

NORDSTROM CANADA

FREQUENTLY ASKED QUESTIONS

Nordstrom Canada entered the Canadian market in 2014 with a plan to build and sustain a long-term business in the country. Against the backdrop of a challenging operating environment, Nordstrom Canada's parent company, Nordstrom, Inc., has determined, after careful consideration of all reasonably available options, that it is in the best interests of its stakeholders to discontinue further financial and operational support for the Canadian business operations. As a result, Nordstrom Canada has determined that it will wind-down its operations and close its thirteen locations. This wind-down will be facilitated in an orderly fashion through a proceeding under the Companies' Creditors Arrangement Act, or "CCAA."

1. What is the CCAA?

- The CCAA is a federal law in Canada that provides insolvent companies with debts in excess of \$5 million an orderly and a supervised means to restructure their businesses, including through an orderly liquidation and wind-down of operations.
- CCAA protection will provide Nordstrom Canada with the time and 'breathing room' necessary for Nordstrom Canada to wind-down its business and operations in an orderly fashion.

2. What happens when a company is granted CCAA protection?

- As part of the CCAA proceedings, the Court grants an Initial Order establishing what is known as a 'Stay of Proceedings.' The 'Stay of Proceedings' prevents creditors from taking action against the company, and its directors and officers, for an initial period of 10 days (which can be further extended as the Court deems appropriate). This allows the company to continue to manage the day-to-day operations of the business while it addresses its restructuring objectives in an orderly manner.
- The relief granted during this initial 10-day period is limited to what is reasonably necessary for the continued operations of the debtor in this period.
- The company is required to return to court within 10 days for a "comeback" hearing after the granting of the Initial Order, where the company may seek additional relief, or concerns from the Initial Order may be addressed.

3. What is a monitor?

- Alvarez & Marsal Canada, Inc. has been appointed to act as Monitor in the CCAA proceedings. The Monitor is appointed by, and serves as an officer of, the Court. Its responsibilities are prescribed by the CCAA and by Court order, and include monitoring Nordstrom Canada's wind-down initiatives, assisting Nordstrom Canada with the preparation of cash flow statements and other financial reporting, engaging with stakeholders, and reporting to the Court from time to time on the progress of the CCAA proceedings. The Monitor maintains a website of creditor notices and court filings, at <http://www.alvarezandmarsal.com/NordstromCanada>.

4. Now that Nordstrom Canada has been granted protection under the CCAA, who is in charge?

- Nordstrom Canada's Board of Directors remains in place and the Nordstrom Canada management team continues control of the day-to-day operations of the business, subject to the specific requirements of the Initial Order and the CCAA proceedings, under the supervision of the Monitor. Professionals from the Monitor will be onsite at the locations from time to time, working with Nordstrom Canada throughout the CCAA process.
- Alix Box will continue in her role as Regional Manager, and will work with the Monitor, counsel, and key members of the Nordstrom Canada leadership team during the wind-down process.

5. How long will I continue to work?

- As detailed above, Nordstrom Canada has determined that it will wind-down its operations and close its thirteen locations. Nordstrom Canada will work to complete its wind down in a timely fashion and intends to seek Court approval of a liquidation at a hearing anticipated to be held on or about March 20, 2023. Liquidation sales will begin shortly after Court approval of same. We expect the liquidation process will be complete in late June 2023.
- Employees will initially continue to work as scheduled during the wind-down period. We anticipate that employees will receive a written notice advising of their separation date, which will generally be at least 8 weeks after the notice (such period referred to as the “Notice Period”).
- At some point prior to the end of the Notice Period, Nordstrom Canada may determine that your services are no longer needed and ask you not to come in to work. If this is the case, you will be eligible to continue to receive your regular pay to the end of the Notice Period, as funded by an Employee Trust that has been established by Nordstrom, Inc. Payments from the Employee Trust are subject to the terms of the Employee Trust and Court order.
- Benefit coverage will continue during the Notice Period. For employees in Ontario, benefit coverage for participating employees will continue after your separation date if and as required by applicable employment standards legislation, as funded by the Employee Trust.
- The Employee Trust is designed to provide you and other eligible employees with certain protections, including payments of your regular wages or salary and benefit coverage for all periods required by applicable employment standards legislation.

6. What happens if I find a different position with another company and leave voluntarily before the working notice period is over?

- In the event you voluntarily choose to leave Nordstrom Canada prior to being told your services are no longer needed, you will not be eligible for any payment from the Employee Trust and you will forgo pay and benefits for the remainder of your Notice Period, unless otherwise required by applicable legislation.

7. How will I be paid my wages/salary during the Notice Period? Will I continue to be paid commissions?

- You will continue to be paid your base salary or base hourly rate for all hours worked to date (including before this process started) as well as all hours worked during your Notice Period.
- As mentioned, if at some point prior to the end of the Notice Period, Nordstrom Canada determines that your services are no longer needed and asks you not to come in to work, you will be eligible to continue to receive your regular pay until the end of your Notice Period, as funded by an Employee Trust. Payments from the Employee Trust are subject to the terms of the Employee Trust and Court order.
- In all cases, there will be no change to the way in which you receive your pay (e.g., direct deposit in accordance with Nordstrom Canada’s regular payroll processes or cheque).
- If you are an hourly employee, you will continue to use the time clock as you do today for hours worked.
- Commissions will continue to be paid until the start of the formal liquidation sale approved by the Court, at which point all commission plans will be suspended. Once commission payments cease, commission eligible employees may receive certain payments in respect of average commission from the Employee Trust, subject to the terms of the Employee Trust.
- If you are currently on a leave of absence (such as pregnancy/parental leave or sick leave), you will be eligible to receive pay based on your average hours or your salary for the Notice Period, in accordance with the terms of the Employee Trust.

8. How will my vacation be affected?

- Eligible employees will continue to earn vacation similar to today, and will continue to comply with Nordstrom Canada's normal policies and procedures regarding approval of time off.
- All accrued but unpaid vacation pay will be paid out following your last day worked.

9. Will my benefits continue?

- Yes, it is expected that benefits coverage for participating employees will remain unchanged during the Notice Period, including health, dental, disability, life insurance and RRSP/DPSP, subject to agreement between Nordstrom Canada and its vendors and to the extent permitted by the applicable plans and policies. For employees in Ontario, benefit coverage for participating employees will continue after your separation date if and as required by applicable employment standards legislation, as funded by the Employee Trust.

10. What about the employee discount?

- As of today, your employee discount continues; however, this is subject to change during the wind-down process. We anticipate that all employee discounts will cease with the commencement of the formal liquidation sale to be approved by the Court that is expected to begin later this month.

11. What is the Employee Trust?

- Nordstrom, Inc. has created an Employee Trust that will provide Nordstrom Canada's employees with certain guaranteed termination entitlements.
- The Employee Trust is designed to provide you and other eligible employees with certain protections, including payments of your regular wages or salary and, if applicable, average commissions, for all periods required by applicable employment standards legislation. Payments from the Employee Trust are subject to the terms of the Employee Trust and Court order.
- In the event you voluntarily choose to leave Nordstrom Canada prior to being told your services are no longer needed, you will not be eligible for any payment from the Employee Trust and you will forgo pay and benefits for the remainder of your Notice Period, unless otherwise required by applicable legislation.

12. How will I be kept informed of developments during the proceedings?

- We are committed to keeping our employees updated and you will receive some ongoing information on the progress of the wind-down process as it directly impacts your location. Some of this information will be sent to your work/personal email, and it will also be uploaded to your Workday inbox. Please make sure that your personal information, including your personal email address, is up to date in Workday.
- In addition to updates from us, Court materials regarding the CCAA proceeding generally, including reports prepared by the Monitor, and notices and information from Nordstrom Canada will be available at the Monitor's website, <http://www.alvarezandmarsal.com/NordstromCanada>.

13. Who is Ursel Phillips Fellows Hopkinson LLP and what role will they play?

- The Court has appointed a law firm, Ursel Phillips Fellows Hopkinson LLP, as Representative Counsel to assist eligible employees and represent their interests in the CCAA Proceedings.
- Susan Ursel and Karen Ensslen are the senior lawyers who will be representing employees. If you have questions concerning your rights, the operation of the Employee Trust and other employment and CCAA-related issues, you may contact Representative Counsel, at no cost to you at NordstromCanada@upfhlaw.ca or call 1-866-308-1771.

14. What do I do if I have other questions?

- For regular business questions, please continue to speak to your supervisor/manager.
- For questions about updating your personal information or time off benefits, call Nordstrom Canada's Human Resources at 1-800-394-1885.
- For questions on your Group Benefit Plan, contact Nordstrom Benefits Center at 1-833-839-8908.
- For questions on your Group Health Coverage, contact Canada Life at 1-800-957-9777.
- For questions on STD/LTD coverage, contact Canada Life at 1-866-544-9415
- For questions on Life/AD&D insurance, contact Canada Life at 1-855-812-4211
- For questions on Leave of Absence, contact Sedgwick at 1-888-601-5852.
- For questions on your Group Retirement Plan, contact Canada Life at 1-800-724-3402.
- Should you have questions for the Monitor, email NordstromCanada@alvarezandmarsal.com or call 1-844-768-8244.