disclosure Statement, (vii) the Information Memorandum and (viii) the Proxy, (the "**Information Package**") are posted on the Monitor's Website at <http://cfcanada.fticonsulting.com/paylesscanada/>.

The CCAA Plan contemplates the compromise of Claims of Affected Creditors. Quorum for each of the Creditors' Meetings has been set by the Meetings Order as the presence, in person or by proxy, (i) at the meeting of the General Unsecured Creditors, of one General Unsecured Creditor with a Voting Claim and (ii) at the meeting of the Landlords, of one Landlord with a Voting Claim.

In order for the CCAA Plan to be approved and binding in accordance with the CCAA, the Plan Resolution must be approved by that number of the General Unsecured Creditors and Landlords representing at least a majority in number of Voting Claims, whose General Unsecured Claims and Landlord Claims represent at least two-thirds in value of the Voting Claims of General Unsecured Creditors and Landlords who validly vote (in person or by proxy) on the Plan Resolution at the applicable Creditors' Meetings or were deemed to vote on the Plan Resolution as provided for in the Meetings Order (each a "**Required Majority**"). Each Eligible Voting Creditor will be entitled to one vote at the applicable Creditors' Meetings, which vote will have the value of such person's Voting Claim and Disputed Voting Claim as determined in accordance with the Claims Procedure Order and the Meetings Order. If approved by each of the Required Majorities, the CCAA Plan must also be sanctioned by the Court under the CCAA. Subject to the satisfaction of the other conditions precedent to implementation of the CCAA Plan, all General Unsecured Creditors and Landlords will then receive the treatment set forth in the CCAA Plan.

### **Forms and Proxies**

**A General Unsecured Creditor or Landlord may attend at the applicable Creditors' Meeting in person or may appoint another person as its proxyholder by inserting its name or the name of such person in the space provided in the form of proxy provided to General Unsecured Creditors and Landlords by the Monitor, or by completing another valid form of proxy.**

In order to be effective, Proxies must be received by the Monitor at FTI Consulting Canada Inc., 79 Wellington Street West, Toronto Dominion Centre, Suite 2010, P.O. Box 2104, Toronto, ON M5K 1G8 (Attention: Ellen Dong), email: [paylesscanada@fticonsulting.com](mailto:paylesscanada@fticonsulting.com) by 10:00 am (Toronto time) on October 21, 2019, or 48 hours (excluding Saturdays, Sundays and statutory holidays) prior to any adjourned, postponed or rescheduled Creditors' Meeting. Persons appointed as proxyholders need not be General Unsecured Creditors or Landlords.

If a General Unsecured Creditor or Landlord at the applicable Creditors' Meeting specifies a choice with respect to voting on the Plan Resolution on a proxy, the proxy will be voted in accordance with the specification so made. **In absence of such specification, a proxy will be voted FOR the Plan Resolution provided that the proxyholder does not otherwise exercise its right to vote at the applicable Creditors' Meetings.**

**NOTICE IS ALSO HEREBY GIVEN** that if the CCAA Plan is approved by each of the Required Majorities at the Creditors' Meetings, the Payless Canada Entities intend to bring a motion before the Court on October 29, 2019 at 10:00 a.m. (Toronto time) or such later date as may be posted on the Monitor's Website, at the Court located at 330 University Avenue, Toronto, Ontario M5G 1R8. The motion will be seeking the granting of the Sanction Order sanctioning the CCAA Plan under the CCAA and for ancillary relief consequent upon such sanction. Any Affected Creditor that wishes to appear or be represented, and to present evidence or arguments, at such Court hearing must file with the Court a Notice of Appearance and serve such Notice of Appearance on the Service List at least seven (7) Business Days before such Court hearing. Any Affected Creditor that wishes to oppose the relief sought at such Court hearing shall serve on the Service List a notice setting out the basis for such opposition and a copy of the materials to be used at such hearing at least seven (7) Business Days before the date set for such hearing, or such shorter time as the Court, by Order, may allow. A copy of the Service List may be obtained from the Monitor's Website together with copies of other materials related to this process.

This Notice is given by the Payless Canada Entities pursuant to the Meetings Order.

DATED this ●th day of September, 2019.

**Schedule "C"**

**FORM OF PROXY**

**PROXY AND INSTRUCTIONS  
FOR GENERAL UNSECURED CREDITORS AND LANDLORDS**

**IN THE MATTER OF THE PROPOSED  
PLAN OF COMPROMISE AND ARRANGEMENT OF PAYLESS SHOESOURCE CANADA  
INC. AND PAYLESS SHOESOURCE CANADA GP INC.**

**MEETINGS OF AFFECTED CREDITORS**

to be held pursuant to an Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") made on September 19, 2019 (the "**Meetings Order**") in connection with the Plan of Compromise and Arrangement of Payless ShoeSource Canada Inc. and Payless ShoeSource Canada GP Inc. (the "**Applicants**", and with Payless ShoeSource Canada LP, the "**Payless Canada Entities**") dated September 17, 2019 (as amended, restated, modified and/or supplemented from time to time, the "**Plan**")

on October 23, 2019 at 10:00 a.m. (Toronto time) (General Unsecured Creditors) and  
October 23, 2019 at 10:15 a.m. (Toronto time) (Landlords) at

**CASSELS BROCK & BLACKWELL LLP  
COUNSEL TO THE PAYLESS CANADA ENTITIES  
40 King Street West, Suite 2100  
Toronto, ON M5H 3C2**

and at any adjournment, postponement or other rescheduling thereof (the "**Creditors' Meetings**")

PLEASE COMPLETE, SIGN AND DATE THIS PROXY AND RETURN IT TO THE MONITOR, FTI CONSULTING CANADA INC. BY 10:00 A.M. (TORONTO TIME) ON OCTOBER 21, 2019, OR 48 HOURS (EXCLUDING SATURDAYS, SUNDAYS AND STATUTORY HOLIDAYS) PRIOR TO ANY ADJOURNED, POSTPONED OR RESCHEDULED CREDITORS' MEETING (THE "**PROXY DEADLINE**"). PLEASE RETURN OR DEPOSIT YOUR ORIGINAL PROXY SO THAT IT IS ACTUALLY RECEIVED BY THE MONITOR ON OR BEFORE THE PROXY DEADLINE.

Please use this Proxy form if you do not wish to attend the applicable Creditors' Meetings to vote in person but wish to appoint a proxyholder to attend the applicable Creditors' Meetings, vote your Voting Claim or Disputed Voting Claim to accept or reject the Plan and otherwise act for and on your behalf at the applicable Creditors' Meetings and any adjournment(s), postponement(s) or rescheduling(s) thereof.

The Plan is included in the Information Package delivered by the Monitor to all Eligible Voting Creditors, copies of which you have received. All capitalized terms used but not defined in this Proxy shall have the meanings ascribed to such terms in the Plan.

You should review the Plan before you vote. In addition, on September 19, 2019, the Court issued the Meetings Order establishing certain procedures for the conduct of the Creditors' Meetings, a copy of which is included in the Information Package. The Meetings Order contains important



information regarding the voting process. Please read the Meetings Order and the instructions sent with this Proxy prior to submitting this Proxy.

If the Plan is approved by the Required Majorities, is sanctioned by the Court and is implemented, it will be binding on you whether or not you vote.

**APPOINTMENT OF PROXYHOLDER AND VOTE**

By checking one of the two boxes below, the undersigned Eligible Voting Creditor hereby revokes all proxies previously given and nominates, constitutes and appoints either (*if no box is checked, the Monitor will act as your proxyholder*):

- \_\_\_\_\_, or
- a representative of FTI Consulting Canada Inc. solely in its capacity as Monitor of Payless ShoeSource Canada Inc., Payless ShoeSource Canada GP Inc. and Payless ShoeSource Canada LP,

as proxyholder, with full power of substitution, to attend, vote and otherwise act for and on behalf of the undersigned at the (*mark as many as may apply*):

- meeting of the General Unsecured Creditors
- meeting of the Landlords

and at adjournment(s), postponement(s) and rescheduling(s) thereof, and to vote the amount of the Eligible Voting Creditors' Voting Claim or Disputed Voting Claim. Without limiting the generality of the power hereby conferred, the person named as proxyholder is specifically directed to vote as shown below. The person named as proxyholder is also directed to vote at the proxyholder's discretion and otherwise act for and on behalf of the undersigned with respect to any amendments or variations to the Plan and to any matters that may come before the applicable Creditors' Meeting or at any adjournment, postponement or rescheduling thereof and to vote the amount of the Eligible Voting Creditors Voting Claim as follows (*mark only one*):

- Vote **FOR** the approval of the Plan, or
- Vote **AGAINST** the approval of the Plan

**Please note that if no specification is made above, the Eligible Voting Creditor will be deemed to have voted FOR approval of the Plan at the applicable Creditors' Meetings provided unless the Eligible Voting Creditor otherwise exercises its right to vote at the applicable Creditors' Meeting.**

**DATED** at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

**AFFECTED CREDITOR'S SIGNATURE:**

---

(Print Legal Name of Eligible Voting Creditor)

---

(Print Legal Name of Assignee, if applicable)

---

(Signature of the Eligible Voting Creditor/Assignee or an  
Authorized Signing Officer of the Eligible Voting  
Creditor/Assignee)

---

(Print Name and Title of Authorized Signing Officer of the  
Eligible Voting Creditor/Assignee, if applicable)

---

(Mailing Address of the Eligible Voting Creditor/Assignee)

---

(Telephone Number and Email of the Eligible Voting  
Creditor/Assignee or Authorized Signing Officer of the  
Eligible Voting Creditor/Assignee)

**YOUR PROXY MUST BE RECEIVED BY THE MONITOR AT THE ADDRESS LISTED BELOW  
OR BEFORE THE PROXY DEADLINE.**

**FTI CONSULTING CANADA INC.  
MONITOR OF PAYLESS SHOESOURCE CANADA INC., PAYLESS SHOESOURCE  
CANADA GP INC. AND PAYLESS SHOESOURCE CANADA LP**

**79 Wellington Street West  
Suite 2010  
P.O. Box 104  
Toronto, ON M5K 1G8**

**Attention: Ellen Dong  
Email: [paylesscanada@fticonsulting.com](mailto:paylesscanada@fticonsulting.com)**

**IF YOU HAVE ANY QUESTIONS REGARDING THIS PROXY OR THE VOTING  
PROCEDURES, OR IF YOU NEED AN ADDITIONAL COPY OR ADDITIONAL COPIES OF THE  
ENCLOSED MATERIALS, PLEASE CONTACT THE MONITOR AT  
[paylesscanada@fticonsulting.com](mailto:paylesscanada@fticonsulting.com) OR VISIT THE MONITOR'S WEBSITE AT  
<http://cfcanada.fticonsulting.com/paylesscanada/>.**

## INSTRUCTIONS FOR COMPLETION OF PROXY FOR GENERAL UNSECURED CREDITORS AND LANDLORDS

1. All capitalized terms used but not defined in this Proxy shall have the meanings ascribed to such terms in the Plan of Compromise and Arrangement of Payless ShoeSource Canada Inc. and Payless ShoeSource Canada GP Inc. (the “**Applicants**”, and with Payless ShoeSource Canada LP, the “**Payless Canada Entities**”) dated September 17, 2019 (the “**Plan**”), a copy of which you have received.
2. The aggregate amount of your Claim in respect of which you are entitled to vote (your “**Voting Claim**”) shall be your Proven Claim, or with respect to a Disputed Voting Claim, the amount as determined by the Payless Canada Entities and the Monitor in accordance with the Claims Procedure Order and the Meetings Order.
3. Holders of General Unsecured Claims or Landlord Claims (as defined in the Plan) are entitled to vote only at the applicable Creditors’ Meeting.
4. Check the appropriate box to vote for or against the Plan. **If you do not check either box, you will be deemed to have voted FOR approval of the Plan provided you do not otherwise exercise your right to vote at the applicable Creditors’ Meetings.**
5. Each Eligible Voting Creditor who has a right to vote at the applicable Creditors’ Meetings has the right to appoint a person (who need not be an Eligible Voting Creditor) to attend, act and vote for and on behalf of the Eligible Voting Creditor and such right may be exercised by inserting in the space provided the name of the person to be appointed, or to select a representative of the Monitor as its proxyholder. If no proxyholder is selected, the Eligible Voting Creditor will be deemed to have appointed any officer of FTI Consulting Canada Inc., in its capacity as Monitor, or such other person as FTI Consulting Canada Inc. may designate, as proxyholder of the Eligible Voting Creditor, with power of substitution, to attend on behalf of and act for the Eligible Voting Creditor at the applicable Creditors’ Meetings to be held in connection with the Plan and at any and all adjournments, postponements or other rescheduling thereof.
6. Please read and follow these instructions carefully. Your completed Proxy must actually be received: (i) by the Monitor at FTI Consulting Canada Inc., Monitor of Payless ShoeSource Canada Inc., Payless ShoeSource Canada GP Inc. and Payless ShoeSource Canada LP, 79 Wellington Street West, Suite 2010, P.O. Box 104, Toronto, ON M5K 1G8 (Attention: Ellen Dong), e-mail: [paylesscanada@fticonsulting.com](mailto:paylesscanada@fticonsulting.com) prior to 10:00 a.m. (Toronto time) on October 21, 2019, or 48 hours (excluding Saturdays, Sundays and statutory holidays) which is the Proxy Deadline, prior to the time of any adjournment, postponement or rescheduling of the applicable Creditors’ Meetings (the “**Proxy Deadline**”). If your Proxy is not received by the Proxy Deadline, unless such time is extended, your Proxy will not be counted.
7. Sign the Proxy - your original signature is required on the Proxy to appoint a proxyholder and vote at the applicable Creditors’ Meetings. If you are completing the proxy as a duly authorized representative of a corporation or other entity, indicate your relationship with such corporation or other entity and the capacity in which you are signing, and if subsequently requested, provide proof of your authorization to so sign. In addition, please provide your name, mailing address, telephone number and e-mail address.

8. If you need additional Proxies, please immediately contact the Monitor.
9. If multiple Proxies are received from the same person with respect to the same Claims prior to the Proxy Deadline, the latest dated, validly executed Proxy timely received will supersede and revoke any earlier received Proxy. However, if a holder of Claims casts Proxies received by the Monitor dated with the same date, but which are voted inconsistently, such Proxies will not be counted. If a Proxy is not dated in the space provided, it shall be deemed dated as of the date it is received by the Monitor.
10. If an Eligible Voting Creditor validly submits a Proxy to the Monitor and subsequently attends the applicable Creditors' Meetings and votes in person inconsistently, such Eligible Voting Creditor's vote at the applicable Creditors' Meetings will supersede and revoke the earlier received Proxy.
11. Proxies may be accepted for purposes of an adjourned, postponed or other rescheduled Creditors' Meetings if received by the Monitor by the Proxy Deadline.
12. Any Proxy that is illegible or contains insufficient information to permit the identification of the claimant will not be counted.
13. After the Proxy Deadline, no Proxy may be withdrawn or modified, except by an Eligible Voting Creditor voting in person at the applicable Creditors' Meetings, without the prior consent of the Monitor and the Payless Canada Entities.

**IF YOU HAVE ANY QUESTIONS REGARDING THIS PROXY OR THE VOTING PROCEDURES, OR IF YOU NEED AN ADDITIONAL COPY OR ADDITIONAL COPIES OF THE ENCLOSED MATERIALS, PLEASE CONTACT THE MONITOR AT [paylesscanada@fticonsulting.com](mailto:paylesscanada@fticonsulting.com) OR VISIT THE MONITOR'S WEBSITE AT <http://cfcanada.fticonsulting.com/paylesscanada/>.**

## Schedule "D"

### FORM OF RESOLUTION

#### BE IT RESOLVED THAT:

1. The Plan of Compromise and Arrangement of Payless ShoeSource Canada Inc., Payless ShoeSource Canada GP Inc. and with Payless ShoeSource Canada LP (collectively, the **Payless Canada Entities**), dated September 17, 2019 (the "**Plan**"), which Plan has been presented to this meeting (as such Plan may be amended, restated, supplemented and/or modified as provided for in the Plan), be and it is hereby accepted, approved, agreed to and authorized; and
2. Any one director or officer of each of the Payless Canada Entities or the Chief Restructuring Organization (as defined in the Plan) be and is hereby authorized and directed, for and on behalf of the applicable Payless Canada Entity (whether under its respective corporate seal or otherwise), to execute and deliver, or cause to be executed and delivered, any and all documents and instruments and to take or cause to be taken such other actions as he or she may deem necessary or desirable to implement this resolution and the matters authorized hereby, including the transactions required by the Plan, such determination to be conclusively evidenced by the execution and delivery of such documents or other instruments or the taking of any such actions.

**Schedule "E"**

**NOTICE OF REVISION OR DISALLOWANCE**

**Payless ShoeSource Canada Inc., Payless ShoeSource Canada GP Inc.,  
and Payless ShoeSource Canada LP  
(the "Payless Canada Entities") and/or their Directors or Officers**

---

Capitalized terms not defined herein have the meanings given to them in the Order of the Ontario Superior Court of Justice (Commercial List) dated September 19, 2019 (the "**Meetings Order**") or the Claims Procedure Order dated April 24, 2019 ("**Claims Procedure Order**").

**I. PARTICULARS OF CLAIMANT**

**Claim Reference Number:** [Insert Claim Reference Number]

**To:**

---

(the "**Claimant**")

**II. DISPUTE OF CLAIM SET OUT IN CLAIM STATEMENT**

Pursuant to the Claims Procedure Order and the Meetings Order, the Payless Canada Entities and the Monitor hereby give you notice that they have reviewed your Proof of Claim and have revised or disallowed all or part of your purported Claim. Subject to further dispute by you in accordance with the Claims Procedure Order, your Claim will be as follows:

<b>Applicable Applicant or Director/Officer</b>	<b>Claim per Proof of Claim</b>	<b>Revised Amount Allowed for Distribution Purposes</b>	<b>Classification of Claims (Secured/Unsecured)</b>

**III. Reasons for Revision or Disallowance:**

**IV. SERVICE OF NOTICE OF DISPUTE OF REVISION OR DISALLOWANCE**

**If you intend to dispute this Notice of Revision or Disallowance, you must, no later than 5:00 p.m. (prevailing time in Toronto) on the day that is 15 Calendar Days after this Notice of Revision or Disallowance is deemed to have been received by you (in accordance with paragraph 30 of the Claims Procedure Order), deliver a Notice of Dispute of Revision or Disallowance to the Monitor by ordinary prepaid mail, registered mail, courier, personal delivery or electronic transmission to the address below.**

FTI Consulting Canada Inc. as Monitor of the Payless Canada Entities  
TD Waterhouse Tower  
79 Wellington Street West  
Suite 2010, P.O. Box 104  
Toronto, Ontario M5K 1G8  
Phone: 416 649 8096  
Toll Free: 1 855 718 5255

In accordance with the Meetings Order, notices shall be deemed to be received by the Monitor (a) if sent by prepaid ordinary mail or registered mail, on the third Business Day after mailing in Ontario, the fifth Business Day after mailing within Canada (other than within Ontario), and the tenth Business Day after mailing internationally; (b) if sent by courier or personal delivery, on the next Business Day following dispatch; and (c) 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.

The form of Notice of Dispute of Revision or Disallowance is enclosed and can also be accessed on the Monitor's website <http://cfcanada.fticonsulting.com/paylesscanada>.

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

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

FTI Consulting Canada Inc., solely in its capacity as Court-appointed Monitor of the Payless Canada Entities, and not in its personal or corporate capacity.

Per: \_\_\_\_\_

For more information see <http://cfcanada.fticonsulting.com/paylesscanada>, or contact the Monitor by telephone at 1 855 718 5255.

Schedule "F"

---

NOTICE OF DISPUTE OF REVISION OR DISALLOWANCE

Payless ShoeSource Canada Inc., Payless ShoeSource Canada GP Inc.,  
and Payless ShoeSource Canada LP  
(the "Payless Canada Entities") and/or their Directors or Officers

---

Capitalized terms not defined herein have the meanings given to them in the Order of the Ontario Superior Court of Justice (Commercial List) dated September 19, 2019 (the "Meetings Order") or the Order of the Ontario Superior Court of Justice (Commercial List) dated April 24, 2019 (the "Claims Procedure Order").

I. PARTICULARS OF CLAIMANT

Claim Reference Number:

Full Legal Name of Claimant:

Full Mailing Address of Claimant:

Telephone Number:

Email Address:

Attention (Contact Person):

Have you acquired this Claim by assignment?

Yes:  No:  (if yes, attach documents evidencing assignment)

If Yes, Full Legal Name of Original Claimant(s): \_\_\_\_\_



**II. DISPUTE OF CLAIM SET OUT IN NOTICE OF REVISION OR DISALLOWANCE**

The Claimant hereby disputes the classification, amount and/or nature of the revised or disallowed amount set out in the Notice of Revision or Disallowance and asserts as set out in the following table:

<b>Applicable Applicant or Director/Officer</b>	<b>Claim per Proof of Claim</b>	<b>Revised Amount Allowed for Voting Purposes</b>	<b>Revised Amount Allowed for Distribution Purposes</b>

**III. REASONS FOR DISPUTE**

Provide full particulars below as to the basis for the Claimant's dispute of the amount as set out in the Notice of Revision or Disallowance and provide supporting documentation. This includes, without limitation, amounts, description of transaction(s) or agreement(s) giving rise to the dispute, the date and number of all invoices and supporting documentation, and particulars of all credits, discounts, rebates and similar items claimed. The particulars provided must support the value of the Notice of Dispute of Revision or Disallowance as stated by the Claimant in the table above.

---

---

---

---

---

---

---

---

---

---

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

\_\_\_\_\_  
Signature of Claimant or its Authorized Signatory

#### IV. NOTICE OF DISPUTE OF REVISION OR DISALLOWANCE

This Notice of Dispute of Revision or Disallowance MUST be delivered to the Monitor at the below address such that it is received by the Monitor by no later than **11:59 p.m. (Toronto Time)** on **●**, **2019**:

FTI Consulting Canada Inc. as Monitor of the Payless Canada Entities  
TD Waterhouse Tower  
79 Wellington Street West  
Suite 2010, P.O. Box 104  
Toronto, Ontario M5K 1G8  
Phone: 416 649 8096  
Toll Free: 1 855 718 5255  
Fax: 416 649 8101  
E-mail: [paylesscanada@fticonsulting.com](mailto:paylesscanada@fticonsulting.com)

If a completed Notice of Dispute of Revision or Disallowance is not received by the Monitor by the deadline stated above, you shall be forever barred from disputing the classification, amount or nature of any Claim of a different classification or nature or in excess of the amount specified in the Claim against any of the Payless Canada Entities, its Directors and its Officers and all Claims shall be forever barred and extinguished. **IF A NOTICE OF DISPUTE OF REVISION OR DISALLOWANCE IS NOT RECEIVED BY THE MONITOR WITHIN THE PRESCRIBED TIME PERIOD, THE CLAIM AS SET OUT IN THE CLAIM STATEMENT WILL BE DEEMED TO BE THE CLAIM OF THE CLAIMANT AND WILL BE FINAL AND BINDING ON THE CLAIMANT FOR ALL PURPOSES.**

**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 PAYLESS SHOESOURCE CANADA INC. AND PAYLESS  
SHOESOURCE CANADA GP INC.**

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

PROCEEDING COMMENCED AT TORONTO

**MEETINGS ORDER**

**Cassels Brock & Blackwell LLP**

2100 Scotia Plaza  
40 King Street West  
Toronto, ON M5H 3C2

Ryan Jacobs LSO#: 59510J  
Tel: 416. 860.6465  
Fax: 416. 640.3189  
rjacobs@casselsbrock.com

Jane Dietrich LSO#: 49302U  
Tel: 416. 860.5223  
Fax: 416. 640.3144  
jdietrich@casselsbrock.com

Natalie E. Levine LSO#: 64980K  
Tel: 416. 860.6568  
Fax: 416. 640.3207  
nlevine@casselsbrock.com

*Lawyers for Payless ShoeSource Canada Inc., Payless ShoeSource  
Canada GP Inc. and Payless ShoeSource Canada LP*

LEGAL\*48791697.9