

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL
OF SHOP.CA NETWORK INC., a corporation incorporated pursuant to the laws of
the Canada, with a head office in the City of Toronto, in the Province of Ontario

Estate/Court File No. 31-2131992

June 9, 2016

E Pillon for Shop.ca

C. Fell for Proposal Trustee.

Shop.ca is an e-commerce
marketplace for Canadian retailers.

It has suffered operating losses
since its inception. Efforts
to finance or sell the company
to date have been unsuccessful.
It will run out of money by
August.

The NOI is filed to enable
a final bid process to unfold
in an effort to maximize value

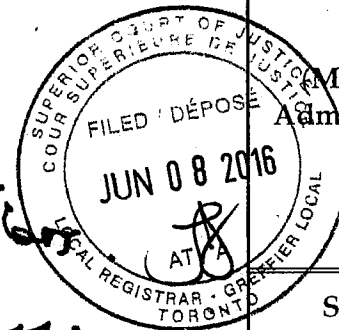
ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

MOTION RECORD

Motion for Approval of the Bid Process and
Administration Order and Extension of Proposal
Period)

(Returnable on June 9, 2016)



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Lawyers for the Applicant

and avoid a liquidation.

I am satisfied that the company meets the requirements for the filing of an NOI in the circumstance.

The Bid Process is based on earlier experience gained in efforts to sell the company. The Proposal Trustee acted as a financial advisor to the company and is knowledgeable about the company. The PT supports the bid process. In my view the process used to develop the bid process was reasonable. It has the support of the PT. It is unlikely the bid process will make the situation worse than a liquidation. The sale is certainly conceivable. It will if course maximize benefit the community of interests. There is no evidence of a better

alternative. The process will be fair and transparent. It provides the maximum time available to the company given its liquidity constraints.

There is a KERP. It is modest. I am satisfied that it is appropriate in the circumstances.

Sr. Management has taken on significant responsibility to facilitate the bid process. They are needed to see it through.

An independent board member regulates the amount. ~~It~~ ^{The KERP} is limited in scope and amount. The Board and the PT support the KERP.

The KERP is approved.

The administrative charge is also, in my view reasonable and necessary. It is proportional

to the size and complexity of
the business being restructured.

The quantum appears fair and
reasonable.

There are no ^{material} secured creditors
as such.

There is no duplicate interest.

~~The~~ The admin charge is approved.

The extension of the proposal
period sought is necessary and
carefully tailored to match the

company's bid process and

liquidity crisis. I am satisfied

that the company is acting in

good faith, that the proposal

is likely viable and that creditors

are unlikely to be materially

prejudiced. Extending now,

given the possibility of the

need for an extension, will

reduce cost by avoiding the

need for another notice. It is approved.

→ on stip. that a hearing
order of the kind sought here
is in keeping with the view
for ~~the public~~ ^{circumstances} ~~of~~ at
this kind. There is an
important interest (personal, private
information) and the public interest
warrants the limited order sought.

Order to issue in
the form suggested by me this
day.