

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

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 AND ARRANGEMENT OF  
ROTHMANS, BENSON & HEDGES INC.

Applicant

FIFTEENTH REPORT OF THE MONITOR  
MARCH 18, 2024

INTRODUCTION

1. On March 22, 2019 (the “**Filing Date**”), Rothmans, Benson & Hedges Inc. (“**RBH**”, the “**Company**” or the “**Applicant**”) applied for and obtained an initial order (the “**Initial Order**”) under the *Companies' Creditors Arrangement Act* (“**CCAA**”) that, amongst other things, (i) granted a stay of proceedings in favour of the Applicant and a limited stay of proceedings in favour of members of the PMI Group in relation to certain proceedings, and (ii) appointed EYI as Monitor of the Applicant in this CCAA proceeding (the “**CCAA Proceeding**”).
2. On April 25, 2019, this Court issued a further amended and restated Initial Order (the “**Second Amended and Restated Initial Order**”) that, amongst other things, extended a limited stay of proceedings to the Other Defendants.
3. Pursuant to an Order dated September 27, 2023, the Stay Period was extended to March 29, 2024.

PURPOSE

4. The purpose of this fifteenth report of the Monitor (the “**Fifteenth Report**”) is to provide information to this Court with respect to:
  - i) the status of the CCAA Proceeding;

- ii) the actual receipts and disbursements of the Applicant from September 4, 2023 to March 3, 2024 (the “**Reporting Period**”);
- iii) the Applicant’s updated cash flow forecast for the period from March 4, 2024 to October 6, 2024;
- iv) the Applicant’s request for an order that the stay of proceedings be extended up to and including September 30, 2024; and
- v) the Applicant’s request for relief related to the stay of proceedings and employee grievances.

## **TERMS OF REFERENCE**

5. In preparing this Fifteenth Report and making the comments herein, the Monitor has been provided with, and has relied upon, unaudited financial information, books and records and financial information prepared by the Applicant, the Affidavits (as defined below), and discussions with RBH management (collectively, the “**Information**”). Except as described in this Fifteenth Report:
- i) the Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Monitor has not audited, or otherwise attempted to verify the accuracy or completeness of such information in a manner that would wholly or partially comply with Generally Accepted Auditing Standards (“**GAAS**”) pursuant to the Chartered Professional Accountants of Canada Handbook and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information; and
  - ii) some of the information referred to in this Fifteenth Report consists of forecasts and projections. An examination or review of the financial forecast and projections, as outlined in Chartered Professional Accountants of Canada Handbook, has not been performed.

6. Future oriented financial information referred to in this Fifteenth Report was prepared based on the Company's estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections, even if the assumptions materialize, and the variations could be significant.
7. Unless otherwise indicated, the Monitor's understanding of factual matters expressed in this Fifteenth Report concerning the Applicant and its business is based on the Information, and not independent factual determinations made by the Monitor.
8. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars.
9. Capitalized terms used but not defined in this Fifteenth Report are defined in the affidavit of Milena Trentadue sworn March 6, 2024 (the "**Trentadue Affidavit**") in connection with the stay extension request, as well as the prior affidavits of Mindaugas Trumpaitis and Peter Luongo filed in the CCAA Proceedings (collectively, the "**Affidavits**"), the Proposed Monitor's Pre-filing Report dated March 22, 2019 and the Monitor's prior reports (together, the "**Monitor's Reports**") and the Second Amended and Restated Initial Order.
10. Copies of the Monitor's Reports, including a copy of this Fifteenth Report, and all motion records and Orders in the CCAA Proceeding are available on the Monitor's website at [www.ey.com/ca/rbh](http://www.ey.com/ca/rbh). The Monitor has also established a toll-free phone number that is referenced on the Monitor's website so that parties may contact the Monitor if they have questions with respect to the CCAA Proceeding.

## **OVERVIEW OF THE APPLICANT**

11. The Applicant is a private company with its head office in Toronto, Ontario. The ultimate parent of the Applicant is PMI. The Applicant's two primary business segments include:
  - i) **Traditional Cigarette and Tobacco Product Business** – the Applicant is the second largest supplier of traditional tobacco products in the tax-paid Canadian market. It manufactures and sells cigarettes and fine-cut tobacco, and distributes pipe tobacco and cigar products; and

- ii) **Reduced Risk Product Business: IQOS and Vaping Products** – the Applicant sells and distributes IQOS and vaping products to consumers via 3<sup>rd</sup> party retail outlets, as well as via an online platform. IQOS is an electronic device that generates a nicotine-containing aerosol by heating tobacco products manufactured for use with the IQOS device. In November 2023, RBH launched a new heated tobacco product, IQOS ILUMA offering advanced features and technology. The Applicant imports reduced risk products from Europe and Asia for the Canadian duty-paid market.
12. The Applicant provides employment or consultant work to approximately 720 employees and 60 contractors in Canada.<sup>1</sup>

## **STATUS OF THE CCAA PROCEEDING**

### *Update on Mediation*

13. The Tobacco Applicants have continued to populate separate data rooms with financial information to continue advancing mediation discussions with key stakeholders. Stakeholder advisors have been admitted to the data rooms after execution of non-disclosure agreements. The Monitor continues to work with the Applicant to update the Applicant's data room with financial and other information, as requested.
14. Since the Fourteenth Report, the Court-Appointed Mediator, with the assistance of the Tobacco Monitors, continues to conduct mediation meetings, facilitate the exchange of information, and engage in discussions with the Tobacco Applicants and key stakeholders. The mediation negotiations are confidential. Significant progress has been made during this time, however there are more issues to resolve. As such, additional time is required for the Mediator and Monitors to develop a plan of compromise or arrangement for each the Tobacco Applicants, as ordered by the Court.

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<sup>1</sup> As of January 31, 2024

### *Operational Update*

15. Since the granting of the Initial Order, the Applicant, with the assistance of the Monitor, has been operating on a business-as-usual basis, subject to the Second Amended and Restated Initial Order, and continues to operate its cash flow positive Business for the benefit of all stakeholders.
16. The Applicant, with the assistance of the Monitor, has responded to suppliers regarding the CCAA Proceeding as needed.
17. Pursuant to the Professional Fees Disclosure Order dated May 16, 2019, the Monitor continues to disclose, through its counsel, the Monitor's and its counsel's professional fees and disbursements and the Applicant's counsel's professional fees and disbursements to the requesting parties.
18. The Monitor has been advised that effective February 1, 2024, Mindaugas Trumpaitis, RBH's Managing Director became the Regional President for Latin America and Canada for Philip Morris International. Mr. Trumpaitis was replaced by Milena Trentadue. Prior to her appointment as RBH's Managing Director, Ms. Trentadue most recently held the role of Director of Commercial Deployment.

### **ACTUAL RECEIPTS AND DISBURSEMENTS FOR THE PERIOD SEPTEMBER 4, 2023 TO MARCH 3, 2024**

19. For the period from September 4, 2023 to March 3, 2024, RBH had total receipts of approximately \$1,425.9 million and total disbursements of approximately \$1,181.0 million for net cash flow of approximately \$244.9 million.
20. Actual net cash flow was favourable to forecast by \$30.2 million. Significant items contributing to this overall favourable variance were as follows:
  - i) a favourable permanent variance of approximately \$70.7 million in Collection of Accounts Receivable primarily as a result of higher than forecast sales of

approximately \$38 million during the Reporting Period and approximately \$33 million of higher than anticipated PTT collections;

ii) an unfavourable variance of approximately \$11.6 million in Net Intercompany Disbursements primarily due to the following variances:

a) an unfavourable permanent difference of \$14.1 million primarily related to higher than forecast purchases of finished goods, risk reduced products and leaf; partially offset by

b) a favourable timing difference of approximately \$2.5 million primarily relating to expat reimbursements;

iii) an unfavourable variance of approximately \$55.9 million in Taxes (Excise/Duty/GST/PTT) primarily due to the following variances:

a) an unfavourable permanent variance of approximately \$37.0 million related to higher than forecast customs duty relating to the purchase and import of finished goods from Mexico and higher than forecast imports of risk reduced products;

b) an unfavourable permanent variance of approximately \$30.0 million related to higher than forecast PTT remittances relating to higher than anticipated sales volumes and PTT collections from customers; partially offset by

c) a favourable permanent variance of approximately \$10.0 million of excise taxes primarily as a result of lower than forecast combustible cigarette production in Canada;

d) a favourable permanent variance of approximately \$2.0 million primarily as a result of the receipt of a QST refund;

iv) a favourable permanent variance of approximately \$11.2 million in Corporate Income Taxes primarily as a result of:

- a) a variance of approximately \$6 million due to lower than forecast tax instalments required in 2024 due to lower than expected 2023 net income;
  - b) a permanent variance of approximately \$4 million related to an income tax refund; and
  - v) a favourable timing variance of approximately \$4.4 million primarily as a result of re-scheduled capital expenditures.
21. A summary of the Applicant's actual receipts and disbursements as compared to the projection set out in the Fourteenth Report for the period of September 4, 2023 to March 3, 2024, is attached hereto as Appendix "A".

#### **UPDATED CASH FLOW FORECAST**

22. The Applicant, with the assistance of the Monitor, has prepared a cash flow forecast (the "**March 2024 Cash Flow Forecast**") for the thirty-one (31) week period from March 4, 2024 to October 6, 2024 (the "**Cash Flow Period**"). A copy of the March 2024 Cash Flow Forecast is attached hereto as Appendix "**B**".
23. As at March 4, 2024, the Applicant had available cash and equivalents of approximately \$5.12 billion.
24. The March 2024 Cash Flow Forecast estimates the Applicant will have total receipts of approximately \$1.76 billion and total disbursements of approximately \$1.30 billion for net cash flow of approximately \$466.5 million during the Cash Flow Period.
25. The March 2024 Cash Flow Forecast has been prepared by the Applicant for the purpose of the CCAA Proceeding, using probable and hypothetical assumptions as set out below:
- i) Accounts receivable collections have been estimated by the Applicant based on revenue forecasts and historical customer collection;
  - ii) Pre-filing intercompany amounts owing are stayed;

- iii) All post-filing goods and services from suppliers and service providers and all post-filing intercompany goods and services will be settled in the ordinary course;
- iv) All outstanding and future wages, salaries, commissions, compensation, vacation pay, bonuses, incentive plan payments, employee and retiree pension and other benefits and related contributions and payments (including, without limitation, expenses related to employee and retiree medical, dental, disability, life insurance and similar benefit plans or arrangements, employee assistance programs and contributions to or any payments in respect of the Registered Pension Plans, the Non-Registered Pension Plans and the RRSP), reimbursement expenses, termination pay, salary continuance and severance pay, all of which is payable to or in respect of employees, independent contractors and other personnel, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements or with Monitor approval will be paid;
- v) Restructuring Costs have been forecast based on anticipated run rates and includes an estimate of costs associated with the Court-Appointed Mediator and Representative Counsel. All outstanding fees and disbursements of the Assistants retained or employed by the Applicant will be paid;
- vi) Any payment under or in respect of any Trade Program operated by the Applicant will be paid;
- vii) Post-filing expenses and capital expenditures necessary for the preservation of the Property or the Business including, payments in respect of insurance (including directors' and officers' insurance), maintenance and security services, as well as, certain capital expenditures to replace or supplement the Property or that are otherwise a benefit to the business, will be paid;
- viii) All statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province or other taxing authority that are required to be deducted from employee wages including, in respect of employee insurance, Canada Pension Plan, Quebec Pension Plan and income taxes will be remitted;



- ix) Corporate income tax installments and payments are made in normal course;
  - x) All pre-filing and post-filing Sales & Excise Taxes accrued or collected in connection with the sale of goods and services by the Applicant will be remitted;
  - xi) Any payments in respect of the Quebec Class Actions and the Other Pending Litigation (which includes an action brought by the Ontario Flue-Cured Tobacco Growers' Marketing Board) are stayed;
  - xii) The ongoing sourcing of a portion of finished goods from RBH's Mexico affiliate have been included in the March 2024 Cash Flow Forecast; and
  - xiii) Certain amounts that have been re-timed from the Reporting Period and are now forecast to be disbursed during the Cash Flow Period.
26. The Monitor's review of the March 2024 Cash Flow Forecast consisted of inquiries, analytical procedures and discussions related to Information supplied to it by the Company. Since the probable and hypothetical assumptions need not be supported, the Monitor's procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the March 2024 Cash Flow Forecast. The Monitor also reviewed the support provided by the Company for the probable and hypothetical assumptions, and the preparation and presentation of the March 2024 Cash Flow Forecast.
27. Based on the Monitor's review, nothing has come to its attention that causes it to believe that, in all material respects:
- i) the probable and hypothetical assumptions are not consistent with the purpose of the March 2024 Cash Flow Forecast;
  - ii) as at the date of this Fifteenth Report, the probable and hypothetical assumptions developed by the Company are not suitably supported and consistent with the restructuring plans of the Applicant or do not provide a reasonable basis for the March 2024 Cash Flow Forecast, given the probable and hypothetical assumptions;
- or

- iii) the March 2024 Cash Flow Forecast does not reflect the probable and hypothetical assumptions.
28. As described in the Terms of Reference above, the March 2024 Cash Flow Forecast is based on assumptions regarding future events and actual results will vary from the information presented even if the probable and hypothetical assumptions occur, and such variations may be material. Accordingly, the Monitor expresses no assurance as to whether the March 2024 Cash Flow Forecast will be achieved. In addition, the Monitor expresses no opinion or other form of assurance with respect to the accuracy of financial information presented in the March 2024 Cash Flow Forecast or relied upon by the Monitor in preparing this Fifteenth Report.
29. The March 2024 Cash Flow Forecast has been prepared solely for the purpose described above, and readers are cautioned that it may not be appropriate for other purposes.

### **REQUEST FOR AN EXTENSION OF THE STAY PERIOD**

30. The Stay Period is currently set to expire on March 29, 2024. The Applicant is seeking the extension of the Stay Period up to and including September 30, 2024 in order for the Applicant, with the assistance of the Monitor, to:
- i) preserve the *status quo* and continue to maintain the stability of operations;
  - ii) seek a collective solution for the benefit of all stakeholders in respect of the claims asserted against the Applicant and the other Tobacco Applicants including through advancing the mediation led by the Court-Appointed Mediator; and
  - iii) determine next steps in respect of the CCAA Proceedings.
31. In the Monitor's view, significant progress has been made since the last Stay Period extension hearing on September 27, 2023. The Tobacco Applicants have actively participated in mediation meetings and exchanged written materials and information from

time to time in connection with the mediation as directed by the Mediator. The Tobacco Applicants have continued to provide the Tobacco Monitors with access to Management and information to populate separate data rooms to advance mediated discussions with key stakeholders. The Applicant has responded to stakeholder questions and requests for additional information.

32. As described above, the Applicant's March 2024 Cash Flow Forecast projects that the Applicant will have sufficient liquidity and generate positive cash flow during the Cash Flow Period.
33. It is the Monitor's view that the Applicant has acted in accordance with the Second Amended and Restated Initial Order and is working diligently and in good faith.

#### **REQUEST FOR RELIEF RELATED TO INDIVIDUAL EMPLOYEE GRIEVANCES**

34. As described in the Trentadue Affidavit, RBH's Quebec manufacturing facility (the "**Quebec Facility**") currently employs approximately 220 employees, the majority of whom are unionized. Grievances are brought pursuant to a collective agreement on behalf of unionized employees from time to time in the ordinary course of business. The Monitor understands that since the Filing Date, grievance proceedings have continued to be commenced against RBH, and RBH has continued to respond to grievances brought on behalf of employees in the ordinary course. Further, the Monitor understands that multiple grievances may be heard or settled together when they are in respect of the same provision of the collective labour agreement ("**CLA Matters**"). To date, grievance proceedings addressing five CLA Matters have been either determined by an arbitrator or settled by RBH resulting in immaterial amounts being paid by RBH.
35. The Monitor has been advised that RBH currently has outstanding grievances relating to 10 CLA Matters brought on behalf of 13 employees dealing with day-to-day operational matters such as suspensions, shift disputes, duties and individual pension contributions. Each of these grievances, if successful have a monetary value or cost of less than \$250,000. In

addition, the Monitor understands there are also two outstanding grievances relating to more significant operational issues that are also subject to the stay.

36. Paragraph 7(a) of the Second Amended and Restated Initial Order entitles RBH to continue to pay wages, salaries, compensation, and other benefits in respect of employees incurred in the ordinary course of business.
37. Paragraph 18 of the Second Amended and Restated Initial Order provides that no Proceeding shall be commenced, continued, or take place, by, against or in respect of RBH or affecting its Business or Property, except with leave of this Court.
38. The Applicant is requesting an amendment to paragraph 18 of the Second Amended and Restated Initial Order to expressly permit employee grievances to continue to be responded to by RBH, and settled or if necessary, determined through arbitration in the ordinary course, in situations where:
  - i) the value or cost of each employee grievance does not exceed \$250,000; and
  - ii) the Applicant and Monitor have each provided their prior written consent.
39. The stay of proceedings will continue to apply to all other grievances, including those with a monetary value or cost above \$250,000.
40. The Monitor is of the view that allowing RBH to respond and resolve these employee grievances related to day-to-day operational matters in the ordinary course of business is appropriate in the circumstances and will contribute to maintaining a stable workforce at the Quebec Facility.

## **CONCLUSION AND RECOMMENDATION**

41. For the reasons outlined in this Fifteenth Report, the Monitor supports the relief sought by the Applicant in their motion and respectfully recommends that this Court grant an order extending the Stay Period for a period of up to and including September 30, 2024 and amending paragraph 18 of the Second Amended and Restated Initial Order.

All of which is respectfully submitted this 18th day of March, 2024.

**ERNST & YOUNG INC.**  
**In its capacity as Monitor of**  
**Rothmans, Benson & Hedges Inc.**

Per:

A handwritten signature in black ink, appearing to read "Murray A. McDonald". The signature is fluid and cursive, with a long horizontal stroke extending to the left.

Murray A. McDonald  
Chairman

# APPENDIX A

## Rothmans, Benson & Hedges Inc. - September 4, 2023 to March 3, 2024

### Forecast Cash Flow - Variances

CAD (Millions)

	Forecast	Actuals	Variances
Start of period	04-Sep-23	04-Sep-23	04-Sep-23
End of period	03-Mar-24	03-Mar-24	03-Mar-24

### 1 . Receipts & Disbursements

#### Receipts

Collection of Accounts Receivable	1,204.6	1,275.3	70.7
Other Receipts	147.2	150.6	3.4

#### Total Receipts

1,351.8	1,425.9	74.1
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#### Disbursements

Payroll (Gross) and Benefits	56.7	55.2	1.5
Pension and PRB Contributions	3.5	3.8	(0.3)
Third Party Operating Costs	127.9	126.8	1.1
Leaf Purchases	4.0	0.2	3.8
Net Intercompany Disbursements	85.2	96.8	(11.6)
Capex	6.4	2.0	4.4
Corporate Income Taxes	159.6	148.4	11.2
Taxes (Excise / Duty / GST / PTT)	687.6	743.5	(55.9)
Restructuring Costs	6.2	4.3	1.9

#### Total Disbursements

1,137.1	1,181.0	(43.9)
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#### Net Cash Flow

214.7	244.9	30.2
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#### Opening Available Cash Balance

4,874.5	4,874.5	-
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#### Closing Available Cash Balance

5,089.2	5,119.4	30.2
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Restricted Cash	31.1	31.1	-
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Quebec Security Deposit	226.0	226.0	-
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#### Total Cash + Restricted Cash

5,346.3	5,376.5	30.2
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# APPENDIX B



<b>Rothmans, Benson &amp; Hedges Inc.</b>	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
<b>Forecast Cash Flow</b>							
CAD (Millions)	4-Mar-24	11-Mar-24	18-Mar-24	25-Mar-24	1-Apr-24	8-Apr-24	15-Apr-24
	10-Mar-24	17-Mar-24	24-Mar-24	31-Mar-24	7-Apr-24	14-Apr-24	21-Apr-24
<b>Receipts</b>							
Collection of Accounts Receivable	51.9	51.9	51.9	44.6	45.6	45.6	45.6
Other Receipts	16.4	3.1	0.0	0.0	3.2	0.1	3.9
<b>Total Receipts</b>	<b>68.3</b>	<b>55.0</b>	<b>51.9</b>	<b>44.6</b>	<b>48.8</b>	<b>45.7</b>	<b>49.5</b>
<b>Disbursements</b>							
Payroll (Gross) and Benefits	(5.1)	(2.9)	(0.4)	(3.5)	(4.6)	(1.3)	(2.1)
Pension and PRB Contributions	(0.1)	(0.1)	(0.1)	(0.3)	(0.1)	(0.1)	(0.1)
Third Party Operating Costs	(2.5)	(5.7)	(5.7)	(4.7)	(4.6)	(4.6)	(4.6)
Leaf Purchases	(1.1)	(1.1)	(1.1)	(1.1)	(0.5)	(0.5)	(0.5)
Net Intercompany Disbursements	(3.2)	(9.0)	-	(4.1)	(2.1)	(8.8)	-
Capex	-	-	-	-	-	-	-
Corporate Income Taxes	-	-	-	-	(21.2)	-	-
Taxes (Excise / Duty / GST / PTT)	(9.3)	(6.4)	(6.1)	(4.3)	(85.5)	(11.2)	(7.4)
Restructuring Costs	(1.0)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)
<b>Total Disbursements</b>	<b>(22.3)</b>	<b>(25.4)</b>	<b>(13.6)</b>	<b>(18.2)</b>	<b>(118.8)</b>	<b>(26.7)</b>	<b>(14.9)</b>
<b>Net Cash Flow</b>	<b>46.0</b>	<b>29.6</b>	<b>38.3</b>	<b>26.4</b>	<b>(70.0)</b>	<b>19.0</b>	<b>34.6</b>
<b>Opening Available Cash Balance</b>	<b>5,119.4</b>	<b>5,165.4</b>	<b>5,195.0</b>	<b>5,233.3</b>	<b>5,259.7</b>	<b>5,189.7</b>	<b>5,208.7</b>
<b>Closing Available Cash Balance</b>	<b>5,165.4</b>	<b>5,195.0</b>	<b>5,233.3</b>	<b>5,259.7</b>	<b>5,189.7</b>	<b>5,208.7</b>	<b>5,243.3</b>
Restricted Cash	31.1	31.1	31.1	31.1	31.1	31.1	31.1
Quebec Security Deposit	226.0	226.0	226.0	226.0	226.0	226.0	226.0
<b>Total Available, Restricted Cash &amp; Quebec Security Deposits</b>	<b>5,422.5</b>	<b>5,452.1</b>	<b>5,490.4</b>	<b>5,516.8</b>	<b>5,446.8</b>	<b>5,465.8</b>	<b>5,500.4</b>

<b>Rothmans, Benson &amp; Hedges Inc.</b>	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
<b>Forecast Cash Flow</b>							
CAD (Millions)	22-Apr-24	29-Apr-24	6-May-24	13-May-24	20-May-24	27-May-24	3-Jun-24
	28-Apr-24	5-May-24	12-May-24	19-May-24	26-May-24	2-Jun-24	9-Jun-24
<b>Receipts</b>							
Collection of Accounts Receivable	45.6	50.3	53.3	53.3	42.7	53.3	59.8
Other Receipts	43.1	2.8	0.0	3.3	0.0	0.0	15.7
<b>Total Receipts</b>	<b>88.7</b>	<b>53.1</b>	<b>53.3</b>	<b>56.6</b>	<b>42.7</b>	<b>53.3</b>	<b>75.5</b>
<b>Disbursements</b>							
Payroll (Gross) and Benefits	(1.4)	(4.0)	(0.4)	(2.9)	(1.4)	(2.1)	(1.9)
Pension and PRB Contributions	(0.1)	(0.3)	(0.1)	(0.1)	(0.1)	(0.3)	(0.1)
Third Party Operating Costs	(4.6)	(3.8)	(3.3)	(3.3)	(2.7)	(3.3)	(3.3)
Leaf Purchases	(0.5)	-	-	-	-	-	-
Net Intercompany Disbursements	(2.6)	-	(2.0)	(9.1)	-	(4.8)	(2.3)
Capex	-	-	-	-	-	-	(0.1)
Corporate Income Taxes	-	(21.2)	-	-	-	(21.2)	-
Taxes (Excise / Duty / GST / PTT)	(7.2)	(102.1)	(10.8)	(7.2)	(7.0)	(87.7)	-
Restructuring Costs	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)
<b>Total Disbursements</b>	<b>(16.6)</b>	<b>(131.6)</b>	<b>(16.8)</b>	<b>(22.8)</b>	<b>(11.4)</b>	<b>(119.6)</b>	<b>(7.9)</b>
<b>Net Cash Flow</b>	<b>72.1</b>	<b>(78.5)</b>	<b>36.5</b>	<b>33.8</b>	<b>31.3</b>	<b>(66.3)</b>	<b>67.6</b>
<b>Opening Available Cash Balance</b>	<b>5,243.3</b>	<b>5,315.4</b>	<b>5,236.9</b>	<b>5,273.4</b>	<b>5,307.2</b>	<b>5,338.5</b>	<b>5,272.2</b>
<b>Closing Available Cash Balance</b>	<b>5,315.4</b>	<b>5,236.9</b>	<b>5,273.4</b>	<b>5,307.2</b>	<b>5,338.5</b>	<b>5,272.2</b>	<b>5,339.8</b>
Restricted Cash	31.1	31.1	31.1	31.1	31.1	31.1	31.1
Quebec Security Deposit	226.0	226.0	226.0	226.0	226.0	226.0	226.0
<b>Total Available, Restricted Cash &amp; Quebec Security Deposits</b>	<b>5,572.5</b>	<b>5,494.0</b>	<b>5,530.5</b>	<b>5,564.3</b>	<b>5,595.6</b>	<b>5,529.3</b>	<b>5,596.9</b>

<b>Rothmans, Benson &amp; Hedges Inc.</b>	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
<b>Forecast Cash Flow</b>							
CAD (Millions)	10-Jun-24	17-Jun-24	24-Jun-24	1-Jul-24	8-Jul-24	15-Jul-24	22-Jul-24
	16-Jun-24	23-Jun-24	30-Jun-24	7-Jul-24	14-Jul-24	21-Jul-24	28-Jul-24
<b>Receipts</b>							
Collection of Accounts Receivable	59.8	59.8	59.8	42.0	52.5	52.5	52.5
Other Receipts	3.0	0.0	0.0	2.8	0.1	4.3	35.9
<b>Total Receipts</b>	<b>62.8</b>	<b>59.8</b>	<b>59.8</b>	<b>44.8</b>	<b>52.6</b>	<b>56.8</b>	<b>88.4</b>
<b>Disbursements</b>							
Payroll (Gross) and Benefits	(2.9)	(1.4)	(2.2)	(1.8)	(1.2)	(2.0)	(1.5)
Pension and PRB Contributions	(0.1)	(0.1)	(0.3)	(0.1)	(0.1)	(0.1)	(0.1)
Third Party Operating Costs	(3.3)	(3.3)	(3.3)	(2.8)	(3.4)	(3.4)	(3.4)
Leaf Purchases	-	-	-	-	-	-	-
Net Intercompany Disbursements	(7.2)	-	(4.2)	-	(10.1)	-	(1.9)
Capex	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Corporate Income Taxes	-	-	-	(21.2)	-	-	-
Taxes (Excise / Duty / GST / PTT)	(12.5)	(16.1)	(5.9)	(100.2)	(12.8)	(8.4)	(8.3)
Restructuring Costs	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)
<b>Total Disbursements</b>	<b>(26.3)</b>	<b>(21.2)</b>	<b>(16.2)</b>	<b>(126.4)</b>	<b>(27.9)</b>	<b>(14.2)</b>	<b>(15.5)</b>
<b>Net Cash Flow</b>	<b>36.5</b>	<b>38.6</b>	<b>43.6</b>	<b>(81.6)</b>	<b>24.7</b>	<b>42.6</b>	<b>72.9</b>
<b>Opening Available Cash Balance</b>	<b>5,339.8</b>	<b>5,376.3</b>	<b>5,414.9</b>	<b>5,458.5</b>	<b>5,376.9</b>	<b>5,401.6</b>	<b>5,444.2</b>
<b>Closing Available Cash Balance</b>	<b>5,376.3</b>	<b>5,414.9</b>	<b>5,458.5</b>	<b>5,376.9</b>	<b>5,401.6</b>	<b>5,444.2</b>	<b>5,517.1</b>
Restricted Cash	31.1	31.1	31.1	31.1	31.1	31.1	31.1
Quebec Security Deposit	226.0	226.0	226.0	226.0	226.0	226.0	226.0
<b>Total Available, Restricted Cash &amp; Quebec Security Deposits</b>	<b>5,633.4</b>	<b>5,672.0</b>	<b>5,715.6</b>	<b>5,634.0</b>	<b>5,658.7</b>	<b>5,701.3</b>	<b>5,774.2</b>

<b>Rothmans, Benson &amp; Hedges Inc.</b>	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
<b>Forecast Cash Flow</b>							
CAD (Millions)	29-Jul-24	5-Aug-24	12-Aug-24	19-Aug-24	26-Aug-24	2-Sep-24	9-Sep-24
	4-Aug-24	11-Aug-24	18-Aug-24	25-Aug-24	1-Sep-24	8-Sep-24	15-Sep-24
<b>Receipts</b>							
Collection of Accounts Receivable	54.9	46.9	58.6	58.6	58.6	43.6	54.5
Other Receipts	0.2	2.5	4.0	0.0	11.9	2.7	0.0
<b>Total Receipts</b>	<b>55.1</b>	<b>49.4</b>	<b>62.6</b>	<b>58.6</b>	<b>70.5</b>	<b>46.3</b>	<b>54.5</b>
<b>Disbursements</b>							
Payroll (Gross) and Benefits	(4.1)	(0.4)	(2.9)	(1.3)	(2.1)	(1.8)	(2.9)
Pension and PRB Contributions	(0.3)	(0.1)	(0.1)	(0.1)	(0.3)	(0.1)	(0.1)
Third Party Operating Costs	(3.4)	(3.0)	(3.6)	(3.6)	(3.6)	(3.8)	(4.7)
Leaf Purchases	-	-	-	-	-	(0.1)	(0.1)
Net Intercompany Disbursements	-	(2.3)	(8.4)	-	(2.6)	-	(10.6)
Capex	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Corporate Income Taxes	(21.2)	-	-	-	-	(21.2)	-
Taxes (Excise / Duty / GST / PTT)	(91.3)	(12.3)	(8.2)	(8.1)	(5.4)	(85.2)	(13.0)
Restructuring Costs	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)
<b>Total Disbursements</b>	<b>(120.6)</b>	<b>(18.4)</b>	<b>(23.5)</b>	<b>(13.4)</b>	<b>(14.3)</b>	<b>(112.5)</b>	<b>(31.7)</b>
<b>Net Cash Flow</b>	<b>(65.5)</b>	<b>31.0</b>	<b>39.1</b>	<b>45.2</b>	<b>56.2</b>	<b>(66.2)</b>	<b>22.8</b>
<b>Opening Available Cash Balance</b>	<b>5,517.1</b>	<b>5,451.6</b>	<b>5,482.6</b>	<b>5,521.7</b>	<b>5,566.9</b>	<b>5,623.1</b>	<b>5,556.9</b>
<b>Closing Available Cash Balance</b>	<b>5,451.6</b>	<b>5,482.6</b>	<b>5,521.7</b>	<b>5,566.9</b>	<b>5,623.1</b>	<b>5,556.9</b>	<b>5,579.7</b>
Restricted Cash	31.1	31.1	31.1	31.1	31.1	31.1	31.1
Quebec Security Deposit	226.0	226.0	226.0	226.0	226.0	226.0	226.0
<b>Total Available, Restricted Cash &amp; Quebec Security Deposits</b>	<b>5,708.7</b>	<b>5,739.7</b>	<b>5,778.8</b>	<b>5,824.0</b>	<b>5,880.2</b>	<b>5,814.0</b>	<b>5,836.8</b>

<b>Rothmans, Benson &amp; Hedges Inc.</b>	Forecast	Forecast	Forecast	Total
<b>Forecast Cash Flow</b>				
CAD (Millions)	16-Sep-24 22-Sep-24	23-Sep-24 29-Sep-24	30-Sep-24 6-Oct-24	4-Mar-24 6-Oct-24
<b>Receipts</b>				
Collection of Accounts Receivable	54.5	54.5	37.1	1,596.1
Other Receipts	4.0	0.0	2.6	165.6
<b>Total Receipts</b>	<b>58.5</b>	<b>54.5</b>	<b>39.7</b>	<b>1,761.7</b>
<b>Disbursements</b>				
Payroll (Gross) and Benefits	(1.2)	(2.2)	(1.6)	(67.5)
Pension and PRB Contributions	(0.1)	(0.3)	(0.1)	(4.5)
Third Party Operating Costs	(4.7)	(4.7)	(3.9)	(118.6)
Leaf Purchases	(0.1)	(0.1)	-	(6.8)
Net Intercompany Disbursements	-	(2.9)	-	(98.2)
Capex	(0.1)	(0.1)	(0.1)	(1.8)
Corporate Income Taxes	-	-	(21.2)	(148.4)
Taxes (Excise / Duty / GST / PTT)	(16.8)	(6.1)	(79.6)	(842.4)
Restructuring Costs	(0.2)	(0.2)	(0.2)	(7.0)
<b>Total Disbursements</b>	<b>(23.2)</b>	<b>(16.6)</b>	<b>(106.7)</b>	<b>(1,295.2)</b>
<b>Net Cash Flow</b>	<b>35.3</b>	<b>37.9</b>	<b>(67.0)</b>	<b>466.5</b>
<b>Opening Available Cash Balance</b>	<b>5,579.7</b>	<b>5,615.0</b>	<b>5,652.9</b>	<b>5,119.4</b>
<b>Closing Available Cash Balance</b>	<b>5,615.0</b>	<b>5,652.9</b>	<b>5,585.9</b>	<b>5,585.9</b>
Restricted Cash	31.1	31.1	31.1	31.1
Quebec Security Deposit	226.0	226.0	226.0	226.0
<b>Total Available, Restricted Cash &amp; Quebec Security Deposits</b>	<b>5,872.1</b>	<b>5,910.0</b>	<b>5,843.0</b>	<b>5,843.0</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 ROTHMANS, BENSON & HEDGES INC.

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**(COMMERCIAL LIST)**  
PROCEEDING COMMENCED AT TORONTO

**FIFTEENTH REPORT OF ERNST & YOUNG INC.**

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