

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 OR ARRANGEMENT OF
ROTHMANS, BENSON & HEDGES INC.**

Applicant

**MOTION RECORD
(SANCTION ORDER AND CCAA PLAN ADMINISTRATOR APPOINTMENT ORDER)**

January 15, 2025

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TAB 1

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
OR ARRANGEMENT OF ROTHMANS, BENSON & HEDGES INC.**

Applicant

**NOTICE OF MOTION
(SANCTION ORDER AND CCAA PLAN ADMINISTRATOR APPOINTMENT ORDER)**

Ernst & Young Inc. (“**EYI**”), in its capacity as court-appointed monitor (the “**Monitor**”) of Rothmans, Benson & Hedges Inc. (“**RBH**” or the “**Applicant**”) pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. c-36, as amended (the “**CCAA**”) will make a motion before Chief Justice Morawetz of the Ontario Superior Court of Justice (Commercial List) commencing on January 29, 2025 at 10:00 a.m. (Eastern Time).

PROPOSED METHOD OF HEARING: The motion is to be heard in person and by Zoom video conference.

Please refer to the Protocol for Hybrid Motion attached as **Schedule “A”** for details on attending the motion.

THE MOTION IS FOR:¹

1. An Order (the “**Sanction Order**”) substantially in the form included at Tab 3 of the Motion Record, *inter alia*:

¹ All capitalized terms used but not defined herein have the meanings given to them in the CCAA Plan.

- (a) approving and sanctioning the First Amended and Restated Plan of Compromise and Arrangement dated December 5, 2024 in respect of the Applicant (the “**CCAA Plan**”), including the Quebec Administration Plan and the PCC Compensation Plan;
- (b) authorizing and directing the CCAA Plan Administrator, the Monitor and the Applicant, as applicable, to take all steps and actions, and to do all things, necessary or appropriate to implement the CCAA Plan, including the Restructuring Steps;
- (c) approving the CCAA Plan Administration Reserve and the PCC Compensation Plan Reserve;
- (d) authorizing and empowering the Court-Appointed Mediator to continue to provide ongoing services with respect to the implementation of the CCAA Plan;
- (e) releasing the Released Claims in respect of the Applicant, the Applicant’s Tobacco Company Group, the Monitors, CCAA Plan Administrators, the Court-Appointed Mediator and the other Released Parties, in accordance with the terms of the CCAA Plan;
- (f) terminating, as at the Effective Time, the Initial Order, save for certain provisions granted in respect of the Monitor and the Court-Appointed Mediator and their respective Representatives;
- (g) terminating, as at the Effective Time, each of (i) the Administration Charge and the Court-Appointed Mediator Charge, upon satisfaction of certain conditions set out in the Sanction Order and (ii) the Sales and Excise Tax Charge and the Directors’ Charge; and

- (h) extending the Stay Period until the Effective Time.
2. An Order (the “**CCAA Plan Administrator Appointment Order**”) substantially in the form included at Tab 4 of the Motion Record, *inter alia*:
- (a) appointing EYI as CCAA Plan Administrator in accordance with the CCAA Plan and granting the CCAA Plan Administrator its powers, rights and obligations pursuant to the CCAA Plan;
 - (b) authorizing and empowering the CCAA Plan Administrator to establish certain segregated, interest-bearing accounts (the “**Trust Accounts**”), oversee and direct deposits into the Trust Accounts and disburse funds from the Trust Accounts, each in accordance with the CCAA Plan; and
 - (c) approving the communication and coordination between the CCAA Plan Administrators and representatives of certain Claimants.
3. Such further and other relief as counsel may advise and this CCAA Court may permit.

THE GROUNDS FOR THE MOTION ARE:

Background

4. On March 22, 2019, the CCAA Court granted an initial order (as amended from time to time, the “**Initial Order**”) pursuant to the CCAA (the “**CCAA Proceeding**”). The Initial Order, among other things, (i) granted a stay of proceedings in favour of RBH with a stay

period until and including April 19, 2019 (as extended from time to time, the “**Stay Period**”)²; and (ii) appointed the Monitor.

5. A number of elements in this CCAA Proceeding overlap with the CCAA proceeding of JTI Macdonald Corp. (“**JTIM**”) in which Deloitte Restructuring Inc. is court-appointed monitor (the “**JTIM Monitor**”) and the CCAA proceeding of Imperial Tobacco Canada Limited and Imperial Tobacco Company Limited (collectively, “**Imperial**”) in which FTI Consulting Canada Inc. is court-appointed monitor (the “**Imperial Monitor**”). The Monitor, the JTIM Monitor and the Imperial Monitor will be collectively referred to herein as the “**Monitors**” and the CCAA proceedings of the Applicant, JTIM and Imperial (the “**Tobacco Companies**”) will be collectively referred to as the “**CCAA Proceedings**”.
6. On April 5, 2019, the CCAA Court granted the First Amended and Restated Initial Order which, among other things appointed the Court-Appointed Mediator to act as a neutral third party to oversee and coordinate a multiparty, comprehensive mediation (the “**Mediation**”) among the Tobacco Companies and their key stakeholders and mediate a global settlement of the Tobacco Claims (as defined in the CCAA Plan). The Initial Order was further amended and restated by the Second Amended and Restated Initial Order dated April 25, 2019.
7. On October 5, 2023, Chief Justice Morawetz issued an endorsement in the CCAA Proceedings directing the Monitors to work with the Court-Appointed Mediator to develop a plan of compromise and arrangement for each Tobacco Company.

² The Stay Period has been subsequently extended from time to time, most recently by an order dated October 31, 2024. The Stay Period is presently extended up to and including January 31, 2025.

8. On October 31, 2024, the CCAA Court granted, among other Orders, the Meeting Order pursuant to which the plan of compromise or arrangement in respect of the Applicant dated October 17, 2024 (the “**October 17 CCAA Plan**”) was accepted for filing and a creditors meeting in respect of the Applicant for Affected Creditors to consider and vote on the October 17 CCAA Plan (the “**Meeting**”) was scheduled for December 12, 2024.
9. On December 5, 2024, the Monitor served the CCAA Plan, amending and restating the October 17 CCAA Plan, on the Common Service List, together with a report of the Monitor describing the amendments. The amendments were administrative in nature.
10. The Meeting to vote on the CCAA Plan took place virtually on December 12, 2024. The CCAA Plan was unanimously approved by 289,904 votes, representing \$963,296,023,265 in total value of Voting Claims. Accordingly, the CCAA Plan was approved by the requisite majority threshold as provided for in the CCAA.
11. On December 13, 2024, the Monitor served the Twenty-Second Report of the Monitor dated December 13, 2024 (the “**Twenty-Second Report**”) upon the Common Service List, among other things, reporting on the results of the Meeting.
12. On December 23, 2024, the CCAA Court granted the Sanction Protocol Order which, among other things, approved a notice program for the Monitor to notify parties of the timetable and procedure for the Sanction Hearing and set the time and date for the Sanction Hearing.

The Sanction Order and the CCAA Administrator Appointment Order

13. The Sanction Order provides for approval and sanction of the CCAA Plan.

14. The CCAA Plan Administrator Appointment Order provides for the appointment of the CCAA Plan Administrator, who is required for the administration and implementation of the CCAA Plan.
15. Certain administrative matters contemplated in the CCAA Plan are not specifically addressed in the Sanction Order or the CCAA Plan Administrator Appointment Order, including, but not limited to, matters related to the Cy-près Foundation as described in Section 9.4 of the CCAA Plan and the transfer of the Alternative Product Business to NewCo as described in Section 4.1 of the CCAA Plan. Such matters will be dealt with by further motions to be brought before the CCAA Court.
16. A summary of the October 17 CCAA Plan and the amendments were set out in the Nineteenth Report of the Monitor dated October 25, 2024 (the “**Nineteenth Report**”) and the Twenty-First Report of the Monitor dated December 5, 2024 (the “**Twenty-First Report**”).
17. The issue of allocation of the Global Settlement Amount as between the Tobacco Companies in the three CCAA Proceedings remains unresolved. The Monitor does not take a position on the issue of allocation of the Global Settlement Amount as between the Tobacco Companies.

Statutory Compliance

18. The CCAA Plan was supported by all of the Affected Creditors holding Voting Claims present and voting in person or by proxy at the Meeting, and satisfies the requirements of the CCAA, in particular the requirements contained in Section 6 thereof.

19. The Applicant has complied with Orders granted by this Court during the CCAA Proceeding in all material respects.
20. All materials filed and procedures carried out have been done in accordance with the CCAA and the Orders and no unauthorized steps were taken.

The CCAA Plan is Fair and Reasonable and Should be Sanctioned

21. The three coordinated CCAA Proceedings of the Tobacco Companies are complex, involving a group of Affected Creditors with varying interests, and the terms of the CCAA Plan are the result of countless hours of difficult and good faith negotiations during the Mediation.
22. No other viable alternative to the CCAA Plan has been proposed which has the unanimous consent of the Affected Creditors and provides for a pan-Canadian global settlement of the Tobacco Claims against the Tobacco Companies.
23. The CCAA Plan provides the best available path for resolution of the Affected Claims and strikes a fair and reasonable balance among RBH's Affected Creditors while allowing RBH to continue as a going concern.
24. The sanctioning of the CCAA Plan and appointment of the CCAA Plan Administrator are crucial and necessary steps toward the resolution of this CCAA Proceeding.
25. The releases provided under the CCAA Plan are integral to the CCAA Plan and are fair, reasonable and rationally connected to the overall purpose of the CCAA Plan and should be approved by the CCAA Court.

26. In the Monitor's view, the CCAA Plan in its totality is fair and reasonable. The Monitor supports and recommends the sanctioning of the CCAA Plan and the appointment of the CCAA Plan Administrator.
27. The Monitor believes that the relief set out in the Sanction Order and the CCAA Plan Administrator Appointment Order, in each case, is necessary and appropriate in the circumstances and ought to be granted.

Additional Grounds

28. Paragraph 63 of the Initial Order of RBH.
29. The provisions of the CCAA and the inherent and equitable jurisdiction of this CCAA Court.
30. Rules 1.04, 1.05, 2.03, 3.02, 10.01, 16, 37 and 59 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended and the *Courts of Justice Act*, R.S.O. 1990, c. C.43 as amended.
31. Such further and other grounds as counsel may advise and this CCAA Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of this motion:

32. The Affidavit of Peter Luongo sworn March 22, 2019 and the exhibits attached thereto, filed in RBH's Application Record for the Initial Order dated March 22, 2019;
33. The Report of the Proposed Monitor dated March 22, 2019;
34. The Nineteenth Report;
35. The Twenty-First Report;

36. The Twenty-Second Report of the Monitor dated December 13, 2024;
37. The Twenty-Third Report of the Monitor dated January 15, 2025; and
38. Such further and other evidence as counsel may advise and this CCAA Court may permit.

January 15, 2025

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Hedges Inc.*

TO: COMMON SERVICE LIST

Schedule “A”
Protocol for Hybrid Motion

PROTOCOL FOR HYBRID MOTION

Scheduling and Specific Requirements

1. Any person on the Service List that wishes to appear **virtually** on the motion(s) (“**Virtual Participants**”) must register by 4:00 p.m. two (2) business days in advance of the hearing (Monday, January 27th, 2025 for the motion(s) scheduled for Wednesday, January 29th, 2025), by emailing each Monitor’s counsel (aperley@dwpv.com, sfernandes@cassels.com, nancy.thompson@blakes.com). In their email, Virtual Participants should provide contact information, including their name, the party they are acting for, their email address and phone number for the Participant Information Form, along with a statement regarding whether they intend to make submissions and the position they intend to take with respect to the motion(s).
2. Any person on the Service List that wishes to appear **in person** on the motion(s) (“**In Person Participants**” and collectively with Virtual Participants, “**Participants**”) must register by 4:00 p.m. two (2) business days in advance of the hearing (Monday, January 27th, 2025 for the motion(s) scheduled for Wednesday, January 29th, 2025), by emailing each Monitor’s counsel (aperley@dwpv.com, sfernandes@cassels.com, nancy.thompson@blakes.com). In their email, In Person Participants should provide contact information, including their name, the party they are acting for, their email address and phone number for the Participant Information Form, along with a statement regarding whether they intend to make submissions and the position they intend to take with respect to the motion(s).
3. Subject to the Court’s overriding discretion over all matters, Monitors’ counsel will coordinate with Participants and the Court to develop an agenda for the hearing.
4. All material for use on the motion(s) is to be posted on Case Center, as more fully described in Appendix “B”.
5. Zoom links will be distributed to registered Virtual Participants only. Virtual Participants are not permitted to forward or share the Zoom link. No person should have access to the hearing on Zoom other than Virtual Participants. If a Virtual Participant is unable to attend by video, they should contact Monitors’ counsel. Virtual Participants should carefully review the technical requirements below.
6. Counsel are required to gown for the hearing.
7. For access by the general public, a YouTube link will be posted on each of the Monitors’ websites by 10:00 a.m. not less than two (2) business days prior to the hearing. The YouTube link will allow the general public to view a livestream of the hearing, but not participate in the

hearing. For greater clarity, individuals viewing the livestream via YouTube will not be heard or seen by the Court, Judge or Participants.

8. No recording of any part of the hearing (including audio) may be made unless authorized in advance by the Court.

9. For greater certainty, notice and service requirements are set out in the Rules of Civil Procedure and the various orders and endorsements in the proceedings. For ease of reference, we have included paragraphs 58-63 of the Second Amended and Restated Initial Order dated March 8, 2019 in the JTIM proceedings, attached as Appendix "A". It should be noted that similar notice and service requirements have been set out in various orders and endorsements in the parallel proceedings of Imperial and RBH. Nothing in this protocol modifies or amends Orders of the Court related to service requirements, the Rules of Civil Procedure, any Commercial List Practice Direction or other applicable rules.

10. Virtual Participants will be placed into a virtual waiting room upon entering the Zoom meeting.

Technical Requirements for Zoom Participants

11. Virtual Participants will require a device with a working microphone and camera. The device can be a computer (desktop or laptop), tablet or smartphone. The device must be connected to an internet connection that is sufficient to send and receive video and audio.

12. Each Virtual Participant is responsible for ensuring that they have suitable equipment to participate in the hearing and that such equipment works properly. Virtual Participants must test such equipment well in advance of the scheduled hearing to ensure:

- (a) that they are familiar with how to use such equipment;
- (b) the compatibility and functioning of such equipment; and
- (c) that the remote location has adequate internet bandwidth to support the use of Zoom without interruption.

13. Each Virtual Participant is also responsible for ensuring that they are familiar with the features and operation of Zoom. Virtual Participants must ensure that they have downloaded any necessary software, and practiced using Zoom, well in advance of the scheduled hearing.

14. Counsel on Zoom should identify their display name in the following format: [First Name] [Last name], for [Client].

15. Virtual Participants should log on using the Zoom link provided approximately 30 minutes before the hearing is scheduled to begin. During this time, Virtual Participants should speak to each other to determine if there are any audio/visual/connection issues.
16. It is suggested that Virtual Participants use the “gallery view” mode, rather than the “active speaker” mode, available on Zoom.
17. It is suggested that only counsel who are making submissions turn on their cameras during the hearing.
18. Should a Virtual Participant become disconnected from Zoom or experience technical difficulties during the hearing, they should immediately inform the Court by sending an email to each Monitor’s counsel (aperley@dwpv.com, sfernandes@cassels.com, nancy.thompson@blakes.com).
18. Further Virtual Participant information is included in Appendix “B.”

APPENDIX "A"

58. **THIS COURT ORDERS** that, subject to paragraph 59, all motions in this proceeding are to be brought on not less than seven (7) calendar days' notice to all persons on the Service List. Each Notice of Motion shall specify a date (the "**Return Date**") and time for the hearing.

59. **THIS COURT ORDERS** that motions for relief on an urgent basis need not comply with the notice protocol described herein.

60. **THIS COURT ORDERS** that any interested Person wishing to object to the relief sought in a motion must serve responding motion material or, if they do not intend to file material, a notice in all cases stating the objection to the motion and the grounds for such objection in writing (the "**Responding Material**") to the moving party, the Applicant and the Monitor, with a copy to all Persons on the Service List, no later than 5 p.m. on the date that is four (4) calendar days prior to the Return Date (the "**Objection Deadline**").

61. **THIS COURT ORDERS** that, if no Responding Materials are served by the Objection Deadline, the judge having carriage of the motion (the "**Presiding Judge**") may determine:

- (a) whether a hearing is necessary;
- (b) whether such hearing will be in person, by telephone or by written submissions only; and
- (c) the parties from whom submissions are required

(collectively, the "**Hearing Details**"). In the absence of any such determination, a hearing will be held in the ordinary course.

62. **THIS COURT ORDERS** that, if no Responding Materials are served by the Objection Deadline, the Monitor shall communicate with the Presiding Judge regarding whether a determination has been made by the Presiding Judge concerning the Hearing Details. The Monitor shall thereafter advise the Service List of the Hearing Details and the Monitor shall report upon its dissemination of the Hearing Details to the Court in a timely manner, which may be contained in the Monitor's next report in the proceeding.

63. **THIS COURT ORDERS** that if any party objects to the motion proceeding on the Return Date or believes that the Objection Deadline does not provide sufficient time to respond to the motion, such objecting party shall, promptly upon receipt of the Notice of Motion and in any event prior to the Objection Deadline, contact the moving party and the Monitor (together with the objecting party and any other party who has served Responding Materials, the "**Interested Parties**") to advise of such objection and the reasons therefor. If the Interested Parties are unable to resolve the objection to the timing and schedule for the motion following good faith consultations, the Interested Parties may seek a scheduling appointment before the Presiding Judge to be held prior to the Return Date or on such other date as may be mutually agreed by the Interested Parties or as directed by the Presiding Judge to establish a schedule for the motion. At the scheduling appointment, the Presiding Judge may provide directions including a schedule for the delivery of any further materials and the hearing of the contested motion, and may address such other matters, including interim relief, as the Court may see fit. Notwithstanding the foregoing, the Presiding Judge may require the Interested Parties to proceed with the contested motion on the Return Date or on any other date as may be directed by the Presiding Judge or as may be mutually agreed by the Interested Parties, if otherwise satisfactory to the Presiding Judge.

APPENDIX “B”

1. All Virtual Participants will have their microphones muted and may only unmute their own microphones when they are addressing the Court. When parties are not muted, they must avoid making extraneous noise (including for example, typing and shuffling papers) as these noises may interfere with the hearing.
2. Virtual Participants must ensure that they participate in the Zoom hearing from a well-lit room so that they are easily visible. Virtual Participants must also ensure that no filters are active that may distort or otherwise conceal their appearance.
3. Virtual Participants must ensure that they participate in the Zoom hearing from a quiet location where they (and the Court) will not be interrupted or disturbed during the hearing.
4. All mobile devices must be turned off or put on silent mode during the hearing.
5. Participants must refrain from speaking over other Participants.
6. Participants should make submissions in accordance with the order set out in the agenda. If there is a need to make submissions out of sequence, Participants should make a request in a manner directed by the Court. The Court may ask Participants to signal when they intend to address the Court by raising their hand (either by physically raising their hand or by using the virtual “raise hand” feature in Zoom).
7. Participants must state their name and who they represent before addressing the Court.
8. Upon entry into the virtual waiting room, each Virtual Participant joining by video should identify themselves, including any person off camera that may be viewing the video feed. This also allows any audio or visual issues to be identified. Each Virtual Participant is obligated to immediately notify the presiding judge if any additional person joins them in viewing the video feed.
9. If a Participant intends to rely on any documents, the materials you intend to rely on must be served and shared on the relevant Case Center bundle and all references during the hearing should reference the Case Center page numbering associated with such Case Center bundle.
10. If a party wishes to share certain documents during the hearing, the documents should be provided to the Monitors in advance so that it can be added to the agenda and a method for sharing can be set up.

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED
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Proceeding commenced at Toronto

**NOTICE OF MOTION
(SANCTION ORDER AND CCAA PLAN ADMINISTRATOR
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monitor of Rothmans, Benson & Hedges Inc.*

TAB 2

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

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Applicant

TWENTY-THIRD REPORT OF THE MONITOR
JANUARY 15, 2025

INTRODUCTION

1. On March 22, 2019, 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 (as defined in the Initial Order) in relation to certain proceedings, and (ii) appointed Ernst & Young Inc. as monitor (the “**Monitor**”) of the Applicant in this CCAA proceeding (the “**CCAA Proceeding**”).
2. On April 5, 2019 this Court issued an amended and restated Initial Order and 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 (as defined in the Second Amended and Restated Initial Order).
3. Pursuant to an Order dated October 31, 2024, the Stay Period was extended to January 31, 2025.
4. Pursuant to Orders dated October 31, 2024, this Court, among other things, approved the filing of a plan of compromise or arrangement dated October 17, 2024 (the “**October 17 CCAA Plan**”) in respect of the Applicant, set the meeting of Affected Creditors for December 12, 2024 to vote on the October 17 CCAA Plan and approved a claims procedure

to identify affected claims against the Applicant for purposes of voting on the October 17 CCAA Plan.

5. The details of the October 17 CCAA Plan were set out in the Nineteenth Report of the Monitor dated October 25, 2024 (the “**Nineteenth Report**”), a copy of which is attached hereto as **Appendix “A”**.
6. On December 5, 2024, the Monitor served the first amended and restated plan of compromise or arrangement in respect of the Applicant (the “**RBH Plan**”), amending and restating the October 17 CCAA Plan, on the Common Service List. The amendments were: (i) of an administrative nature required to better give effect to the implementation of the RBH Plan; or (ii) to cure any errors, omissions or ambiguities in the October 17 CCAA Plan, and in all cases were not materially adverse to the financial interests of the Affected Creditors or the Unaffected Creditors.
7. The Meeting to vote on the RBH Plan took place virtually on December 12, 2024 and the RBH Plan was unanimously approved by the Voting Creditors.
8. Pursuant to an Order dated December 23, 2024 (the “**Sanction Protocol Order**”), a hearing was set to approve and sanction the RBH Plan, commencing on January 29, 2025.

PURPOSE

9. The purpose of this twenty-third report of the Monitor (the “**Twenty-Third Report**”) is to provide information to this Court with respect to the Monitor’s motion for orders, *inter alia*:
 - i. sanctioning the RBH Plan (the “**Sanction Order**”); and
 - ii. appointing EYI as the CCAA Plan Administrator in respect of RBH to implement the RBH Plan (the “**CCAA Plan Administrator Appointment Order**”).

TERMS OF REFERENCE

10. In preparing this Twenty-Third 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 in previous

Reports of the Monitor), and discussions with RBH management (collectively, the “**Information**”). Except as described in this Twenty-Third 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 Twenty-Third 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.
11. Future oriented financial information referred to in this Twenty-Third 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.
 12. Unless otherwise indicated, the Monitor’s understanding of factual matters expressed in this Twenty-Third Report concerning the Applicant and its business is based on the Information, and not independent factual determinations made by the Monitor.
 13. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars.
 14. Unless otherwise defined or specified, all capitalized terms used herein shall have the meaning ascribed to them in the RBH Plan.
 15. Copies of the Monitor’s Reports, including a copy of this Twenty-Third Report, and all motion records and Orders in the CCAA Proceeding are available on the Monitor’s website at www.ey.com/ca/rbh (the “**Website**”). The Monitor has also established a toll-free phone

number that is referenced on the Website so that parties may contact the Monitor if they have questions with respect to the CCAA Proceeding.

SANCTION OF THE RBH PLAN AND REQUEST FOR THE SANCTION ORDER

16. As described in the Twenty-Second Report of the Monitor, dated December 13, 2024, on December 12, 2024 the Monitor held the meeting of Affected Creditors (the “**Meeting**”) for the purpose of voting on the approval of the RBH Plan. At the Meeting, the Affected Creditors unanimously approved the RBH Plan, with 289,904 votes representing \$963,296,023,265 in total value of Voting Claims voting in favour.
17. The Monitor’s comments in respect of the October 17 CCAA Plan are set out in detail in the Nineteenth Report and, since the amendments incorporated into the RBH Plan were administrative in nature, the Monitor’s comments and recommendations in respect of the October 17 CCAA Plan included in the Nineteenth Report continue to be applicable to the RBH Plan.
18. The Monitor notes the amendments described above did not modify section 5.2 of the October 17 CCAA Plan. As such, the RBH Plan contains the following statement regarding allocation of the Global Settlement Amount amongst the Tobacco Companies (the “**Applicant Global Settlement Allocation**”):

5.2 The issue of allocation of the Global Settlement Amount as between the Tobacco Companies in the three CCAA Proceedings remains unresolved.
19. In accordance with the Sanction Protocol Order:
 - i. on December 23, 2024 the Monitor caused the Sanction Protocol Order to be posted to the Website;
 - ii. on December 24, 2024 the Monitors jointly published press releases in English and French on Cision Newswire containing a copy of the Omnibus Sanction Hearing Notice;

- iii. on December 27, 2024 the Monitor caused the Omnibus Sanction Hearing Notice and the Sanction Hearing Objection Notice, in both French and English, to be posted to the Website;
 - iv. on December 27, 2024 the Monitor emailed a copy of the Omnibus Sanction Hearing Notice, the Sanction Hearing Objection Notice, and a copy of the Sanction Protocol Order to: (i) each Person that appeared on the Common Service List, including any Affected Creditor with a Negative Notice Claim; (ii) any person known to RBH or the Monitor as having a potential Affected Claim based on the books and records of RBH that is not captured in any Statement of Negative Notice Claim or in any Miscellaneous Claimant Proof of Claim; and (iii) any Putative Miscellaneous Claimant that had identified itself in writing to the Monitor by the Miscellaneous Claims Bar Date; and
 - v. on January 7, 2025, the Omnibus Sanction Hearing Notice was published in the Globe and Mail (National Edition), the National Post (National Edition) and Le Devoir.
20. The terms of the proposed Sanction Order contemplate, among other things, that this Court:
- i. sanction the RBH Plan pursuant to Section 6 of the CCAA;
 - ii. approve the Quebec Administration Plan and the PCC Compensation Plan;
 - iii. authorize and direct the Applicant and the Monitor to take all steps and actions, and to do all things, determined by the Applicant or the Monitor, respectively, to be necessary or appropriate to implement the RBH Plan;
 - iv. approve the CCAA Plan Administration Reserve and the PCC Compensation Plan Reserve;
 - v. appoint Epiq Class Action Services Canada Inc. as Claims Administrator and Daniel Shapiro, K.C. as Administrative Coordinator;
 - vi. authorize and direct the Monitor, as soon as practicable following confirmation that all conditions precedent to implementation for the RBH Plan have been fulfilled, to serve on the Common Service List and post on the Monitor's Website, the Plan

- Implementation Date Certificate certifying that the Plan Implementation Date has occurred;
- vii. release the Applicant, the Applicant's Tobacco Company Group, the Monitors, the CCAA Plan Administrators, the Court-Appointed Mediator and the other Released Parties, in accordance with the terms of the CCAA Plan;
 - viii. declare that as at the Effective Time, in accordance with the RBH Plan and any other definitive documents, any recovery by a Putative Miscellaneous Claimant in connection with a Miscellaneous Claim shall be limited to the Miscellaneous Claims Fund;
 - ix. declare that at the Effective Time, all parties to the Pending Litigation, including each plaintiff, class representative, class member and defendant therein, shall be deemed to have given all consents necessary to effect the termination with prejudice and without costs of the Pending Litigation;
 - x. declare that at the Effective Time, the *Blais* Judgment and the *Létourneau* Judgment and Quebec Class Actions are fully and finally satisfied, resolved, compromised and settled;
 - xi. direct the Applicant and each of the Claimants, or an authorized Person on their behalf, to execute and deliver the Claimant Contractual Release, which shall take effect at the Effective Time; and
 - xii. extend the Stay Period until the Effective Time.
21. If the Sanction Order is granted, the Court-Appointed Mediator may continue to provide services with respect to the implementation of the RBH Plan as may be requested by EYI (in its capacity as Monitor, or if appointed, CCAA Plan Administrator), the Court or any other party at the discretion of the Court-Appointed Mediator.
22. If the Sanction Order is granted, a number of steps will be required prior to implementation of the RBH Plan. Certain administrative matters contemplated in the RBH Plan are not specifically addressed in the Sanction Order or the CCAA Plan Administrator Appointment

Order, including, but not limited to, matters related to the Cy-près Foundation as described in Section 9.4 of the RBH Plan and the transfer of the Alternative Product Business to NewCo as described in Section 4.1 of the RBH Plan. Such matters will be dealt with by further Order(s) of the Court.

Statutory Compliance

23. The RBH Plan complies with all statutory requirements of the CCAA including:
- i. at the Meeting, the Affected Creditors unanimously voted in favour of the RBH Plan;
 - ii. the RBH Plan does not include any provision that sections 38 and 95 to 101 of the *Bankruptcy and Insolvency Act* do not apply in respect of the RBH Plan;
 - iii. the Monitor is not aware of any Affected Claims that are being compromised under the RBH Plan which are prohibited from being compromised or affected pursuant to the CCAA including:
 - a) any Claim of any Government against RBH in respect of any amounts that are outstanding, provided for in section 6(3) of the CCAA;
 - b) any Claim for accrued and unpaid wages and vacation pay owing to an employee of RBH whose employment was terminated between the Filing Date and the Plan Implementation Date; and
 - c) any Claim for unpaid amounts provided for in sections 6(5) and 6(6) of the CCAA.
24. In addition, the Monitor believes the Applicant has complied with Orders granted by this Court during the CCAA Proceeding in all material respects. All materials filed and procedures carried out have been done in accordance with the CCAA and the Orders and no unauthorized steps were taken.

The RBH Plan is Fair and Reasonable

25. For the reasons set out in the Nineteenth Report, the Monitor remains of the view that the RBH Plan is fair and reasonable.
26. In the Monitor's view, the Applicant has acted in good faith and with due diligence throughout this CCAA Proceeding and the RBH Plan is the best available option to achieve the following objectives: (i) implementing the resolution of significant claims of numerous creditors, including the Quebec Class Actions; and (ii) providing distributions to the Affected Creditors of RBH in the near term and over time. The Monitor is also of the view that the RBH Plan strikes a fair and reasonable balance among RBH's Affected Creditors while allowing RBH to continue as a going concern.
27. The three coordinated CCAA Proceedings of the Tobacco Companies are complex, involving a group of Affected Creditors with varying interests and nearly \$1 trillion of Affected Claims. The Applicant has been in this CCAA Proceeding for nearly six years. No other viable alternative to the RBH Plan has been proposed which has the consent of the Affected Creditors. In contrast, the RBH Plan was unanimously approved by the voting Affected Creditors at the Meeting and, together with the CCAA Plans of the other Tobacco Companies, provides for a pan-Canadian global settlement of the Tobacco Claims against the Tobacco Companies.
28. Since the Applicant is providing materially all of its upfront cash and at least 70.0% of its annual net after tax income for approximately the next twenty years, the Monitor is of the view the RBH Plan will provide a better recovery to the Affected Creditors than any available alternative.
29. The Monitor believes the Claimants are fairly treated under the RBH Plan. The Claimants have participated extensively in the confidential Court-ordered Mediation since 2019 and voted unanimously in favour of the RBH Plan at the Meeting.
30. The Monitor notes that as of the date of this Report the Applicant Global Settlement Allocation remains unresolved and the Monitor does not take a position on the Applicant Global Settlement Allocation.

The Releases are Appropriate

31. In exchange for the Upfront Contribution, the promise to pay the Downstream Contributions and the agreement for the Parent company and relevant affiliates to provide shared services and other operational support to the Applicant, the RBH Plan provides for broad and comprehensive releases to be granted to the Applicant, its Parent company and its Tobacco Company Group for all Tobacco Claims. Broadly speaking, the Claim of any person, organization or party that may have an Affected Claim or Released Claim is being released.
32. The Monitor believes such releases are fair and reasonable in the circumstances. The Monitor has considered various factors including:
 - i. the Affected Creditors' unanimous support of the Plan, including the treatment of the Tobacco Claims and the releases thereof;
 - ii. the releases are integral part of the framework of the RBH Plan and the global settlement;
 - iii. the standard for releases relating to CCAA debtors and professionals in CCAA plans generally;
 - iv. the releases related to claims against directors and officers do not purport to provide releases which are prohibited by the CCAA;
 - v. pursuant to the RBH Plan, the Claimants will each execute a Claimant Contractual Release, confirming their consent to the releases under the RBH Plan;
 - vi. the releases are necessary in order to achieve the goal of a global settlement of the Tobacco Claims and to allow RBH to continue as a going concern; and
 - vii. the impact of the alternatives if the RBH Plan is not sanctioned.
33. Accordingly, the Monitor is of the view that the RBH Plan in its totality is fair and reasonable.

CCAA PLAN ADMINISTRATOR

34. The RBH Plan contemplates that, subject to court approval of the CCAA Plan Administrator Appointment Order, EYI will be appointed as CCAA Plan Administrator to administer the implementation of the RBH Plan. In this capacity, EYI would be neutral and independent from the Tobacco Companies, the Tobacco Company Groups and the Claimants and, in this capacity, shall report to the CCAA Court until the RBH Plan is fully implemented.
35. In no circumstances shall the CCAA Plan Administrator:
- i. be or be deemed to be the representative of the Claimants, Tobacco Companies and/or Tobacco Company Groups for the purposes of the implementation and administration of the RBH Plan (including, without limitation, in respect of any notice, consent or agreement contemplated herein), or for any other purpose;
 - ii. have the authority to bind any of the Claimants in respect of any matters relating to the RBH Plan, or any other matter; or
 - iii. have the authority to bind any of the Tobacco Companies or Tobacco Company Groups in respect of any matters relating to the CCAA Plan, or any other matter.
36. Among others, the duties and responsibilities of the CCAA Plan Administrator include:
- i. establishing certain segregated, interest-bearing trust accounts (the “**Trust Accounts**”);
 - ii. overseeing and directing the deposits into the Trust Accounts in accordance with the RBH Plan, the Sanction Order and the CCAA Plan Administrator Appointment Order;
 - iii. receiving and reviewing certain information provided by the Applicant, as required by the RBH Plan;
 - iv. receiving and reviewing information relating to the calculation of the Annual Contributions and Reserved Amounts to be paid by RBH in respect of each calendar year;

- v. reporting to the Provinces, Territories and any Impacted Claimants regarding any event or condition pertaining to a Tobacco Company which is disclosed to it as an event which may constitute a Material Adverse Effect, or may constitute a Breach or Event of Default;
 - vi. overseeing the investment of the Upfront Contributions, Annual Contributions and Reserved Amounts in accordance with approved investment guidelines pending disbursement to the Claimants, and reporting from time to time to the Provinces, Territories and any Impacted Claimants regarding same;
 - vii. reporting to the Provinces, Territories and any Impacted Claimants regarding the calculation of the amount of the Annual Contributions and Reserved Amounts payable by RBH in each calendar year;
 - viii. overseeing and directing distributions from the Trust Accounts, including the Global Settlement Trust Account, in accordance with the relevant sections of the RBH Plan until such time as the implementation of all of the CCAA Plans has been completed;
 - ix. overseeing the administration of the PCC Compensation Plan;
 - x. certain oversight activities regarding the Cy-près Foundation;
 - xi. overseeing the administration of the Quebec Administration Plan; and
 - xii. reporting to the CCAA Court.
37. For greater certainty, the CCAA Plan Administrator shall not be required to conduct an audit, review or other assurance engagement, or otherwise attempt to verify the accuracy or completeness of the financial or other information provided to it by RBH or obtained in discussions and correspondence with senior management and advisors to RBH, nor shall the CCAA Plan Administrator be required to express any opinion or form of assurance with respect to any such information or discussions. No Person shall be entitled to rely on any information or representation in any form or context provided by the CCAA Plan Administrator in fulfilling its mandate pursuant to the RBH Plan, the CCAA Plan Administrator Appointment Order or any other applicable order of this Court. The CCAA

Plan Administrator shall not owe any duty of care to any Person in fulfilling such mandate, other than the Court as an officer thereof.

38. In fulfilling its mandate as the CCAA Plan Administrator:
- i. the CCAA Plan Administrators shall consult with each other and act jointly and in concert to fulfill their duties and responsibilities pursuant to the CCAA Plans;
 - ii. each of the CCAA Plan Administrators shall have access to all documents and information provided by the Trustee of the Trust Accounts to each CCAA Plan Administrator until the completion of the administration of each Tobacco Plan; and
 - iii. each CCAA Plan Administrator shall be granted: (i) access to each Tobacco Company's Virtual Data Room; and (ii) administrator access to its respective Tobacco Company's Virtual Data Room, until the completion of the administration of each Tobacco Plan.
39. To the extent the Tobacco Plans require a CCAA Plan Administrator to provide notice to, report to, or otherwise communicate with any Person, notice to, reports to or communications with the representatives of each following Person shall be sufficient for all purposes:
- i. the Chair of the Provincial and Territorial Liaison Committee with respect to the Provinces and Territories;
 - ii. the Administrative Coordinator with respect to the Quebec Administration Plan and Quebec Class Counsel with respect to the Quebec Class Action Plaintiffs;
 - iii. the Administrative Coordinator with respect to the PCC Compensation Plan and PCC Representative Counsel with respect to the Pan-Canadian Claimants;
 - iv. the Chair of the Cy-près Foundation with respect to the Cy-près Foundation;
 - v. *Knight* Class Counsel with respect to the *Knight* Class Action Plaintiffs;
 - vi. counsel for the Tobacco Producers with respect to the Tobacco Producers; and
 - vii. the respective Tobacco Company's counsel with respect to such Tobacco Company.

40. Notwithstanding the above, the CCAA Plan Administrators may, in their discretion, communicate with any Person they view necessary or desirable in the performance of their duties and responsibilities under the Tobacco Plans or pursuant to the CCAA Plan Administrator Appointment Order.
41. Prior to taking any of the following actions the CCAA Plan Administrators must unanimously approve such action in writing:
 - i. the disbursement of any amounts from any Trust Account after the Effective Date and the timing of any disbursement of funds, including from: (i) the QCAP Trust Account or the PCC Trust Account to the Claims Administrator's trust accounts; or (ii) the Cy-près Trust Account to the Cy-près Foundation;
 - ii. the movement of any Trust Account or any amounts held therein to an alternative Bank;
 - iii. any decision by a CCAA Plan Administrator to waive an Event of Default or Breach by a Tobacco Company, prior to seeking the consent of the Provinces and Territories, any Impacted Claimants or approval of the Court; and
 - iv. any extension of the period in which funds must be held in the Miscellaneous Claims Fund.
42. The CCAA Plan Administrator, its counsel and any financial, investment or other advisors engaged by the CCAA Plan Administrator shall be paid their reasonable fees and disbursements by RBH on a bi-weekly basis. The CCAA Plan Administrator and its legal counsel shall pass their accounts from time to time at intervals directed by the Court.
43. The Monitor is of the view that its appointment as CCAA Plan Administrator will serve an important function in the administration of the RBH Plan, acting as a conduit of information and dialogue between the Applicant and the Claimants, overseeing the implementation of the RBH Plan, including the PCC Compensation Plan, Quebec Administration Plan and Cy-près Foundation, and, along with the other CCAA Plan Administrators (being FTI and Deloitte), coordinating activities regarding the banking arrangements and receipts and disbursements of the Upfront Contributions, Annual Contributions and Reserved Amounts.

CONCLUSION AND RECOMMENDATION

44. For the reasons outlined in this Twenty-Third Report the Monitor is of the view that the Sanction Order and CCAA Plan Administrator Appointment Order are appropriate in the circumstances. As such, the Monitor respectfully recommends that the Court grant the requested Sanction Protocol Order and the CCAA Plan Administrator Appointment Order.

All of which is respectfully submitted this 15th day of January, 2025.

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

Per:

A handwritten signature in black ink, appearing to be 'MK', written in a cursive style.

Matt Kaplan
Senior Vice President

Appendix “A”

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

NINETEENTH REPORT OF THE MONITOR
OCTOBER 25, 2024

INTRODUCTION

1. On March 22, 2019, Rothmans, Benson & Hedges Inc. 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 (as defined in the Initial Order) in relation to certain proceedings, and (ii) appointed EYI as Monitor of the Applicant in this 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 (as defined in the Second Amended and Restated Initial Order).
3. Pursuant to an Order dated October 1, 2024, the Stay Period was extended to October 31, 2024.

PURPOSE

4. The purpose of this nineteenth report of the Monitor (the “**Nineteenth Report**”) is to provide information to this Court with respect to:
 - i) an Order in respect of each Applicant (each a “**Meeting Order**” or collectively the “**Meeting Orders**”), *inter alia*:

- a) accepting the filing of the plan of compromise and arrangement developed by the Court-Appointed Mediator and each Monitor in respect of each of the Applicants under the CCAA (each a “**CCAA Plan**” and collectively, the “**CCAA Plans**”) in the form attached to each Monitor’s Motion Record dated October 17, 2024;
 - b) authorizing and directing each respective Monitor to call, hold and conduct a meeting of Eligible Voting Creditors to vote on the Plan Resolution (as defined below) (each a “**Meeting**” and collectively, the “**Meetings**”);
 - c) authorizing, pursuant to section 22 of the CCAA, the classification of creditors into a single class for the purposes of the Meetings and voting on the CCAA Plans;
 - d) approving the procedures to be followed at the Meetings, including voting procedures;
 - e) authorizing, approving and directing the distribution of certain Meeting Materials and other procedures to be followed to provide notice of the Meetings; and
 - f) subject to approval of the CCAA Plans by the requisite majorities of Eligible Voting Creditors, authorizing the Monitors to make a motion for the sanction hearing (the “**Sanction Hearing**”) where the CCAA Court will decide whether to grant an order approving one or more of the CCAA Plans (the “**Sanction Order**”).
- ii) an Order in respect of the Applicant (each a “**Claims Procedure Order**” and collectively, the “**Claims Procedure Orders**”), substantially in the form included at Tab 3 of the Monitor’s Motion Record dated October 17, 2024, *inter alia*, establishing a claims procedure (the “**Claims Procedure**”) for disputing the value and number of votes attributed to the Claims of the Claimants and the identification of Miscellaneous Claims, for voting purposes only, against the Applicant.

5. The Monitor has issued the Eighteenth Report of the Monitor, dated October 25, 2024 to provide its recommendations in connection with the Claims Procedure Orders (the “**Claims Procedure Report**”).
6. For the reasons below, the Monitor seeks the relief described above.

TERMS OF REFERENCE

7. In preparing this Nineteenth 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 in previous Reports of the Monitor), and discussions with RBH management (collectively, the “**Information**”). Except as described in this Nineteenth 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 Nineteenth 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.
8. Future oriented financial information referred to in this Nineteenth 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.

9. Unless otherwise indicated, the Monitor’s understanding of factual matters expressed in this Nineteenth Report concerning the Applicant and its business is based on the Information, and not independent factual determinations made by the Monitor.
10. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars.
11. Unless otherwise defined or specified, all capitalized terms used herein shall have the meaning ascribed to them in the CCAA Plans and, with respect to any particular reference to any particular Tobacco Company, shall have the meaning ascribed to them in the corresponding CCAA Plan.
12. Copies of the Monitor’s Reports, including a copy of this Nineteenth Report, and all motion records and Orders in the CCAA Proceeding are available on the Monitor’s website at 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.

BACKGROUND

13. On June 9, 2015, Mr. Justice Riordan of the Quebec Superior Court (Class Action Division) released a judgment (the “**QCAP Trial Judgment**”) awarding compensatory and punitive damages against RBH, Imperial and JTIM. The Applicants appealed the QCAP Trial Judgment. On March 1, 2019, the Quebec Court of Appeal released its judgment (the “**QCA Judgment**”) which substantially upheld the QCAP Trial Judgment. The QCA Judgment ordered JTIM, Imperial and RBH to pay damages to the QCAPs in the approximate amount of \$13.5 billion¹ (including interest and an additional indemnity). In accordance with the QCAP Trial Judgment and prior to the appeal of that QCAP Trial Judgment, Imperial and RBH collectively deposited \$984 million (the “**Cash Security Deposits**”) with the Quebec Court of Appeal. None of the Applicants appealed the QCA Judgment to the Supreme Court of Canada

¹ All amounts are denominated in Canadian dollars.

prior to filing for CCAA protection and each Applicant's ability to do so, including the associated limitation period, has been stayed pursuant to its respective Initial Order.

14. The QCA Judgment was the catalyst for the Applicants each filing for creditor protection. JTIM, Imperial and RBH each filed for protection pursuant to the CCAA on March 8, 2019, March 12, 2019, and March 22, 2019, respectively (collectively, the “**CCAA Proceedings**”).
15. On April 5, 2019, pursuant to Amended and Restated Initial Orders granted in each of the three CCAA Proceedings (the “**A&R Initial Orders**”), Warren K. Winkler was appointed as mediator (the “**Court-Appointed Mediator**”) to act as a neutral third party to mediate a global settlement of the Tobacco Claims (the “**Mediation**”). Pursuant to the Endorsement of Justice McEwen, dated May 24, 2019, the Mediation is confidential. For this reason, any information discussed herein regarding the Mediation process and the negotiating positions of the parties will be general in nature.
16. Pursuant to the A&R Initial Orders, the CCAA Court directed the parties to engage in the Mediation, in furtherance of a global settlement of the Tobacco Claims. The participants in the Mediation initially consisted of the Applicants and the Parent Companies on the one side, and the Canadian Provinces and Territories, the Quebec Class Action Plaintiffs, the *Knight* Class Action Plaintiffs and the Ontario Flue-Cured Tobacco Growers' Marketing Board on the other side. The Pan-Canadian Claimants' Representative was subsequently appointed on behalf of the remaining Canadian victims in December 2019 and was added as a party to the Mediation. The participants in the Mediation constitute a comprehensive representation of all stakeholders of the tax-paid tobacco industry in Canada.
17. The Mediation began in 2019, initially including the following parties:

Imperial Tobacco Canada Limited (“ITCAN”) and Imperial Tobacco Company Limited (collectively, “Imperial”)
Rothmans, Benson & Hedges Inc. (“RBH”)
JTI-MacDonald Corp. (“JTIM” and with Imperial and RBH, the “Applicants”)
The Consortium of Provinces and Territories²(the “Consortium”)
Province of Ontario (“Ontario”)
Province of Québec (“Quebec”)

² The Consortium of Provinces and Territories is comprised of British Columbia, Manitoba, Nova Scotia, New Brunswick, Prince Edward Island, Saskatchewan, Northwest Territories, Nunavut and Yukon.

*Province of Alberta (“**Alberta**”)*

*Province of Newfoundland and Labrador (“**Newfoundland and Labrador**”, and together with the Consortium, Ontario, Quebec and Alberta, the “**Provinces and Territories**”)*

*Quebec Class Action Plaintiffs (the “**QCAP**”)*

Certain personal injury class action plaintiffs³

*Tobacco Light Class Action Plaintiffs (“**Knight Class Action Plaintiffs**”)*

*Ontario Flue-Cured Tobacco Growers’ Marketing Board (the “**Tobacco Growers**”)*

18. On December 9, 2019, pursuant to an Order of the CCAA Court, The Law Practice of Wagner & Associates, Inc. (the “**Pan-Canadian Claimants’ Representative**” or “**PCCR**”) was appointed to represent the Pan-Canadian Claimants (as defined below). Concurrent with this appointment, the PCCR started participating in the Mediation. Since the PCCR began participating in the Mediation, the mediation parties have consisted of the Provinces and Territories, QCAP, PCCR, *Knight Class Action Plaintiffs*, Tobacco Growers (collectively, the “**Claimants**”) and the Applicants (the “**Mediation Parties**”).
19. The Applicants are Canadian domestic tobacco companies, each a subsidiary of international parent companies, which effectively comprise the legal tax-paid tobacco industry in Canada. The Canadian Provinces and Territories are the claimants with respect to health care recovery claims advanced under statutes created for this purpose. The QCAP claimants advanced claims for damages for personal injuries sustained as a result of consumption of tobacco products sold by the Applicants. The PCC Claims mirror the claims for damages for personal injuries of the QCAPs for victims across Canada not covered by the QCA Judgment. The Tobacco Growers’ claim is advanced on behalf of farmers who were suppliers of tobacco to the Applicants. The *Knight Class Action Plaintiffs* brought a products claim for damages relating to the sale of Imperial’s cigarettes bearing “light” and “mild” descriptors in British Columbia. The total amount of damages claimed exceeded \$1 trillion.
20. Since the Mediation commenced in 2019, the Court-Appointed Mediator and Monitors have participated in extensive discussions and numerous sessions with various combinations of the Mediation Parties. The progress of the Mediation was further complicated by the significant number of Claimants and varying positions held by stakeholders, including within groups of

³ These personal injury class action plaintiffs were later excused from the Mediation process and replaced by the Pan-Canadian Claimants’ Representative, as appointed by the Court on December 9, 2019.

stakeholders represented by certain of the Claimants. The Court-Appointed Mediator convened numerous formal and informal Mediation sessions over five years. These discussions led to a sequence of term sheets exchanged between the Claimants and Applicants, commencing in December 2019 through until July 2023. Ultimately, certain of the Mediation Parties took intractable positions on various issues and these discussions and term sheets failed to result in a consensual resolution that would lead to a global settlement.

21. In his endorsement dated October 5, 2023 (the “**October 5 Endorsement**”), Chief Justice Morawetz determined:

19. In my view, if a successful plan is to be forthcoming, the best chance for the development of such a plan will be achieved by directing neutral parties to collaborate and develop such a plan. In the circumstances, such neutrals are already in place. The three Court-appointed Monitors are well-positioned to collaborate with each other in conjunction with the Court-appointed Mediator to develop such plans.

....

22. Accordingly, I am directing the three Monitors, to work in conjunction with the Honourable Warren K. Winkler, Court-appointed Mediator, to develop Plans of Compromise or Arrangement. The Monitors and the Court-appointed Mediator are also directed to keep this Court updated as to their progress.

22. Since the October 5 Endorsement was released, the Court-Appointed Mediator and Monitors have worked diligently to develop a CCAA Plan, which was then personalized for each Applicant. As such, the three CCAA Plans are materially identical and all three contain substantially all of the same key terms and provisions. The CCAA Plans are the culmination of the many discussions held with the stakeholders since the start of the Mediation. In developing the CCAA Plans, the Court-Appointed Mediator and Monitors considered the range of positions taken by the Mediation Parties, who held highly divergent positions on the issues. The CCAA Plans have been formulated to satisfy, to the greatest extent reasonably possible, the broadest range of the Mediation Parties’ interests and positions.

23. The Court-Appointed Mediator and the Monitors have not prepared information circulars in connection with the CCAA Plans. The Mediation Parties have participated in the Mediation

since 2019, are well aware of the potential risks associated with the Applicants' businesses and have had access to extensive financial and other information via the confidential electronic data rooms populated and maintained by the Monitors. Furthermore, the Court-Appointed Mediator and Monitors would be unable to provide any certification with respect to the businesses and financial information of the Applicants. For these reasons, the Court-Appointed Mediator and Monitors are satisfied that no information circular is necessary or value additive in this circumstance.

STAKEHOLDER ANALYSIS

24. While the Mediation Parties have been known for over five years, have participated extensively in the Mediation and have appeared in motions before this Court, it is prudent to summarize these stakeholders herein.
25. While all three Applicants are involved in the business of distributing and selling cigarettes and other tobacco products, only JTIM and RBH manufacture cigarettes in Canada whereas Imperial imports substantially all of its cigarettes from its affiliates outside Canada. RBH and Imperial also sell certain alternative products, which includes items like vaping devices and other heated tobacco devices.
26. As described above, the QCA Judgment ordered JTIM, Imperial and RBH to pay joint and several damages to the QCAPs in the approximate amount of \$13.5 billion (including interest and an additional indemnity). These damages relate to two class action proceedings: (i) the *Blais* class action and (ii) the *Létourneau* class action (collectively, the “**QCAP Litigation**”). The *Blais* class is on behalf of tobacco smokers in the Province of Québec suffering from lung, larynx or throat cancer or emphysema for the purpose of claiming, for each proposed class member, compensatory and exemplary damages. The *Létourneau* class is on behalf of tobacco smokers in the Province of Québec for the purpose of claiming, for each proposed class member, moral damages resulting from an alleged addiction to nicotine, as well as punitive damages. Although there was \$131 million awarded for the *Létourneau* class, no individual compensation was contemplated.

27. In addition to the QCAP Litigation, the Applicants are also defendants in the following pending litigation:

- a) health care cost recovery actions or claims brought by all the provincial and territorial governments;
- b) certain putative class actions for tobacco-related harms;
- c) a putative class action brought by the Ontario Flue-Cured Tobacco Growers' Marketing Board; and
- d) in the case of Imperial, a class action on behalf of British Columbians who purchased ITCAN's cigarettes bearing "light" and "mild" descriptors on the packaging.

28. In addition to the health care cost recovery actions brought by the provincial governments, the three territories have either enacted or passed similar legislation providing the ability to bring their own commensurate litigation against the Applicants. Collectively, the ten provinces and three territories have asserted damages against the Applicants that are quantified by the Provinces and Territories at approximately \$944.5 billion. This litigation is all at a preliminary stage, with only New Brunswick's action having set a trial date at the time of the CCAA filings. The New Brunswick trial (which was stayed concurrent with the initiation of the CCAA Proceedings) was scheduled to begin on November 4, 2019.

29. As described above, on December 9, 2019, The Law Practice of Wagner and Associates, Inc. was appointed as representative counsel for all individuals (collectively, the "**Pan-Canadian Claimants**" or "**PCCs**") who assert or may be entitled to assert a claim or cause of action against one or more of the Applicants, including their Tobacco Company Groups, relating to harms in respect of:

- a) the development, manufacture, importation, production, marketing, advertising, distribution, purchase or sale of tobacco products;
- b) the historical or ongoing use of or exposure to tobacco products; or

- c) any representation in respect of tobacco products.
30. The PCCs include all individuals who claim to be part of any pre-existing putative class actions for tobacco-related harms, which were stayed pursuant to the applicable Initial Order for each Applicant, but specifically excluding the QCAPs and Tobacco Growers.
31. The Tobacco Growers' class action relates to allegations that the Applicants paid lower prices for tobacco leaf destined for duty-free products, as opposed to the higher domestic leaf price.
32. The *Knight* class action was filed and certified as against ITCAN only. It alleges ITCAN engaged in "deceptive trade practices" contrary to the British Columbia *Trade Practices Act* in the marketing of its cigarette brands with "light" and "mild" descriptors. After several preliminary motions and appeals, the action remains at a preliminary stage and no trial date has been set.
33. While there are certain areas of common interest among the Mediation Parties, there was also a diverse set of positions from the parties. In general, the following are some of the positions of the Mediation Parties which were considered during the development of the CCAA Plans:
- a) that there be a "global" resolution, encompassing all outstanding Tobacco Claims;
 - b) the Applicants' request that there be a global release of all Tobacco Claims for the Applicants and their affiliates and international parent companies (each a "**Parent Company**" and each with their affiliates and subsidiaries, "**Tobacco Company Group**");
 - c) the Parent Companies and Tobacco Company Groups continue to provide shared services and supply goods to the Applicants for the duration of the Contribution Period;
 - d) Annual Contributions are based on future profitability of the Applicants;
 - e) the Claimants are provided access to financial and operational information from the Applicants throughout the duration of the Contribution Period;
 - f) specify dispute resolution procedures;

- g) the scope of the resolution will not include any reference to Alternative Products;
 - h) future Annual Contributions be secured by a first-ranking charge on the assets of the businesses; and
 - i) following payment of the Upfront Contributions, the Applicants retain sufficient cash to fund working capital.
34. In addition to the Mediation Parties, the CCAA Plan also includes provision for potential Putative Miscellaneous Claimants who assert that they have claims which have not been released pursuant to the terms of the CCAA Plans, Claims Procedure Order, Sanction Order, Claimant Contractual Releases and/or any other orders made in the CCAA Proceedings. The existence of any such claims and claimants is not admitted but is expressly denied by the Applicants, their affiliates and the Claimants. For greater certainty, individuals who claim to have suffered tobacco-related harms are not Putative Miscellaneous Claimants, but may be either a QCAP or PCC-Claimant.
35. Notwithstanding the denial of the existence of any such claims, an allocation of funds will be reserved to compensate any proven and accepted Putative Miscellaneous Claimants. Subject to approval of the CCAA Court, notice and claims programs have been designed to provide notice to any as yet unidentified Putative Miscellaneous Claimants, and provide them the opportunity to vote at the Meetings. These notice and claims programs are discussed in greater detail in a separate monitor report. The Miscellaneous Claims Procedure will continue following the CCAA Plans implementation to determine the existence of any Miscellaneous Claims, as described in greater detail below.

CCAA PLANS

36. Certain key terms of the CCAA Plans are summarized in this Nineteenth Report. However, the summary provided does not purport to be exhaustive nor address each and every provision of the CCAA Plans. For greater detail, reference should be made to the CCAA Plans. The summary provided and all references to the CCAA Plans herein are qualified by reference to the text of the CCAA Plans and, in the event of any discrepancy between the summary provided herein and the CCAA Plans, the CCAA Plans shall govern.

Contributions Under the CCAA Plans

37. The primary consideration for the global releases of the Applicants, their affiliates, Parent Companies and Tobacco Company Groups is \$32.5 billion (the “**Global Settlement Amount**”) plus \$35.0 million in addition to the Global Settlement Amount designated to the Miscellaneous Claims Fund. This additional \$35.0 million can be contributed at the unanimous discretion of the Applicants and will not otherwise affect the economics of the CCAA Plans from the perspective of the Claimants. The Global Settlement Amount is made up of funds contributed upfront (“**Upfront Contributions**”) at the time of implementation (the “**Plan Implementation Date**”), and funds to be paid in future years (“**Downstream Contributions**”) until the Global Settlement Amount is fully paid. The Downstream Contributions are made up of payments to be calculated as a percentage of after-tax net income (the “**Annual Contributions**”) and certain tax related refunds and savings in respect of the Contributions.
38. The Upfront Contributions will be equal to (i) the cash on hand of each Applicant as at the month end prior to the Plan Implementation Date, plus (ii) the Cash Security Deposits, less (iii) \$750 million. As such, the exact sum of the Upfront Contributions will not be known until prior to the Plan Implementation Date, however it is currently estimated to be \$12.456 billion as at December 31, 2024 plus \$35.0 million designated to the Miscellaneous Claims Fund. The approximate Upfront Contributions will be allocated among the Claimants as follows:

| Claimant | Amount (billions) |
|---------------------------------------|--------------------------|
| Provinces and Territories | \$6.202 |
| QCAPs | \$3.869 |
| PCCs | \$1.750 |
| Cy-près Foundation | \$0.500 |
| Tobacco Producers | \$0.015 |
| <i>Knight</i> Class Action Plaintiffs | \$0.015 |

| Claimant | Amount (billions) |
|----------------------------------|---|
| Miscellaneous Claims Fund | \$0.025 (plus \$35.0 million additional funds designated to this Miscellaneous Claims Fund) |
| CCAA Plan Administration Reserve | \$0.075 |
| PCC Compensation Plan Reserve | \$0.005 |

39. Because the amount of the Upfront Contributions is not fixed, the Provinces and Territories' share of the Upfront Contributions will be equal to the difference between the total Upfront Contributions less those paid to the other Claimants and to the reserves and Miscellaneous Claims Fund.
40. The Annual Contributions will be calculated as a percentage of Net After-Tax Income subject to certain adjustments, as described in the CCAA Plans (the "**Metric**"). For the first five years following implementation, 85.0% of the Metric will be paid to the Claimants. Subject to the Applicants having made all prior Annual Contributions, the percentage of the Metric to be paid to the Claimants will decrease by increments of 5.0% every five years, until a terminal level of 70.0%, which shall persist until the Global Settlement Amount is paid in full.
41. The Metric is intended to capture the profits of the Canadian operating businesses of each Applicant and the one-time realization of assets, excluding any non-operational transactions. It shall:
- a) be based on the amount generated from all sources by each Applicant, excluding alternative products;
 - b) include interest income;
 - c) include the proceeds of any disposition of any assets, including capital assets and intangible assets;

- d) include the net tax savings realized by each Applicant during the Contribution Period;
 - e) exclude one-time accounting adjustments that are non-operational in nature;
 - f) exclude one-time restructuring and global settlement related adjustments that are non-operational in nature;
 - g) exclude interest expense to related parties; and
 - h) exclude any penalties and fines imposed by taxing and/or regulatory authorities.
42. As any potential claims related to alternative products are not being released pursuant to the CCAA Plans, the financial impact from these alternative products is excluded from the calculation of the Metric. Furthermore, the CCAA Plans require RBH and Imperial to split these business lines into separate corporations (JTIM does not sell Alternative Products in Canada).
43. Due to the uncertain nature of the Applicants' future profits, there is no fixed contribution period. Payments will cease when the aggregate contributions (inclusive of the Upfront Contributions, Annual Contributions and Tax Refund Cash Payments) reach \$32.5 billion. Until the Global Settlement Amount has been paid, the unpaid portion of the contributions will be secured by a first ranking charge on the assets of each of the Applicants, for the benefit of those Claimants to whom amounts remain outstanding (the "**Impacted Claimants**").
44. Including the Upfront Contributions, the Global Settlement Amount will be allocated between the Claimants as follows:

| Period | Upfront Contribution | Annual Contributions | | | | | Remainder to end of Contribution | Total |
|---------------------------------------|----------------------|----------------------|--------------|--------------|--------------|--------------|----------------------------------|---------------|
| | | Year 1 (2025) | Year 2 ('26) | Year 3 ('27) | Year 4 ('28) | Year 5 ('29) | | |
| Amount Available | 12.456 | 1.111 | 1.078 | 1.067 | 1.037 | 1.037 | 14.714 | 32.500 |
| Provinces & Territories | 6.202 | 0.361 | 0.682 | 0.942 | 0.912 | 0.912 | 14.714 | 24.725 |
| QCAPs | 3.869 | 0.250 | | | | | | 4.119 |
| PCCs | 1.750 | 0.500 | 0.271 | | | | | 2.521 |
| Cy-près Foundation | 0.500 | | 0.125 | 0.125 | 0.125 | 0.125 | | 1.000 |
| Tobacco Producers | 0.015 | | | | | | | 0.015 |
| <i>Knight</i> Class Action Plaintiffs | 0.015 | | | | | | | 0.015 |
| Miscellaneous Claims Fund | 0.025 | | | | | | | 0.025 |
| CCAA Plan Administration Reserve | 0.075 | | | | | | | 0.075 |
| PCC Compensation Plan Reserve | 0.005 | | | | | | | 0.005 |
| Total allocated⁴ | 12.456 | 1.111 | 1.078 | 1.067 | 1.037 | 1.037 | 14.714 | 32.500 |

45. The CCAA Plans contain the following statement regarding allocation of the Global Settlement Amount amongst the Applicants:

5.2 The issue of allocation of the Global Settlement Amount as between the Tobacco Companies in the three CCAA Proceedings remains unresolved.

Global Releases of the Applicants, Parent Companies and Tobacco Company Groups

46. In exchange for the Upfront Contributions, the promise to pay the Downstream Contributions and the agreement for the Parent Companies and relevant affiliates to provide shared services

⁴ This allocation table should be read with the notes to it in the CCAA Plans.

and other operational support to the Applicants, each CCAA Plan provides for broad and comprehensive releases to be granted to the Applicants, their Parent Companies and their Tobacco Company Groups for all Tobacco Claims. Broadly speaking, the Claim of any person, organization or party that may have an Affected Claim or Released Claim is being released. In addition, all Claimants will provide a contractual release to each of the Applicants which shall release all possible claims pursuant to subsections 5(2) and 19(2) of the CCAA (the “**Claimant Contractual Releases**”). The full execution of these Claimant Contractual Releases is a condition precedent to the implementation of each CCAA Plan.

47. In connection with these broad releases being granted, the Released Parties and the Provinces and Territories recognize that a legislature’s sovereign power to enact, amend and repeal legislation cannot be fettered. However, in the event that any legislation (including any regulations promulgated thereunder) similar or analogous to the HCCR Legislation may be enacted or amended by a Province or Territory at any time after the Plan Implementation Date, the Released Parties and the Provinces and Territories are in agreement that the enactment of such future legislation shall not render unenforceable or otherwise make ineffective any of the terms of the Claimant Contractual Releases or releases granted pursuant to the CCAA Plans.

Treatment of Stakeholders and Administration of the CCAA Plans

48. The Provinces and Territories are forecast to receive \$24.725 billion. This allocation will be paid from the Upfront Contributions, the Annual Contributions and the Tax Refund Cash Payments. The Provinces and Territories have agreed to apportion their allocation of the Global Settlement Amount as among themselves in the following percentages:

| Province/Territory | Per Cent Share |
|--------------------|----------------|
| Alberta | 12.627% |
| British Columbia | 14.471% |
| Manitoba | 4.525% |
| New Brunswick | 2.412% |

| Province/Territory | Per Cent Share |
|---------------------------|-----------------------|
| Newfoundland and Labrador | 2.147% |
| Northwest Territories | 0.727% |
| Nova Scotia | 3.174% |
| Nunavut | 0.379% |
| Ontario | 28.777% |
| Prince Edward Island | 0.660% |
| Québec | 26.825% |
| Saskatchewan | 2.879% |
| Yukon | 0.397% |
| Total: | 100.000% |

49. The QCAPs will receive an aggregate of \$4.25 billion, of which \$131.0 million will be designated to the Cy-près Foundation. This amount, net of legal fees⁵, will be provided to those QCAPs who suffered from tobacco related lung cancer, throat cancer or emphysema/COPD and submit a valid claim pursuant to the Quebec Administration Plan. Depending on the number of valid claims received, a successful claimant could receive up to \$100,000 for lung and throat cancer and up to \$30,000 for emphysema/COPD. If there are any funds left over after completing the Quebec Administration Plan, those funds will be paid to the Provinces and Territories.

50. Amounts payable to the PCCs will consist of direct compensation and indirect compensation in the form of the Cy-près Foundation.

51. Extensive analytical work was completed to determine the amount to be allocated to the PCC Compensation Plan and individual claims filed pursuant to the PCC Compensation Plan.

⁵ The legal fees of the QCAP counsel, *Knight Class Counsel* and the Tobacco Growers' counsel are subject to approval by the CCAA Court.

52. A detailed statistical analysis was completed based on direct compensation to persons who suffered from lung cancer, throat cancer or emphysema/COPD GOLD Grade III or IV and the number of claims that were anticipated to be received. The amounts of compensation for each category was calculated using the amounts of compensation in the QCA Judgment adjusted to take into account differences between those cases and those in the PCC group. As a result of this analysis the amount of funding required for the PCC Compensation Plan is approximately \$2.521 billion. If there are residual funds after paying all accepted claims pursuant to the PCC Compensation Plan, those funds will be paid to the Provinces and Territories. If a successful PCC-Claimant has passed away since March 8, 2019, their estate may make a claim on their behalf.
53. Both the Quebec Administration Plan and PCC Compensation Plan will be administered by Epiq Class Actions Services Canada, Inc. (the “**Claims Administrator**”), a leader in class action administration in Canada and internationally. In order to make the claims processes for QCAPs and PCC-Claimants more easily accessed, a service provider has been retained to assist these QCAPs and PCC-Claimants in preparing and submitting their claims.
54. In addition, an Administrative Coordinator has been designated, to coordinate the administration of the QCAP and PCC claims processes. This will render these complex claims processes more efficient and simplify them so that claims can be more easily processed and finalized in a shorter time. Daniel Shapiro, K.C. will be appointed as “Administrative Coordinator”.
55. A public charitable foundation (the “**Cy-près Foundation**”) will be established as part of the implementation of each of the CCAA Plans. The Cy-près Foundation is designed to provide indirect compensation to benefit those individuals who would not otherwise be entitled to direct compensation in accordance with the terms of the QCAP and PCC Compensation Plans. The Cy-près Foundation will be funded in the amount of \$1.0 billion allocated from the Global Settlement Amount, which amount is inclusive of the \$131 million contributed from the QCAPs’ compensation.

56. The mission of the Cy-près Foundation is to provide these indirect benefits in the form of research into methods for earlier diagnosis and better treatment of tobacco-related cancers and Emphysema/COPD and/or other tobacco-related harms.
57. The Cy-près Foundation will be chaired by Dr. Robert Bell, an internationally recognized Orthopaedic Surgeon, Clinician-Scientist and Educator with over 40 years of health care experience including as Deputy Minister of Health for Ontario and President and Chief Executive Officer of the University Health Network in Toronto. Dr. Bell's appointment is subject to CCAA Court affirmation.
58. To ensure the Cy-près Foundation is meeting its stated objectives it will be required to report at regular intervals to the CCAA Court. These reports will cover the financial status of the Cy-près Foundation and a description of its activities.
59. The Tobacco Growers and *Knight* Class Action Plaintiffs will each receive \$15.0 million in full consideration for their claims.
60. As described above, the Miscellaneous Claims Fund has \$25.0 million allocated from the Global Settlement Amount, plus an additional \$35.0 million from the Applicants specifically designated to this fund for Putative Miscellaneous Claimants who assert that they have claims which have not been released pursuant to the terms of the CCAA Plans, Claims Procedure Order, Sanction Order, Claimant Contractual Releases and/or any other orders made in the CCAA Proceedings.
61. Any claims existing pursuant to CCAA s. 19(2) and 5.1(2) are being settled by the CCAA Plans releases and Claimant Contractual Releases provided by the Claimants, the execution of which is a condition precedent to implementation of the CCAA Plans.
62. While the Parent Companies and Tobacco Company Groups are not making any direct monetary contributions, they are required to continue supplying intercompany goods, services and licensing arrangements. The Applicants are each highly integrated with their affiliates and Tobacco Company Groups, and without these shared services, would either cease to function, or would function significantly less efficiently. The continued provision of these goods and

services is required for the Applicants to continue operating in the normal course and will meaningfully contribute to their ability to pay the Global Settlement Amount.

Support Amongst the Claimants for the CCAA Plans

63. The QCAP and PCCs, who represent individual victims, and the Tobacco Growers are unanimous in their support of the CCAA Plans. Amongst the Provinces and Territories, ten of the thirteen jurisdictions, support the CCAA Plans.

Oversight, Reporting Requirements and Covenants

64. As described above, the payment of the Global Settlement Amount is divided into two tranches, first the Upfront Contributions which will be paid out upon the Plan Implementation Date, and secondly the Annual Contributions which will be made annually until the total amount of the Global Settlement Amount has been paid. This second tranche could span a period of up to 20 years and by and large is paid to the credit of the Provinces and Territories. Therefore, during the pendency of the second tranche, the Applicants will be required to provide comprehensive and ongoing financial reporting to the Provinces, Territories and any other Impacted Claimants as these Claimants will not yet have received their full allocation of the Global Settlement Amount. These Impacted Claimants will be relying upon this information to determine that the Annual Contributions are appropriate and to inform their expectations as to the Applicants' future performance. To this end, the CCAA Plans provide that the Monitors will continue after the Plan Implementation Date as "CCAA Plan Administrators" to facilitate the administration of the CCAA Plans and the exchange of information between the Applicants and the Impacted Claimants. As such, the CCAA Plan Administrators will play a key role in the continuing relationship between the Applicants and Impacted Claimants which will span the duration of the Contribution Period. Each of the Tobacco Companies must provide each year:

- a) by May 15: Q1 financial statements;
- b) by August 15: Q2 financial statements;

c) by November 15: Q3 financial statements; and

d) by March 15: Q4 financial statements.

65. In addition, by March 31 of every year, the Tobacco Companies will be required to provide audited annual financial statements, including notes. On an annual basis, by May 15, the Tobacco Companies will also be required to provide 5 year business plans. These business plans will include sufficiently detailed information (which is described in more detail in the CCAA Plans) to allow the Provinces, Territories and Impacted Claimants to understand the financial and operational outlook of each Tobacco Company and estimate the Annual Contributions to be made in the succeeding years. Similar 5 year business plans have been provided to those Claimants who executed non-disclosure agreements during the pendency of the CCAA Proceedings.
66. The Applicants will also be subject to covenants requiring continued operations in a manner consistent with the business plan and restricting non-operational changes to the businesses. Non-compliance with these covenants may result in a breach or event of default, depending on the severity of the infraction. Events of default, such as a failure to pay an Annual Contribution, result in an Aggrieved Party being immediately entitled to exercise all rights and remedies available pursuant to the CCAA Plan and other relevant documents and laws.
67. If a breach, which are less serious events, cannot be resolved between the respective Applicant and the Aggrieved Parties, it shall proceed to binding arbitration, or the CCAA Court, if the CCAA Court chooses to hear the dispute, for a final resolution.
68. To aid in efficient communication following the Plan Implementation Date, the Provinces and Territories have created a liaison committee (the “**Provincial and Territorial Liaison Committee**” or “**PTLC**”) to centralize decision making among their jurisdictions. The comprehensive terms of the PTLC are attached as Schedule “AA” to the RBH CCAA Plan. The CCAA Plan Administrators will only interact with the PTLC Chair, and not every Province and Territory. Furthermore, under no circumstances shall a PTLC Member, other public servant of, or a financial, legal or other advisor to, any Province or Territory contact an Applicant or a member of a Tobacco Company Group to make an Information Request and thereby bypass the PTLC Chair or the CCAA Plan Administrators.

69. Under certain circumstances, Impacted Claimants may participate in Interface Meetings with the PTLC and CCAA Plan Administrators.

Role of the CCAA Plan Administrators

70. Subject to Order of the CCAA Court, following the Plan Implementation Date the Monitors will each assume the role of CCAA Plan Administrator. In this role, the CCAA Plan Administrators will be neutral and independent and serve as a conduit between the Applicants, the Claimants, the CCAA Court, the Claims Administrator and the Administrative Coordinator. The CCAA Plan Administrators will not be or be deemed to be the representatives of the Claimants, Tobacco Companies or Tobacco Company Groups for the purposes of implementing and administering the CCAA Plans, nor will they have the authority to bind any of the Claimants, Tobacco Companies or Tobacco Company Groups.

71. Among other things, the CCAA Plan Administrators shall:

- a) on an annual basis, receive and review the respective business plan which each Applicant will provide;
- b) on a quarterly basis, receive and review the respective financial statements of each Applicant;
- c) on an annual basis, receive and review the respective financial statements with notes of each Applicant;
- d) receive and review the information provided by each respective Applicant regarding the calculation of the Annual Contributions and Tax Refund Cash Payments, and reporting to the Provinces, Territories and any Impacted Claimants regarding the same;
- e) receive and review the information that each respective Applicant shall provide in response to the ad hoc information requests made from time to time by the CCAA Plan Administrators;

- f) report to the Provinces, Territories and any Impacted Claimants regarding any issue, event or condition pertaining to an Applicant which is disclosed to the CCAA Plan Administrators and causes or would reasonably be expected to cause a Material Adverse Effect on the Applicant, or constitutes a breach or event of default;
- g) administer the distribution to the Claimants of the Upfront Contributions, Annual Contributions and Tax Refund Cash Payments;
- h) oversee the administration of the PCC Compensation Plan and Quebec Administration Plan, and reporting to the CCAA Court regarding the same;
- i) certain oversight activities regarding the Cy-près Foundation; and
- j) report to the CCAA Court on an annual basis, or at any other times in their discretion, or as the CCAA Court directs.

72. For greater certainty, the CCAA Plan Administrators shall not conduct an audit or other assurance engagement, or otherwise attempt to verify the accuracy or completeness of the Applicant's financial information and any information produced by an Applicant in response to an ad hoc request from the CCAA Plan Administrators.

73. Also for greater certainty, the duties and responsibilities of the CCAA Plan Administrators shall be fully described in orders of the CCAA Court appointing the CCAA Plan Administrators.

74. In completing their tasks, the CCAA Plan Administrators shall communicate with:

- a) the Chair of the Provincial and Territorial Liaison Committee representing the Provinces and Territories;
- b) the Administrative Coordinator in regard to the Quebec Administration Plan and the Quebec Class Counsel representing the Quebec Class Action Plaintiffs;
- c) the Administrative Coordinator in regard to the PCC Compensation Plan and the PCCR for the Pan-Canadian Claimants;

- d) Dr. Robert Bell, the Chair of the Cy-près Foundation;
- e) *Knight* Class Counsel;
- f) counsel for the Tobacco Growers; and
- g) the Applicants.

75. Notwithstanding the foregoing, in the performance of their duties and responsibilities under the CCAA Plan, the CCAA Plan Administrators may, in their discretion, communicate with any individuals as necessary or desirable.

76. The CCAA Court will retain jurisdiction and provide ongoing supervision until the entirety of the Global Settlement Amount has been paid. The CCAA Plan Administrators, the Court-Appointed Mediator, the Claims Administrator (for the PCC Compensation Plan) and the Administrative Coordinator will all be paid by the Applicants on an ongoing basis. The Claims Administrator fees in relation to the Quebec Administration Plan will be paid from the allocation to the QCAPs. There will be a reserve established for the CCAA Plan Administrators and Claims Administrator, which will be released to the unpaid claimants when their respective engagements are complete.

MEETING ORDERS⁶

Background

77. Certain key terms of the Meeting Orders are summarized below. The summary does not address each and every provision of the Meeting Orders and, accordingly, reference should be made to the Meeting Orders in their entirety.

78. The proposed Meeting Orders authorizes and directs each Monitor to convene the Meetings to be held virtually by videoconference, for the purpose of considering and, if deemed advisable, voting on a resolution to approve the CCAA Plans and the transactions contemplated therein

⁶ Terms used and not otherwise defined herein shall have the meaning ascribed thereto in the Meeting Orders.

(the “**Plan Resolution**”). The proposed Meeting Orders set out the following schedule for the Meetings:

| Applicant | Time and Date |
|-----------|---------------------------------|
| Imperial | December 12, 2024 at 11:00 a.m. |
| RBH | December 12, 2024 at 1:00 p.m. |
| JTIM | December 12, 2024 at 3:00 p.m. |

79. Pursuant to the Meeting Orders, the Monitors are required to publish on each Monitor’s website, no later than November 29, 2024, the applicable Meeting Materials, which will be comprised of: (i) the Omnibus Notice; (ii) the Proxy and Proxy Instructions (in the form attached to the Meeting Order); (iii) the applicable Meeting Order; (iv) the applicable CCAA Plan; and (v) the Monitor’s Report (the “**Meeting Materials**”).
80. The Meeting Orders provide that the Chair of each Meeting, as a representative of the applicable Monitor, will conduct and chair the Meetings, subject to any further order of the CCAA Court, and shall decide all matters relating to the conduct of each Meeting, including whether to appoint scrutineers or a secretary.

Attending and Voting at the Meetings

81. The quorum required at each Meeting is one Eligible Voting Creditor (as defined below), present in person or by Proxy (in each case by electronic means), who is entitled to vote at the applicable Meeting. If the requisite quorum is not present at the applicable Meeting, the applicable Chair will adjourn the Meeting to such date and time as such Chair determines appropriate in their sole discretion.
82. The Chair shall direct a vote with respect to the Plan Resolution to approve the applicable CCAA Plan.
83. Pursuant to the proposed Meeting Orders, the only Persons entitled to attend the Meetings are: (a) the applicable Applicant and their legal counsel and advisors; (b) the applicable Directors

and their legal counsel and advisors; (c) the Monitors and their legal counsel; (d) the Court-Appointed Mediator and his legal counsel; (e) the Claimants, and if applicable, any Putative Miscellaneous Claimants that have filed a Miscellaneous Claimant Proof of Claim by the Miscellaneous Claims Bar Date, and their respective legal counsel (together, the “**Eligible Voting Creditors**”); and (f) any other Person admitted on invitation of the Chair.

84. For the purposes of attending and voting at the Meetings, the Meeting Orders appoint the following representatives of certain Claimants and authorizes them to vote all of the Voting Claims of their respective Claimants as proxies, without the need to provide any Proxy or other document:

- a) PCCR on behalf of all Pan-Canadian Claimants;
- b) Quebec Class Counsel on behalf of all Quebec Class Action Plaintiffs;
- c) counsel to the Tobacco Growers on behalf of all Tobacco Growers; and
- d) *Knight* Class Counsel on behalf of all the *Knight* Class Action Plaintiffs.

85. The amount of a Voting Claim will be as set out in the Claims Procedure Orders and the Statement of Negative Notice Claim or Miscellaneous Claimant Proof of Claim, subject to the Claims Procedure, as set out more fully in the Claims Procedure Report. Each Putative Miscellaneous Claimant will have one vote as set out in the applicable CCAA Plan and the value attributed to such vote shall be equal to the aggregate CAD value of such Putative Miscellaneous Claimant’s Voting Claim.

86. The Meeting Orders provide that individuals that have asserted or may be entitled to assert a Tobacco Claim shall not be permitted to file a Miscellaneous Claimant Proof of Claim, attend the Meetings or vote on the CCAA Plans as they are represented by the PCCR or Quebec Class Counsel.

Approval of the CCAA Plans, Voting Tabulation and Reporting

87. The vote on the Plan Resolution to approve the applicable CCAA Plan must receive an affirmative vote by a majority in number and two-thirds majority in dollar value of the Eligible

Voting Creditors present and voting at the applicable Meeting in person or by proxy (the “**Required Majority**”).

88. The Monitors, or the scrutineers if appointed, shall tabulate the votes cast at the Meetings and record, each on separate ledgers: (a) the votes of the Claimants; and (b) the votes of Putative Miscellaneous Claimants. Following tabulation of the votes, the Monitors shall determine whether the Plan Resolution has been approved by the Required Majority.
89. The Monitors, as soon as practicable following the Meetings, shall file a report with the Court with respect to the results of the votes on the separate ledgers of the Claimants and the Putative Miscellaneous Claimants with respect to approval of the Plan Resolution, including whether: (a) the CCAA Plans have been approved by the Required Majority, and (b) any other matters relating to the applicable Meeting or the application for the Sanction Hearing that the Monitor considers appropriate.
90. The result of any vote conducted at the Meetings shall be binding upon all Claimants, whether or not any such Claimant was present or voted at the Meetings.

Plan Sanction

91. The proposed Meeting Order also seeks to authorize the Monitor to bring a motion to establish a court date for the Sanction Hearing, at which the Monitor will seek a Sanction Order, sanctioning the RBH CCAA Plan if approved by the Required Majority in each case.

Monitor’s Recommendation

92. After over four years of intensive Court-ordered Mediation resulting in intractable positions taken by various participants, and no consensual resolution in sight, the CCAA Court directed the Court-Appointed Mediator and Monitors to prepare a CCAA Plan for each of the Applicants. The Court-Appointed Mediator and Monitors have fulfilled this mandate and are seeking approval to file the CCAA Plans and accompanying Orders.

93. The Monitor is of the view that the RBH CCAA Plan ought to be accepted for filing and presented to the creditors at the Meeting to be voted upon. Subject to a positive vote by the Required Majority at the Meeting, the Monitor intends to present the RBH CCAA Plan to the CCAA Court for approval at the Sanction Hearing. The Monitor submits that the RBH CCAA Plan is fair, reasonable and workable given the complexity, number of parties, the magnitude of the claims and the totality of the circumstances leading up to the formulation of the RBH CCAA Plan. The CCAA Plans represent a global resolution on an industry-wide basis as mandated by the CCAA Court at the inception of this process.

94. For these reasons, the Monitor recommends the proposed Meeting Order be granted, including accepting the RBH CCAA Plan for filing.

All of which is respectfully submitted this 25th day of October, 2024.

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

Per:

A handwritten signature in black ink, appearing to be 'MK' or similar initials, written in a cursive style.

Matt Kaplan
Senior Vice President

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

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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

TWENTY-THIRD REPORT OF ERNST & YOUNG INC.

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TAB 3

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE CHIEF) [FRIDAY], THE [31ST]
JUSTICE MORAWETZ) DAY OF [JANUARY], 2025

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.**

SANCTION ORDER

THIS MOTION, made by Ernst & Young Inc. (“**EYI**”) in its capacity as court-appointed Monitor of the Applicant (the “**Monitor**”) pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) for an Order to, among other things, approve and sanction the first amended and restated Court-Appointed Mediator’s and Monitor’s CCAA Plan of Compromise and Arrangement in respect of the Applicant dated December 5, 2024 (the “**CCAA Plan**”), attached hereto as **Schedule “A”**.

ON READING the Notice of Motion of the Monitor and the Twenty-Third Report of the Monitor dated January 15, 2025 (the “**Monitor’s Report**”), and upon hearing the submissions of counsel to the Honourable Warren K. Winkler K.C. (the “**Court-Appointed Mediator**”), counsel to the Monitor, counsel to the Applicant, and those other parties listed on the Participant Information Form, no one appearing for any other person on the Service List, although properly

served with the Monitor's Motion Record dated January 15, 2025, as appears from the Affidavit of Service of ●, sworn January ●, 2025;

INTERPRETATION

1. **THIS COURT ORDERS** that certain capitalized terms in this Sanction Order shall have the following meanings, which correspond to the defined terms in the CCAA Plan, and any other capitalized terms in this Sanction Order shall have the meanings ascribed to them in the CCAA Plan:

- a. **"Affected Claim"** means any Claim, other than an Unaffected Claim, against RBH. For greater certainty, all Tobacco Claims, including the Provincial HCCR Claims, Territorial HCCR Claims, QCAP Claims, PCC Claims, *Knight* Claims, Tobacco Producers Claims and Miscellaneous Claims are Affected Claims.
- b. **"Affected Creditor"** means a creditor who holds an Affected Claim.
- c. **"Claimant Contractual Release"** means the release in the form attached to the CCAA Plan as Schedule "W" which the Claimants shall provide to the Released Parties that will fully, finally, irrevocably and unconditionally release and forever discharge the Released Parties of and from the Claimants' respective Released Claims, provided that such Claimant Contractual Release shall not release any of the Non-Released Claims.
- d. **"Claims"** means any and all manner of requests, demands, complaints, claims (including claims for contribution or indemnity), rights, actions, causes of action, class actions, cross-claims, counterclaims, applications, proceedings, appeals,

arbitrations, suits, debts, sums of money, liabilities, accounts, covenants, damages, losses, injuries, judgments, orders (including orders for injunctive relief or specific performance and compliance orders), interest, additional indemnity, expenses, executions, encumbrances, and recoveries on account of any liability, duty, obligation, demand or cause of action of whatever nature, in each case, of any kind, character or nature whatsoever, whether asserted or unasserted, known or unknown, suspected or unsuspected, liquidated or unliquidated, matured or unmatured, contingent or actual, disputed or undisputed, foreseen or unforeseen, and direct, indirect, or derivative, at common law or civil law, in equity, or under statute, and “**Claim**” means any one of them.

- e. “**Director**” means any Person who, as at the Effective Time, is a former or present director or officer of RBH or any other Person of a similar position or who by Applicable Law is deemed to be or is treated similarly to a director or officer of RBH or who currently manages or supervises the management of the business and affairs of RBH or did so in the past.
- f. “**Initial Order**” means the initial order commencing the CCAA Proceeding of RBH, as amended and restated from time to time.
- g. “**Global Settlement Amount**” means the amount of \$32.5 billion contemplated under the CCAA Plan.
- h. “**Plan Implementation Date**” means the date upon which all of the Plan Implementation Conditions and the conditions to other Definitive Documents have been satisfied or waived and the transactions contemplated by the CCAA Plan, the

Sanction Order and the other Definitive Documents are to be implemented, as evidenced by the Monitor's Plan Implementation Date Certificate to be delivered to RBH and filed with the CCAA Court.

- i. **“Released Claims”** means, collectively, any and all of the following Claims, excluding Unaffected Claims:
 - (a) any Tobacco Claims; and
 - (b) any Claims:
 - (i) in respect of the assets, obligations, business or affairs of the Released Parties in Canada or, in the case of RBH, anywhere else in the world, relating to Tobacco Products, which are based on, arising from or in respect of any conduct, act, omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing, fact, matter or occurrence existing or taking place at or prior to the Effective Time (whether or not continuing thereafter);
 - (ii) in respect of the CCAA Proceedings up to the Effective Time, provided that such Released Party is not determined by a final order of the CCAA Court to have committed fraud in the CCAA Proceedings;
 - (iii) existing at or prior to the Effective Time that have been advanced, that could have been advanced or could be advanced in the CCAA Proceeding; and
 - (iv) released as against the Monitors, CCAA Plan Administrators, Foreign Representative, Court-Appointed Mediator and

Administrative Coordinator pursuant to Article 18, Sections 18.1.4, 18.1.5 and 18.1.6 of the CCAA Plan.

For greater certainty, Released Claims include all Tobacco Claims in respect of fraud, misrepresentation or omission that have been or could have been asserted in any proceeding initiated prior to the Effective Time, including all Claims released by the Release and the Claimant Contractual Release.

- j. **“Released Parties”**, collectively, means:
- (a) ITCAN,
 - (b) ITCO,
 - (c) RBH,
 - (d) JTIM,
 - (e) British American Tobacco p.l.c.,
 - (f) Philip Morris International Inc.,
 - (g) JT International Holding B.V.,
 - (h) the ITCAN Subsidiaries,
 - (i) B.A.T. Investment Finance p.l.c.,
 - (j) B.A.T Industries p.l.c.,
 - (k) British American Tobacco (Investments) Limited,
 - (l) Carreras Rothmans Limited,
 - (m) Philip Morris U.S.A. Inc.,
 - (n) Philip Morris Incorporated,
 - (o) Philip Morris Global Brands Inc.,
 - (p) Philip Morris S.A.,

- (q) Rothmans Inc.,
 - (r) Ryesekks p.l.c.,
 - (s) Altria Group, Inc.,
 - (t) R.J. Reynolds Tobacco Company,
 - (u) R.J. Reynolds Tobacco International Inc.,
 - (v) RJR Nabisco, Inc.,
 - (w) JT International SA,
 - (x) JT Canada LLC Inc.,
 - (y) Japan Tobacco Inc.,
 - (z) JTIM TM,
 - (aa) Canadian Tobacco Manufacturers' Council, and
 - (bb) every other current or former Affiliate of any of the companies listed in subparagraphs (a) to (z) herein, and each of their respective indemnitees,
- and **“Released Party”** means any of them. Each Released Party includes their respective Representatives.

k. **“Releasers”**, collectively, means:

- (a) the Provinces and Territories,
- (b) the Quebec Class Action Plaintiffs,
- (c) the Pan-Canadian Claimants,
- (d) the Knight Class Action Plaintiffs,
- (e) the Tobacco Producers, and
- (f) every other Person having an Affected Claim or a Released Claim,

and **“Releasor”** means any one of them. **“Releasers”** and **“Releasor”** shall include

their respective Representatives.

1. **“Tobacco Claim”** means any Claim of any Person against or in respect of a Tobacco Company and/or any Director thereof, or any member of its Tobacco Company Group and/or any Director thereof, that has been advanced (including, without limitation, in any outstanding or pending litigation), that could have been advanced or that could be advanced, and whether such Claim is on such Person’s own account, on behalf of another Person, as a dependent of another Person, or on behalf of a certified or proposed class, or made or advanced by a Government, or an agency, insurer, employer or otherwise, under or in connection with Applicable Law, or under any current or future statute to recover damages or any other remedy or costs in respect of the development, design, manufacture, production, marketing, advertising, distribution, purchase, sale or disposition of Tobacco Products, the use of or exposure (whether directly or indirectly) to Tobacco Products or their emissions, the development of any disease related to the use of Tobacco Products, or any representation or omission in respect of Tobacco Products, including any misrepresentations, breach of duty or fraud in respect thereof by any member of the Tobacco Company Group or its Representatives in Canada or, in the case of the Tobacco Company, anywhere else in the world, in each case based on, arising from or in respect of any conduct, act, omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing, fact, matter or occurrence existing or taking place at or prior to the Effective Time (whether or not continuing thereafter) and including any such Claim that is a Section 5.1(2) Claim or Section 19(2) Claim. For greater certainty, Tobacco Claim

includes:

- (a) any Provincial HCCR Claim;
 - (b) any Territorial HCCR Claim;
 - (c) any QCAP Claim;
 - (d) any PCC Claim;
 - (e) any Knight Claim; and
 - (f) any Tobacco Producers Claim.
- m. **“Tobacco Companies”** means, collectively, Imperial, RBH and JTIM, and
“Tobacco Company” means any one of them.
- n. **“Unaffected Creditor”** means a Person who has an Unaffected Claim.

2. **THIS COURT ORDERS** that all references to the word “including” or “includes” shall mean “including without limitation” or “includes without limitation” as the case may be.

3. **THIS COURT ORDERS** that, unless the context otherwise requires, words importing the singular shall include the plural and *vice versa*, and words importing any gender shall include all genders.

4. **THIS COURT ORDERS** that, unless otherwise specified, all references to currency are in Canadian dollars.

NOTICE AND CONDUCT OF CLAIMS PROCEDURE AND MEETING

5. **THIS COURT ORDERS AND DECLARES** that there has been good and sufficient notice, service, and/or delivery of the CCAA Plan, the Claims Procedure Order, the Claims Package (as defined in the Claims Procedure Order) and the Meeting Materials (as defined in the Meeting Order dated October 31, 2024 (the “**Meeting Order**”)) to all Persons upon which notice, service, and/or delivery were required.

6. **THIS COURT ORDERS AND DECLARES** that the Meeting was duly called, convened, held, and conducted on December 12, 2024 and complied with the Meeting Order, the CCAA and all other Orders of the Court in this CCAA Proceeding.

NOTICE AND CONDUCT OF SANCTION HEARING

7. **THIS COURT ORDERS AND DECLARES** that there has been good and sufficient notice, service, and/or delivery of the Omnibus Sanction Hearing Notice, Sanction Hearing Objection Notice and Sanction Protocol Order dated December 23, 2024 (the “**Sanction Protocol Order**”) to all Persons upon which notice, service, and/or delivery were required.

8. **THIS COURT ORDERS AND DECLARES** that the Sanction Hearing complied with the Sanction Protocol Order, the CCAA and all other Orders of the Court in this CCAA Proceeding, and:

- (a) the Sanction Hearing was open to all of the Affected Creditors and all other Persons, including Putative Miscellaneous Claimants, with an interest in RBH, and that such Affected Creditors and other Persons were permitted to be heard at the Sanction Hearing; and

- (b) all of the Affected Creditors and all other Persons on the Common Service List were given adequate notice thereof.

SANCTION OF THE CCAA PLAN

9. THIS COURT ORDERS AND DECLARES that:

- (a) the CCAA Plan has been approved by the Required Majority of the Affected Creditor Class in compliance with the Meeting Order and the CCAA Plan and in accordance with the CCAA;
- (b) the Applicant, the Court-Appointed Mediator, the Monitor and their Representatives have complied with the provisions of the CCAA and the Orders of the Court made in this CCAA Proceeding;
- (c) the activities and conduct of the Directors during this CCAA Proceeding be and are hereby ratified and approved;
- (d) the activities and conduct of the Court-Appointed Mediator, the Monitor and their Representatives in this CCAA Proceeding including, without limitation, in relation to conducting and administering the Mediation, be and are hereby ratified and approved, and that the Court-Appointed Mediator and the Monitor have satisfied all of their obligations up to and including the date of this Sanction Order;
- (e) the Applicant, the Court-Appointed Mediator and Monitor and their Representatives have acted, and continue to act, in good faith and with due diligence, and have not done or purported to do anything, nor does the CCAA Plan

do or purport to do anything, that is not authorized by the CCAA or the Orders of the Court in this CCAA Proceeding; and

- (f) the CCAA Plan and all of the matters and transactions contemplated thereby are fair and reasonable.

10. **THIS COURT ORDERS** that the CCAA Plan, its terms and conditions, including all associated steps, compromises, transactions, arrangements, agreements, releases, injunctions, and reorganizations effected thereby (including the appointment of EYI as the CCAA Plan Administrator pursuant to the terms of the CCAA Plan Administrator Appointment Order) are hereby sanctioned and approved pursuant to Section 6 of the CCAA.

11. **THIS COURT ORDERS** that, as at the Effective Time, the CCAA Plan and all associated steps, compromises, arrangements, releases, injunctions, transactions and reorganizations effected thereby will be binding and effective upon and with respect to the Applicant, all the Affected Creditors, the Released Parties and all other Persons named or referred to in, or subject to, the CCAA Plan or the Sanction Order.

12. **THIS COURT ORDERS** that any omission in this Order to refer to a specific provision of the CCAA Plan shall not diminish or impair the effectiveness of such provision, it being the intent of the CCAA Court that the CCAA Plan be approved in its entirety. Notwithstanding and without limitation to the foregoing, certain administrative matters contemplated in the CCAA Plan that are not specifically addressed in this Sanction Order or the CCAA Plan Administrator Appointment Order, including, but not limited to, matters related to the Cy-Pres Foundation as described in Section 9.4 of the CCAA Plan and the transfer of the Alternative Product Business to

NewCo as described in Section 4.1 of the CCAA Plan shall be the subject of further Order(s) of the Court.

13. **THIS COURT ORDERS** that, without limitation to paragraphs 9 – 12 of this Sanction Order, the Quebec Administration Plan and the PCC Compensation Plan are hereby approved and all applicable Persons are authorized and directed to comply with and implement the Quebec Administration Plan and the PCC Compensation Plan.

14. **THIS COURT ORDERS** that, subject to the performance by the Applicant of its obligations under the CCAA Plan, all obligations, contracts, leases, agreements and other arrangements to which the Applicant is a party at the Effective Time and that have not been terminated or disclaimed pursuant to the applicable paragraph of the Initial Order and related provisions of the CCAA shall remain in full force and effect, and unamended as of the Effective Time, and no Person who is a party to any such obligation, contract, lease, agreement or other arrangement shall, at or following the Effective Time, accelerate, terminate, refuse to renew, rescind, refuse to perform or otherwise repudiate its obligations thereunder, or enforce or exercise (or purport to enforce or exercise) any right or remedy (including any right of set-off, dilution or other remedy) or make any demand under or in respect of any such arrangement and no automatic termination will have any validity or effect, by reason of:

- (a) any event that occurred at or prior to the Effective Time and is not continuing thereafter, or which is or continues to be suspended or waived under the CCAA Plan, that would have entitled such Person to enforce those rights or remedies (including defaults or events of default arising as a result of the insolvency of the Applicant);

- (b) the insolvency of the Applicant or the fact that the Applicant sought or obtained relief under the CCAA;
- (c) any compromises or arrangements effected pursuant to the CCAA Plan, or any action taken or transaction effected pursuant to the CCAA Plan; or
- (d) the fact that the Applicant has sought or obtained relief or taken steps as part of this CCAA Proceeding.

PLAN IMPLEMENTATION

15. THIS COURT ORDERS that:

- (a) each of the Applicant and the Monitor, and their respective Representatives, is hereby authorized and directed to take all steps and actions, and to do all things, necessary or appropriate to implement the CCAA Plan, in accordance with and subject to its respective terms and conditions, and to enter into, execute, deliver, complete, implement and consummate all of the steps, transactions, distributions, payments, deliveries, allocations, instruments and agreements contemplated by, and subject to, the terms and conditions of the CCAA Plan;
- (b) all distributions and payments under the CCAA Plan shall be free and clear of all claims, rights and interests of any Person, including, without limitation all the CCAA Charges;
- (c) the Applicant, the Monitor and their respective Representatives, shall not incur any liability as a result of acting in accordance with the terms of the CCAA Plan and this Sanction Order;

- (d) all conduct of the Monitor and the Monitor's Representatives in relation to RBH is approved and all claims against them arising from or relating to the services provided to RBH up to and including the date of the Sanction Order is barred; and
- (e) the Monitor, the CCAA Plan Administrator and their respective Representatives shall be entitled to rely on the books, records or information of the Applicant and any information provided by the Applicant, without independent investigation, and shall incur no liability as a result of any errors or omissions in such books, records or information.

16. **THIS COURT ORDERS** that the restructuring steps as set out in Article 4 of the CCAA Plan (the "**Restructuring Steps**") including the transactions, arrangements, reorganizations, transfers, assignments, compromises, settlements, payments, discharges, injunctions and releases to be effected on the Plan Implementation Date in accordance with Section 4.2 of the CCAA Plan, are hereby authorized and approved, and the Restructuring Steps are, and shall be deemed, to occur and be effected in accordance with the terms of the CCAA Plan (and, to the extent applicable, in the sequence and at the times contemplated by the CCAA Plan), without any further act or formality.

17. **THIS COURT ORDERS** that, following the Effective Time, the Monitor, the Court-Appointed Mediator and their respective counsel shall continue to be entitled to receive payment of their respective fees and disbursements incurred in respect of the implementation of the CCAA Plan and this CCAA Proceeding, and the Applicant is hereby authorized and directed to make such payments on a bi-weekly basis and, in respect of the Court-Appointed Mediator and its counsel, their fees and disbursements shall be allocated equally among the Tobacco Companies.

18. **THIS COURT ORDERS** that, at the Effective Time, any obligations of the Applicant to provide financial reporting pursuant to any Order or agreement entered into in connection with this CCAA Proceeding or Pending Litigation shall cease and be replaced with the obligations set forth in Article 10, Section 10.1 to Section 10.10 of the CCAA Plan (provided that any reporting of non-public information will be subject to non-disclosure arrangements satisfactory to the Applicant).

Reserves

19. **THIS COURT ORDERS** that the establishment of the CCAA Plan Administration Reserve is hereby approved.

20. **THIS COURT ORDERS** that the establishment of the PCC Compensation Plan Reserve is hereby approved.

21. **THIS COURT ORDERS** that the CCAA Plan Administrators shall hold the CCAA Plan Administration Reserve in trust for those entitled to be paid CCAA Plan Administration Reserve Costs in accordance with the provisions of Section 15.1 of the CCAA Plan and the CCAA Plan Administrator Appointment Order.

22. **THIS COURT ORDERS** that the CCAA Plan Administrators shall hold the PCC Compensation Plan Reserve in trust for those entitled to be paid PCC Compensation Plan Reserve Costs, in accordance with the provisions of Section 15.2 of the CCAA Plan and the CCAA Plan Administrator Appointment Order.

23. **THIS COURT ORDERS** that the CCAA Plan Administrator is hereby authorized and directed to distribute funds from the CCAA Plan Administration Reserve and the PCC

Compensation Plan Reserve in accordance with the provisions of the CCAA Plan and the CCAA Plan Administrator Appointment Order.

Claims Administrator and Administrative Coordinator

24. **THIS COURT ORDERS** that, in accordance with the terms of the CCAA Plan,
- (a) Epiq Class Actions Services Canada Inc. is hereby appointed as the Claims Administrator; and
 - (b) Daniel Shapiro, K.C. is hereby appointed as the Administrative Coordinator.
- and such parties shall have the powers, rights and obligations as set out in the CCAA Plan.

25. **THIS COURT** orders that all Persons shall co-operate fully with the Monitor, the Claims Administrator and Administrative Coordinator in the exercise of their powers and discharge of their obligations and provide such parties with the assistance that is necessary to enable them to adequately carry out their functions.

26. **THIS COURT ORDERS** that, each of the Persons appointed pursuant to paragraph 24 hereof shall incur no liability or obligation as a result of their appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on their part.

Plan Implementation Date Certificate

27. **THIS COURT ORDERS** that the certificate substantially in the form attached hereto as **Schedule “B”** (the “**Plan Implementation Date Certificate**”) is hereby approved and, upon the Monitor receiving confirmation that all conditions precedent to implementation of the CCAA Plan

as set out in Section 19.3 and 19.4 of the CCAA Plan have been fulfilled or waived, the Monitor shall deliver the Plan Implementation Date Certificate to the Applicant certifying that the Plan Implementation Date has occurred.

28. **THIS COURT ORDERS** that the Monitor is hereby authorized and directed as soon as practicable to serve on the Common Service List and post on the Monitor's Website the Plan Implementation Date Certificate. The Monitor shall file the Plan Implementation Date Certificate with this Court as soon as reasonably practicable following service thereof to the Common Service List.

EFFECT ON AFFECTED CLAIMS AND MISCELLANEOUS CLAIMS

29. **THIS COURT ORDERS** that each Affected Creditor and each Person holding a Released Claim or Miscellaneous Claim and all other Persons named or referred to in or subject to the CCAA Plan is hereby deemed to have consented to all of the provisions of the CCAA Plan, in its entirety, and each Affected Creditor is hereby deemed to have executed and delivered to the Applicant all consents, releases, directions, assignments and waivers, statutory or otherwise, required to implement and carry out the CCAA Plan in its entirety.

30. **THIS COURT ORDERS** that any Person that did not file a Miscellaneous Claimant Proof of Claim in respect of a Miscellaneous Claim by the Miscellaneous Claims Bar Date in accordance with the Claims Procedure Order shall be and is hereby fully, finally, irrevocably and forever barred, estopped, stayed and enjoined from making any such Miscellaneous Claim and shall not be entitled to any consideration under the CCAA Plan, and such Person's Miscellaneous Claim shall be and is hereby fully, finally, irrevocable and forever barred and extinguished.

31. **THIS COURT ORDERS** that, from and after the Effective Time, each Putative Miscellaneous Claimant that filed a Miscellaneous Claimant Proof of Claim in respect of a Miscellaneous Claim by the Miscellaneous Claims Bar Date in accordance with the Claims Procedure Order will be limited to recovering from the Miscellaneous Claims Fund in respect of such Miscellaneous Claim in accordance with the CCAA Plan, and such Putative Miscellaneous Claimant must comply with and shall be bound by the Miscellaneous Claim Procedure and will have no other right to seek any recovery, and shall not make any claim against or from any Released Party in respect of such Miscellaneous Claim.

32. **THIS COURT ORDERS** that, subject to Article 7.2 of the CCAA Plan, at the Effective Time, all parties to the Pending Litigation, including each plaintiff, class representative, class member and defendant therein, shall be deemed to have given all consents necessary to effect the termination and dismissal with prejudice and without costs of the Pending Litigation.

33. **THIS COURT ORDERS** that, as at the Effective Time, the *Blais* Judgment and the *Létourneau* Judgment and Quebec Class Actions are fully and finally satisfied, resolved, compromised and settled.

RELEASES

34. **THIS COURT ORDERS** that, as at the Effective Time, each of the Released Parties shall be, and shall be deemed to be, fully, finally, irrevocably and unconditionally released and forever discharged of and from any and all of the Released Claims that any of the Releasers has ever had, now has, or may hereafter have against the Released Parties or any of them (either individually or with any other Person), whether or not based on conduct continuing after the Effective Time and whether or not presently known to any of the Releasers.

Claimant Contractual Release

35. **THIS COURT ORDERS AND DIRECTS** each of the Applicant and each of the Claimants, or an authorized Person on their behalf, to execute and deliver the Claimant Contractual Release, in favour of the Released Parties, the Monitors, the CCAA Plan Administrators, the Court-Appointed Mediator and the Administrative Coordinator, and their respective Representatives, which Claimant Contractual Release shall take effect as at the Effective Time. From and after the Effective Time, the Claimant Contractual Release will be binding on and enure to the benefit of the Released Parties, the Monitors, the CCAA Plan Administrators, the Court-Appointed Mediator and the Administrative Coordinator and their respective Representatives and the execution and delivery of the Claimant Contractual Release, by or on behalf of each Claimant and the affirmative vote in respect of the CCAA Plan, shall be evidence of the consent of the Claimant to the treatment of its Claims for the purposes of Section 5.1(2) and Section 19(2) of the CCAA to the extent they apply.

Releases in Favour of the Monitors, the CCAA Plan Administrators, the Court-Appointed Mediator

36. **THIS COURT ORDERS** that, as at the Effective Time, all Persons including the Released Parties, the Releasers and Affected Creditors (whether or not CCAA proofs of claim have been filed on their behalf), and the Unaffected Creditors, individually and collectively, are hereby deemed to fully, finally, irrevocably and unconditionally release and forever discharge the Monitors, the CCAA Plan Administrators and the Court-Appointed Mediator, and, as applicable, their respective Affiliates, shareholders, Affiliates' shareholders, directors, officers, employees, legal counsel, advisors, consultants, Representatives and agents from any and all Claims whatsoever, which they have ever had, now have, or may hereafter have, against them, whether

foreseen or unforeseen, whether matured or unmatured, or whether or not presently known, arising from or out of in whole or in part any omission, transaction, duty, responsibility, liability, obligation, dealing or other occurrence, or in any way in connection with the CCAA Proceedings, including: (i) any Claim that has been barred or extinguished pursuant to the terms of the Claims Procedure Order and/or the terms of the CCAA Plan; (ii) the CCAA Proceedings; (iii) the Chapter 15 Proceedings; (iv) in respect of the Monitors or the CCAA Plan Administrators and their legal counsel and advisors, their actions in connection with the CCAA Proceedings or the Chapter 15 Proceedings; (v) in respect of the Court-Appointed Mediator, its actions as an officer of the CCAA Court carrying out his mandate as a neutral third party to mediate a global settlement in the Tobacco Companies' CCAA Proceedings; (vi) the business and affairs of the Tobacco Companies whenever or however conducted; (vii) the administration and management of the Tobacco Companies whenever or however conducted; (viii) the allocation of the Global Settlement Amount and any distributions, payments or disbursements of all or any portion of the Global Settlement Amount, and/or (ix) any matter or transaction involving any of the Tobacco Companies occurring in or in connection with the CCAA Proceedings or the Chapter 15 Proceedings, if applicable including the CCAA Plans, the development thereof, and any and all actions, steps or transactions taken by the Court-Appointed Mediator or the Monitors, as applicable, to implement the CCAA Plans, including in their capacity as CCAA Plan Administrators and in FTI's capacity as the Foreign Representative in the Chapter 15 Proceedings, and in each case, all Claims arising out of such aforesaid actions or omissions shall be forever waived and released (other than in the case of the Monitors, the right to enforce the Monitors' obligations under the CCAA Plans or any related document), all to the fullest extent permitted by Applicable Law.

37. **THIS COURT ORDERS** that nothing in paragraph 36 shall derogate from the protections afforded to the Court-Appointed Mediator, the Monitors or the CCAA Plan Administrators as officers of the CCAA Court, or in the case of FTI, as the Foreign Representative in the Chapter 15 Proceedings, and by the CCAA Plans, the CCAA, any other applicable legislation, including pursuant to Section 142 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, and any Orders made in the CCAA Proceedings or the Chapter 15 Proceedings, if applicable.

38. **THIS COURT ORDERS** that the Monitors, CCAA Plan Administrators and Court-Appointed Mediator and their respective Affiliates, shareholders, Affiliates' shareholders, employees, heirs, successors, assigns, advisors, legal counsel, Representatives, consultants or agents shall not incur any personal liability whatsoever whether on their own part or in respect of any failure on the part of any Tobacco Company to observe, perform or comply with any of its obligations under its CCAA Plan or any other Definitive Document, the Mediation or the CCAA Proceedings.

39. **THIS COURT ORDERS AND DECLARES** that any payments or deliveries under the CCAA Plan or this Sanction Order made or assisted by the Monitors, CCAA Plan Administrators and Court-Appointed Mediator shall not constitute a "distribution" and the Monitors, CCAA Plan Administrators and Court-Appointed Mediator shall not constitute a "legal representative" or "representative" of the Applicant or an "other person" for the purposes of section 159 of the *Income Tax Act* (Canada), section 270 of the *Excise Tax Act* (Canada), section 46 of the *Employment Insurance Act* (Canada), section 22 of the *Retail Sales Tax Act* (Ontario), section 107 of the *Corporations Tax Act* (Ontario), or any other similar federal, provincial or territorial tax legislation (collectively, the "**Statutes**"), and none of the Monitors, CCAA Plan Administrators and Court-Appointed Mediator in making any such payments or deliveries of funds or assets in relation to

the CCAA Plan is “distributing”, nor shall it be considered to have “distributed”, such funds or assets for the purposes of the Statutes, and the Monitors, CCAA Plan Administrators and Court-Appointed Mediator shall not incur any liability under the Statutes for making any payments or deliveries under the CCAA Plan or failing to withhold amounts, ordered or permitted hereunder, and the Monitors, CCAA Plan Administrators and Court-Appointed Mediator shall not have any liability for any of the Applicant’s tax liabilities regardless of how or when such liabilities may have arisen.

Releases in Favour of the Administrative Coordinator

40. **THIS COURT ORDERS** that, as at the Effective Time, all Persons including the Released Parties, the Releasers and Affected Creditors (whether or not CCAA proofs of claim have been filed on their behalf), and the Unaffected Creditors, individually and collectively, are hereby deemed to fully, finally, irrevocably and unconditionally release and forever discharge the Administrative Coordinator and his Representatives from any and all Claims whatsoever, which they have ever had, now have, or may hereafter have, against them, whether foreseen or unforeseen, whether matured or unmatured, or whether or not presently known to the Released Parties, Releasers, Affected Creditors and Unaffected Creditors arising from or out of in whole or in part any omission, transaction, duty, responsibility, liability, obligation, dealing or other occurrence, or in any way in connection with the CCAA Proceedings, including: (i) the CCAA Proceedings; (ii) the Chapter 15 Proceedings, if applicable; (iii) the development of the PCC Compensation Plan and the development of the Quebec Administration Plan; and (iv) the actions of the Administrative Coordinator in connection with the administration of the PCC Compensation Plan and the administration of the Quebec Administration Plan, and in each case, all Claims arising

out of such aforesaid actions or omissions above shall be forever waived and released to the fullest extent permitted by Applicable Law.

41. **THIS COURT ORDERS** that nothing in paragraph 40 hereof shall derogate from the protections afforded to the Administrative Coordinator by the CCAA Plans, the CCAA, any other applicable legislation and any Orders made in the CCAA Proceedings or the Chapter 15 Proceedings.

42. **THIS COURT ORDERS** that none of the Administrative Coordinator or his heirs, successors, assigns, Representatives, advisors, legal counsel, consultants or agents shall incur any personal liability whatsoever whether on their own part or in respect of any failure on the part of any Tobacco Company to observe, perform or comply with any of its obligations under its CCAA Plan or any other Definitive Document, the Mediation or the CCAA Proceedings.

Indemnity in Favour of the Monitors, CCAA Plan Administrators, Foreign Representative, Court-Appointed Mediator and Administrative Coordinator

43. **THIS COURT ORDERS** that the Applicant shall indemnify and save harmless the Court-Appointed Mediator, the CCAA Plan Administrators, the Monitors (including in their capacity as Foreign Representative (as applicable)), and the Administrative Coordinator and, as applicable, their respective Affiliates, shareholders, Affiliates' shareholders, directors, officers, employees, legal counsel, advisors, consultants, Representatives and agents (collectively, the "**Indemnified Parties**"), from and against all claims, demands, losses, actions, causes of action, costs, charges, expenses, damages and liabilities whatsoever, whether at law or in equity, in any way caused by or arising, directly or indirectly, in respect of any act, deed, matter or thing whatsoever made, done, acquiesced in or omitted in or about or in relation to the execution of each Indemnified Party's respective activities or duties in any way in connection with the CCAA Proceeding and the Chapter

15 Proceedings, including for the avoidance of doubt: (i) the actions of the Court-Appointed Mediator, the Monitors, the CCAA Plan Administrators and the Administrative Coordinator and their respective legal counsel and advisors in connection with the CCAA Proceeding and the Chapter 15 Proceedings, (ii) the business and affairs of the Applicant whenever or however conducted, and (iii) any matter or transaction involving the Applicant occurring in or in connection with the CCAA Proceeding and the Chapter 15 Proceedings, the CCAA Plan, or the development thereof (other than enforcement of Indemnified Parties' obligations under the CCAA Plan and the Definitive Documents). To the extent any Indemnified Party is not otherwise compensated by the applicable Applicant(s) such Indemnified Party may resort to their respective CCAA Plan Administration Reserve for compensation.

44. **THIS COURT ORDERS** that the indemnity in paragraph 43 hereof shall survive the resignation or removal of the Indemnified Parties from any role, capacity, engagement, office or position relevant to its activities or duties in connection with the CCAA Plan.

Injunctions

45. **THIS COURT ORDERS** that, as at the Effective Time, subject to the right of the Affected Creditors to receive distributions and exercise their rights pursuant to the CCAA Plan or subject to obtaining the written consent of the applicable parties or leave of the Court as contemplated in Section 18.1.11(b)(iii) of the CCAA Plan, all Persons (including Putative Miscellaneous Claimants) are hereby permanently and forever barred, estopped, stayed and enjoined from:

- (a) commencing, conducting, continuing or making in any manner, directly or indirectly, any action, suit, claim, demand or other proceeding of any nature or kind whatsoever (including any proceeding in a judicial, arbitral, administrative or other

forum) against any of the Released Parties, the Monitors, the CCAA Plan Administrators, the Court-Appointed Mediator and the Administrative Coordinator and their respective Representatives with respect to any and all Affected Claims and Released Claims;

- (b) enforcing, levying, attaching, collecting or otherwise recovering or enforcing by any manner or means, directly or indirectly, any judgment, award, decree or order against any of the Released Parties, the Monitors, the CCAA Plan Administrators, the Court-Appointed Mediator and the Administrative Coordinator or their respective Representatives, or their respective property with respect to any and all Affected Claims and Released Claims;
- (c) commencing, conducting, continuing or making against any other Person in any manner, directly or indirectly, any action, suit, claim, demand or other proceeding of any nature or kind whatsoever (including any proceeding in a judicial, arbitral, administrative or other forum) that relates to an Affected Claim or a Released Claim if such other Person makes a claim or might reasonably be expected to make a claim, in any manner or forum, including by way of contribution or indemnity or other relief, against one or more of the Released Parties, the Monitors, the CCAA Plan Administrators, the Court-Appointed Mediator and the Administrative Coordinator or their respective Representatives, unless such Claim of such other Person is itself an Affected Claim or a Released Claim;
- (d) creating, perfecting, asserting or otherwise enforcing, directly or indirectly, any Encumbrance of any kind against the Released Parties, the Monitors, the CCAA Plan Administrators, the Court-Appointed Mediator and the Administrative

Coordinator, their respective Representatives or any of their respective property with respect to any and all Affected Claims and Released Claims, except for the exclusions in Article 18, Section 18.1.9 of the CCAA Plan in relation to obligations arising from the Definitive Documents; and

- (e) taking any actions to interfere with the implementation or consummation of the CCAA Plan with respect to any and all Released Claims.

46. **THIS COURT ORDERS** that, notwithstanding anything in the foregoing paragraphs 34 to 45, the Released Parties are not released from the due performance of any of their respective obligations arising from the Definitive Documents and that nothing in this Release shall prevent or restrict any of the Releasors or the CCAA Plan Administrators from pursuing any legal remedies against any of the Released Parties for non-performance of their obligations pursuant to the Definitive Documents, including the covenants of each Tobacco Company, its Parent and the relevant Affiliates within its Tobacco Company Group.

47. **THIS COURT ORDERS** that, as at the Effective Time, the releases and injunctions set out in paragraphs 34 to 45 herein, as applicable, shall be final and binding upon each of the Releasors, Released Parties, Affected Creditors and Unaffected Creditors (except to the extent of their Unaffected Claims) as applicable, including any Claims resulting, directly or indirectly, from the consequences and effects relating to the acceptance of the CCAA Plan, the sanction thereof by the CCAA Court, or its implementation.

COURT-APPOINTED MEDIATOR AND MEDIATION

48. **THIS COURT ORDERS** that following the granting of the Sanction Order, the Court-Appointed Mediator is hereby authorized and empowered to continue to provide services with

respect to the implementation of the CCAA Plan and perform such other functions as may be requested by the Monitors, the CCAA Plan Administrators or the Court or any other Party at the discretion of the Court-Appointed Mediator (the “**Court-Appointed Mediator’s Ongoing Services**”).

49. **THIS COURT ORDERS** that in the event that the Court-Appointed Mediator provides Court-Appointed Mediator’s Ongoing Services, the Court-Appointed Mediator shall:

- (a) have the benefit of all the protections given to it by the CCAA, any other applicable legislation, including pursuant to Section 142 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, any Orders in these CCAA Proceedings, including the Sanction Order, the CCAA Plan and as an officer of the Court; and
- (b) incur no liability in connection with any Court-Appointed Mediator’s Ongoing Services, and shall have the immunity of a Judge of a Superior Court in Canada.

50. **THIS COURT ORDERS** that the protections afforded to the Court-Appointed Mediator and his heirs, successors, assigns, Representatives, advisors, legal counsel, consultants or agents pursuant to the terms of the Initial Order and the other Orders made in these CCAA Proceedings, as applicable, shall not expire or terminate and, subject to the terms hereof, shall remain effective and in full force and effect.

PLAN COMPLETION

51. **THIS COURT ORDERS** that the certificate substantially in the form attached hereto as **Schedule “C”** (the “**Certificate of Plan Completion**”) is hereby approved and, upon completion by EYI of its duties as the Monitor and the CCAA Plan Administrator in respect of the Applicant

pursuant to the CCAA and any Order of the CCAA Court in this CCAA Proceeding or the CCAA Plan, EYI may file with the CCAA Court the Certificate of Plan Completion stating that all of its duties in respect of the Applicant pursuant to the CCAA, the CCAA Plan and any Orders of the CCAA Court, have been completed and thereupon, (a) EYI shall be deemed to be discharged from its duties as the Monitor and as the CCAA Plan Administrator and released of all claims relating to its activities as the Monitor and as the CCAA Plan Administrator and (b) this CCAA Proceeding shall terminate.

EXTENSION OF STAY PERIOD

52. **THIS COURT ORDERS** that the Stay Period (as defined in the Initial Order) be and is hereby extended until the Effective Time.

CCAA ORDERS

53. **THIS COURT ORDERS** that, other than as expressly set out herein, the provisions of the Initial Order, including the Stay Period, shall terminate at the Effective Time except with respect to the protections granted therein in favour of the Monitor or the Court-Appointed Mediator and their Representatives. All other Orders of the Court made in this CCAA Proceeding shall continue in full force and effect in accordance with their respective terms, except to the extent that such Orders are varied by or are inconsistent with this Sanction Order or any further Order of this Court in this CCAA Proceeding.

TERMINATION OF CCAA CHARGES

54. **THIS COURT ORDERS** that, as at the Effective Time:

- (a) the Administration Charge and the Court-Appointed Mediator Charge (each as provided for in the Initial Order) shall be terminated, discharged, expunged and released, effective upon the later of: (i) the payment of all amounts on account of outstanding fees and expenses owing to the beneficiaries of the Administration Charge and Court-Appointed Mediator Charge up to the Plan Implementation Date; (ii) Court approval of the fees and expenses of the Monitor and its counsel up to the Plan Implementation Date; and (iii) funding of the CCAA Plan Administration Reserve; and
- (b) each of the Sales and Excise Tax Charge and the Directors' Charge will be terminated, discharged, expunged and released upon receipt by RBH of an acknowledgement of payment in full and in the appropriate currency of the claims secured thereby.

NOTICE OF THE SANCTION ORDER

55. **THIS COURT ORDERS** that, as soon as practicable after the granting of this Sanction Order, the Monitor shall cause a copy of this Sanction Order to be posted on the Monitor's Website and shall serve a copy on the parties on the Common Service List. From and after the Effective Time, any notices, motions or documents which may be filed with the Court need only be served on the Applicant, EYI (in its capacity as the Monitor and the CCAA Plan Administrator), the parties on the Common Service List and such Persons who deliver a Notice of Appearance to the Applicant and EYI (in its capacity as the Monitor and the CCAA Plan Administrator), and file it with the Court, after the Effective Time.

56. **THIS COURT ORDERS** that the measures set out in the preceding paragraph 55 shall constitute good and sufficient service and notice of this Sanction Order on all Persons who may be entitled to receive notice thereof or who may have an interest in this CCAA Proceeding, and no other form of notice or service need be made on such Persons and no other document or material need be served on such Persons in respect of this CCAA Proceeding.

GENERAL PROVISIONS

57. **THIS COURT ORDERS AND DECLARES** that notwithstanding: (i) the pendency of this CCAA Proceeding; (ii) any applications for a bankruptcy, receivership or other order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”), the CCAA, or otherwise in respect of the Applicant and any bankruptcy, receivership or other order issued pursuant to any such applications; and (iii) any assignment in bankruptcy made or deemed to be made in respect of the Applicant, the transactions contemplated by the CCAA Plan will be binding on any trustee in bankruptcy or receiver that may be appointed in respect of the Applicant or its assets and shall not be void or voidable by creditors of the Applicant, nor shall the CCAA Plan, or the payments and distributions contemplated pursuant thereto constitute nor be deemed to constitute a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue or other reviewable transaction under the BIA, CCAA or any other applicable federal or provincial legislation, nor will the CCAA Plan constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

58. **THIS COURT ORDERS** that in the event of a conflict between (i) this Sanction Order, (ii) the CCAA Plan Administrator Appointment Order, (iii) the CCAA Plan, and (iv) the terms of

any agreement existing between any Person and the Applicant as at the Plan Implementation Date, the terms of the Sanction Order shall govern, subject to any subsequent Order of this Court.

59. **THIS COURT ORDERS** that, notwithstanding any other provision of this Sanction Order, the Applicant, the Court-Appointed Mediator or EYI, in its capacity as the Monitor or the CCAA Plan Administrator, may apply to the CCAA Court for advice and direction in respect of any matters arising from or in relation to the CCAA Plan or this CCAA Proceeding.

60. **THIS COURT ORDERS** that this Sanction Order shall have full force and effect in all provinces and territories in Canada, outside Canada and against all Persons against whom it may be enforceable.

61. **THIS COURT ORDERS** that the Applicant is authorized to seek an order of any court of competent jurisdiction to recognize the CCAA Plan and the Sanction Order and to confirm the CCAA Plan and the Sanction Order as binding and effective in any appropriate foreign jurisdiction.

62. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, or abroad, including but not limited to the Courts in respect of the Pending Litigation and the Quebec Class Actions, to give effect to this Sanction Order and to assist the Applicant, the Monitor and their respective agents in carrying out the terms of this Sanction Order and the CCAA Plan. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicant and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Sanction Order and the CCAA Plan or to assist the Applicant and the Monitor and their respective agents in carrying out the terms of this Sanction Order and the CCAA Plan.

63. **THIS COURT ORDERS** that the Applicant and the Monitor shall be at liberty and are hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for the assistance in carrying out the terms of this Order.

64. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. on the date hereof and is enforceable without further need for entry or filing.

Chief Justice Morawetz

Schedule "A"

CCAA Plan

[To be inserted]

Schedule “B”

**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 OR ARRANGEMENT
OF **ROTHMANS, BENSON & HEDGES INC.**

CERTIFICATE OF PLAN IMPLEMENTATION

RECITALS

- A. Ernst & Young Inc. was appointed as court-appointed Monitor (the “**Monitor**”) of Rothmans, Benson & Hedges Inc. (the “**Applicant**”) in the within proceeding commenced under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended pursuant to an Initial Order of the Ontario Superior Court of Justice (Commercial List) (the “**CCAA Court**”) dated March 21, 2019 (as amended and restated, the “**Initial Order**”).
- B. Pursuant to the Meeting Order of the CCAA Court dated October 31, 2024, the Monitor filed the Plan of Compromise or Arrangement in respect of the Applicant dated October 17, 2024, which was amended and restated by the Monitor on December 5, 2024 (as amended and restated, the “**CCAA Plan**”).
- C. The CCAA Plan was sanctioned by the CCAA Court pursuant to a Sanction Order dated ● (the “**Sanction Order**”).
- D. The Sanction Order requires the Monitor to serve on the Common Service List and post on the Monitor’s Website a certificate, signed by the Monitor, certifying that the Plan Implementation Date (as defined in the CCAA Plan) has occurred.

E. All conditions precedent to implementation of the CCAA Plan have been fulfilled or waived in accordance with the CCAA Plan.

THE MONITOR HEREBY CERTIFIES the following:

1. The Plan Implementation Date has occurred and the CCAA Plan and the provisions of the Sanction Order which come into effect at the Effective Time are effective.

DATED at Toronto, Ontario this _____ day of _____, 20__.

ERNST & YOUNG INC., solely in its capacity as the Court-appointed Monitor of the Applicant and not in its personal or corporate capacity

Per: _____

Name:

Title:

Schedule “C”

**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 OR ARRANGEMENT
OF **ROTHMANS, BENSON & HEDGES INC.**

CERTIFICATE OF PLAN COMPLETION

RECITALS

- F. Ernst & Young Inc. (“**EYI**”) was appointed as court-appointed Monitor of Rothmans, Benson & Hedges Inc. (the “**Applicant**”) in the within proceeding (the “**CCAA Proceeding**”) commenced under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) pursuant to an Initial Order of the Ontario Superior Court of Justice (Commercial List) (the “**CCAA Court**”) dated March 21, 2019 (as amended and restated, the “**Initial Order**”).
- G. Pursuant to a Sanction Order of the CCAA Court dated ●, the first amended and restated Plan of Compromise or Arrangement in respect of the Applicant dated December 5, 2024 (the “**CCAA Plan**”) was sanctioned and EYI was appointed as the CCAA Plan Administrator in respect of the CCAA Plan pursuant to the CCAA Plan Administrator Appointment Order.
- H. Pursuant to the Sanction Order, among other things, upon payment of the Global Settlement Amount and the completion by EYI of its duties as the Monitor and the CCAA Plan Administrator in respect of the Applicant pursuant to the CCAA, any Order of the CCAA

Court made in connection with this CCAA Proceeding or the CCAA Plan, this CCAA Proceeding shall terminate and EYI shall be discharged as the Monitor and the CCAA Plan Administrator and released from all claims relating to its activities as the Monitor and as the CCAA Plan Administrator upon EYI filing this Certificate of Plan Completion with the CCAA Court, all in accordance with the Sanction Order and the CCAA Plan.

THE MONITOR AND CCAA PLAN ADMINISTRATOR, AS APPLICABLE, CERTIFY the following:

2. The Monitor has completed all of its duties in respect of the Applicant pursuant to the CCAA, any Order of the CCAA Court made in connection with this CCAA Proceeding or the CCAA Plan.
3. The CCAA Plan Administrator has completed all of its duties in respect of the Applicant pursuant to the CCAA, any Order of the CCAA Court made in connection with this CCAA Proceeding or the CCAA Plan.

ACCORDINGLY, this CCAA Proceeding shall terminate and EYI shall be discharged as the Monitor and the CCAA Plan Administrator and released from all claims relating to its activities as the Monitor and as the CCAA Plan Administrator upon EYI filing this Certificate of Plan Completion with the CCAA Court

DATED at Toronto, Ontario this _____ day of _____, 20__.

ERNST & YOUNG INC. in its capacity as the Court-appointed Monitor and CCAA Plan Administrator of the Applicant and not in its personal or corporate capacity

Per: _____

Name:

Title:

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

SANCTION ORDER

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Lawyers for the Monitor

TAB 4

Court File No. CV-19-616779-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE CHIEF) [FRIDAY], THE [31ST]
)
JUSTICE MORAWETZ) DAY OF [JANUARY], [2025]

**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.**

Applicant

CCAA PLAN ADMINISTRATOR APPOINTMENT ORDER

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**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE CHIEF) [FRIDAY], THE [31ST]
)
)
JUSTICE MORAWETZ) DAY OF [JANUARY], [2025]

**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.**

Applicant

CCAA PLAN ADMINISTRATOR APPOINTMENT ORDER

THIS MOTION made by Ernst & Young Inc. (“**EYI**”) in its capacity as court-appointed monitor (the “**Monitor**”) of Rothmans, Benson & Hedges Inc. (“**RBH**”) was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Monitor’s Motion Record dated January 15, 2025 (the “**Motion Record**”), including the Notice of Motion of the Monitor and the Twenty-Third Report of the Monitor dated January 15, 2025 (the “**Twenty-Third Report**”), and upon hearing the submissions of counsel to the Court-Appointed Mediator, counsel to the Monitor, counsel to the Applicant and those other parties listed on the Participant Information Form, no one appearing for any other person on the Service List, although properly served with the Monitor’s Motion Record dated January 15, 2025, as appears from the Affidavit of Service of ●, sworn January ●, 2025;

A. DEFINITIONS

1. **THIS COURT ORDERS** that for the purposes of this Order, capitalized terms not otherwise defined in this Order shall have the meanings given to them in the first amended and restated Court-Appointed Mediator's and Monitor's plan of compromise and arrangement concerning, affecting and involving RBH, dated December 5, 2024, including all Schedules thereto (the "**CCAA Plan**").

B. APPOINTMENT OF CCAA PLAN ADMINISTRATOR

2. **THIS COURT ORDERS** that EYI is hereby appointed as of the date hereof, pursuant to the CCAA Plan, as the CCAA Plan Administrator, a neutral and independent officer of this Court, to administer the CCAA Plan with the powers and obligations set out in the CCAA Plan, the Sanction Order or herein and RBH, its employees, independent contractors, consultants, agents, experts, accountants, counsel and such other persons currently retained or employed by RBH (collectively, "**Assistants**") and its shareholders, officers, and directors shall advise the CCAA Plan Administrator of all material steps taken by RBH pursuant to this Order, the Sanction Order and the CCAA Plan, and shall co-operate fully with the CCAA Plan Administrator in the exercise of its powers and discharge of its obligations and provide the CCAA Plan Administrator with the assistance that is necessary to enable the CCAA Plan Administrator to carry out the CCAA Plan Administrator's functions.

3. **THIS COURT ORDERS** that EYI, in its capacity as CCAA Plan Administrator or Monitor, as the case may be, is hereby authorized and empowered to take all steps and actions and to do all things required to facilitate the implementation of the CCAA Plan in accordance with its terms and, where necessary or appropriate to do so, to enter into, execute, deliver, implement and

consummate all of the steps, transactions, certificates and agreements contemplated by the CCAA Plan or otherwise set out herein.

4. **THIS COURT ORDERS** that following the granting of the Sanction Order, the Court-Appointed Mediator is hereby authorized and empowered to continue to provide services with respect to the implementation of the CCAA Plan as may be requested by the Monitors, the CCAA Plan Administrators or the Court or any other Party at the discretion of the Court-Appointed Mediator (the “**Court-Appointed Mediator’s Ongoing Services**”).

5. **THIS COURT ORDERS** that in the event that the Court-Appointed Mediator provides Court-Appointed Mediator’s Ongoing Services, the Court-Appointed Mediator shall:

- (a) have the benefit of all the protections given to it by the CCAA, any other applicable legislation including pursuant to Section 142 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, any orders in these CCAA Proceedings, including the Sanction Order, the CCAA Plan and as an officer of the Court; and
- (b) incur no liability in connection with any Court-Appointed Mediator’s Ongoing Services, and shall have the immunity of a Judge of a Superior Court in Canada.

6. **THIS COURT ORDERS AND DECLARES** that the protections afforded to the Court-Appointed Mediator and his heirs, successors, assigns, Representatives, advisors, legal counsel, consultants or agents pursuant to the terms of the Initial Order and the other Orders made in these CCAA Proceedings, as applicable, shall not expire or terminate and, subject to the terms hereof, shall remain in full force and effect.

7. **THIS COURT ORDERS** that the CCAA Plan Administrator may, in its discretion, retain any trustees or custodians, or advisors, including legal, financial, investment or other advisors, to advise and assist it to carry out its duties in relation to the administration of the CCAA Plan.

8. **THIS COURT ORDERS** that nothing herein contained shall derogate from the Monitor's role as the monitor of RBH pursuant to (i) the second amended and restated initial order of this Court dated April 25, 2019, (ii) all applicable orders of this Court including the Sanction Order, and (iii) the CCAA.

9. **THIS COURT ORDERS** that in no circumstances shall the CCAA Plan Administrator:

- (a) be or be deemed to be a representative of the Claimants, Tobacco Companies and/or Tobacco Company Groups;
- (b) have the authority to bind any of the Claimants; or
- (c) have the authority to bind any of the Tobacco Companies or members of the Tobacco Company Groups.

10. **THIS COURT ORDERS** that the CCAA Plan Administrator shall not take possession or control of RBH's current or future assets, undertakings or properties of any nature or kind whatsoever and wherever situate including all proceeds thereof (the "**Property**") and shall take no part whatsoever in the management, oversight, supervision or control of RBH's business (the "**Business**") and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

C. DISTRIBUTIONS AND ADMINISTRATION

11. **THIS COURT ORDERS** that the CCAA Plan Administrator is authorized and empowered to establish the following segregated, interest bearing trust accounts (collectively, the

“**Trust Accounts**”), each to be held in Schedule I Chartered Banks or an affiliate thereof (each a “**Bank**”):

- (a) the Global Settlement Trust Account;
- (b) the Supplemental Trust Account;
- (c) the Miscellaneous Claims Fund Account;
- (d) the PCC Trust Account;
- (e) the QCAP Trust Account;
- (f) the CCAA Plan Administration Reserve Account;
- (g) the PCC Compensation Plan Reserve Account; and
- (h) the Cy-près Trust Account.

12. **THIS COURT ORDERS** that the CCAA Plan Administrator is authorized and empowered to engage any Person or Persons to act as trustee (collectively, the “**Trustee**”) of the Trust Accounts and enter into one or more deeds of trust or other agreement with such Trustee in form and substance satisfactory to the CCAA Plan Administrator, subject to approval of the Court.

13. **THIS COURT ORDERS** that the Claims Administrator shall report to the CCAA Plan Administrators at any time as requested by any CCAA Plan Administrator on the progress of the administration of the claims processes for the Quebec Administration Plan and the PCC Compensation Plan, including, without limitation (i) the budget for the administration of claims made to the PCC Compensation Plan and to the Quebec Administration Plan, (ii) the publication of notices, the PCC Claims Application Deadline to file claims, the *Blais* Claims Application Deadline to file claims, claims approved, claims rejected, claims under review, any delays in the

claims process, any fees, charges and disbursements made, and (iii) any Compensation Payments to Eligible *Blais* Class Members and Individual Payments to Eligible Pan-Canadian Claimants.

14. **THIS COURT ORDERS** that the CCAA Plan Administrator is authorized and empowered to oversee and direct the deposits into the Trust Accounts, including:

- (a) the Upfront Contributions (including the Cash Security Deposits) and the Annual Contributions (excluding any Reserved Amounts), which shall be deposited into the Global Settlement Trust Account;
- (b) the Reserved Amounts which shall be deposited into the Supplemental Trust Account; and
- (c) amounts to be deposited into the CCAA Plan Administration Reserve Account, the PCC Compensation Plan Reserve Account, the Miscellaneous Claims Fund Account, the PCC Trust Account, the QCAP Trust Account, and the Cy-près Trust Account.

15. **THIS COURT ORDERS** that the CCAA Plan Administrator is authorized and empowered to direct the Trustee to disburse funds from the Trust Accounts in accordance with the CCAA Plan, the Sanction Order and this Order, including:

- (a) disbursements from the Global Settlement Trust Account to the Claimants, the other applicable Trust Accounts or otherwise in accordance with the CCAA Plan;
- (b) disbursements of Tax Refund Cash Payments from the Supplemental Trust Account;

- (c) disbursements of Reserved Amounts from the Supplemental Trust Account to the Global Settlement Trust Account or a relevant Tax Authority on account of a notice of assessment or reassessment of Taxes;
- (d) disbursements from the Supplemental Trust Account to RBH following the termination of the Contribution Period;
- (e) disbursements from the CCAA Plan Administration Reserve Account and PCC Compensation Plan Reserve Account to pay for costs which remain unpaid by RBH, or to the Provinces and Territories in accordance with Section 15.1 or 15.2 of the CCAA Plan (as applicable);
- (f) disbursements from the PCC Trust Account and QCAP Trust Account to the Claims Administrator's trust accounts, or to the Provinces and Territories in accordance with Section 16.3 of the CCAA Plan;
- (g) disbursements from the Miscellaneous Claims Fund to Miscellaneous Claimants or to the Provinces and Territories in accordance with Section 18.2.5 of the CCAA Plan; and
- (h) disbursements from the Cy-près Trust Account to the Cy-près Foundation.

16. **THIS COURT ORDERS** that the CCAA Plan Administrator is authorized and empowered to make distributions in accordance with Article 17 of the CCAA Plan, subject to paragraph 23 below.

17. **THIS COURT ORDERS** that the CCAA Plan Administrator is authorized and empowered to, and may instruct the Trustee to, deduct and withhold from any payment any amounts as required by law and may remit amounts to the appropriate Governmental Authority in accordance with Section 17.8 of the CCAA Plan.

18. **THIS COURT ORDERS** that in the event of a dispute regarding a notice of assessment or reassessment of income taxes, interest or penalties in respect of a Tax Matter, the CCAA Plan Administrator is authorized and empowered, at the request of RBH, to direct the Trustee of the Supplemental Trust Account to transfer the amount requested by RBH (not to exceed the lesser of (i) 100% of the income taxes, interest and penalties assessed, and (ii) 100% of the Reserved Amount held in the Supplemental Trust Account at the relevant time) to the relevant Tax Authority pending final resolution of the dispute.

19. **THIS COURT ORDERS AND DECLARES** that any release of funds under the CCAA Plan, the Sanction Order or this Order made or assisted by the Monitors, CCAA Plan Administrators or the Court-Appointed Mediator shall not constitute a “distribution” and the Monitors, CCAA Plan Administrators and Court-Appointed Mediator shall not constitute a “legal representative” or “representative” of RBH or an “other person” for the purposes of section 159 of the *Income Tax Act* (Canada), section 270 of the *Excise Tax Act* (Canada), section 46 of the *Employment Insurance Act* (Canada), section 22 of the *Retail Sales Tax Act* (Ontario), section 107 of the *Corporations Tax Act* (Ontario), or any other similar federal, provincial or territorial tax legislation (collectively, the “**Statutes**”), and none of the Monitors, CCAA Plan Administrators and Court-Appointed Mediator in making any such payments or deliveries of funds or assets in relation to the CCAA Plan is “distributing”, nor shall it be considered to have “distributed”, such funds or assets for the purposes of the Statutes, and the Monitors, CCAA Plan Administrators and Court-Appointed Mediator shall not incur any liability under the Statutes for making any payments or deliveries under the CCAA Plan or failing to withhold amounts, ordered or permitted hereunder, and the Monitors, CCAA Plan Administrators and Court-Appointed Mediator shall not have any liability for any of RBH’s tax liabilities regardless of how or when such liabilities may have arisen.

D. CCAA PLAN ADMINISTRATORS' COMMUNICATION AND COORDINATION

20. **THIS COURT ORDERS** that:

- (a) the CCAA Plan Administrators shall consult with each other and act jointly and in concert to fulfill their duties and responsibilities pursuant to the first amended and restated plans of compromise and arrangement concerning, affecting and involving each Tobacco Company, each dated December 5, 2024 (the "**Tobacco Plans**");
- (b) each of the CCAA Plan Administrators shall have access to all documents and information provided by the Trustee of the Trust Accounts to each CCAA Plan Administrator until the completion of the administration of each Tobacco Plan; and
- (c) each CCAA Plan Administrator shall have (i) continuous access to each Tobacco Company's Virtual Data Room, and (ii) continuous administrator access to its respective Tobacco Company's Virtual Data Room, until the completion of the administration of each Tobacco Plan, provided that a CCAA Plan Administrator is not permitted to disclose any confidential information with respect to one Tobacco Company to any Representative of another Tobacco Company.

21. **THIS COURT ORDERS** that the CCAA Plan Administrators shall coordinate amongst each other in connection with their administration of each applicable Tobacco Plan in accordance with such Tobacco Plan and as set out in paragraphs 22 to 24 below.

22. **THIS COURT ORDERS** that to the extent the Tobacco Plans require a CCAA Plan Administrator to provide notice to, report to, or to otherwise communicate with any Person, notice to, reports to or communications with the representatives of each following Person shall be sufficient for all purposes:

- (a) the Chair of the Provincial and Territorial Liaison Committee with respect to the Provinces and Territories;
- (b) the Administrative Coordinator with respect to the Quebec Administration Plan and Quebec Class Counsel with respect to the Quebec Class Action Plaintiffs;
- (c) the Administrative Coordinator with respect to the PCC Compensation Plan and PCC Representative Counsel with respect to the Pan-Canadian Claimants;
- (d) the Chair of the Cy-près Foundation (once appointed) with respect to the Cy-près Foundation;
- (e) *Knight* Class Counsel with respect to the *Knight* Class Action Plaintiffs;
- (f) counsel for the Tobacco Producers with respect to the Tobacco Producers; and
- (g) the respective Tobacco Company's counsel with respect to such Tobacco Company;

provided that, the CCAA Plan Administrators may, in their discretion, communicate with any other Person they view necessary or desirable in the performance of their duties and responsibilities under the Tobacco Plans or pursuant to this Order.

23. **THIS COURT ORDERS** that prior to taking one of the following actions the CCAA Plan Administrators must unanimously approve such action in writing:

- (a) the disbursement of any amounts from any Trust Account after the Effective Date and the timing of any disbursement of funds, including from (A) the QCAP Trust Account or the PCC Trust Account to the Claims Administrator's trust accounts, or (B) the Cy-près Trust Account to the Cy-près Foundation;

- (b) the movement of any Trust Account or any amounts held therein to an alternative Bank;
- (c) any decision by a CCAA Plan Administrator to waive an Event of Default or Breach by a Tobacco Company, prior to seeking the consent of the Provinces and Territories, any Impacted Claimants or approval of the Court; and
- (d) any extension of the period in which funds must be held in the Miscellaneous Claims Fund.

24. **THIS COURT ORDERS** that each CCAA Plan Administrator shall deliver a copy of any instructions to the Trustee to disburse funds from a Trust Account to each other CCAA Plan Administrator.

E. FEES AND EXPENSES

25. **THIS COURT ORDERS** that the CCAA Plan Administrator and the Court-Appointed Mediator, and their respective counsel and any financial, investment or other advisors engaged by the CCAA Plan Administrator in its discretion shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by RBH. RBH is hereby directed to pay the accounts of the CCAA Plan Administrator, counsel to the CCAA Plan Administrator and financial, investment or other advisors engaged by the CCAA Plan Administrator on a bi-weekly basis and, in respect of the Court-Appointed Mediator and its counsel, their fees and disbursements shall be allocated equally among the Tobacco Companies.

26. **THIS COURT ORDERS** that the CCAA Plan Administrator and its legal counsel shall pass their accounts from time to time at intervals as the Court directs, and for this purpose the accounts of the CCAA Plan Administrator and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

F. LIMITATION OF LIABILITY AND INDEMNITY

27. **THIS COURT ORDERS** that the Monitors, CCAA Plan Administrators and Court-Appointed Mediator and their respective Affiliates, shareholders, Affiliates' shareholders, employees, heirs, successors, assigns, advisors, legal counsel, Representatives, consultants or agents shall not incur any personal liability whatsoever whether on their own part or in respect of any failure on the part of any Tobacco Company to observe, perform or comply with any of its obligations under its CCAA Plan or any other Definitive Document, the Mediation or the CCAA Proceedings.

28. **THIS COURT ORDERS** that nothing in paragraph 27 shall derogate from the protections afforded to the Court-Appointed Mediator, the Monitors or the CCAA Plan Administrators as officers of the CCAA Court, or in the case of FTI, as the Foreign Representative in the Chapter 15 Proceedings, by the CCAA Plans, the CCAA, any other applicable legislation, including pursuant to Section 142 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, and any orders made in the CCAA Proceedings or the Chapter 15 Proceedings, if applicable.

29. **THIS COURT ORDERS** that the CCAA Plan Administrator, in fulfilling its mandate pursuant to the CCAA Plan, this Order or any other applicable order of this Court, may rely upon the books, records or information provided to it by RBH as well as discussions and correspondence with senior management and advisors to RBH. The CCAA Plan Administrator shall not audit, review or otherwise attempt to verify the accuracy or completeness of this information, nor shall the CCAA Plan Administrator express any opinion or other form of assurance with respect to any such information or discussions.

30. **THIS COURT ORDERS** that no Person shall be entitled to rely on any information or representation in any form or context provided by the CCAA Plan Administrator in fulfilling its

mandate pursuant to the CCAA Plan, this Order or any other applicable order of this Court. The CCAA Plan Administrator shall not owe any duty of care to any Person in fulfilling such mandate, other than the Court as an officer thereof.

31. **THIS COURT ORDERS** that RBH shall indemnify and save harmless the Court-Appointed Mediator, the CCAA Plan Administrators, the Monitors (including in their capacity as Foreign Representative (as applicable)), and the Administrative Coordinator and, as applicable, their respective Affiliates, shareholders, Affiliates' shareholders, directors, officers, employees, legal counsel, advisors, consultants, Representatives and agents (collectively, the "**Indemnified Parties**"), from and against all claims, demands, losses, actions, causes of action, costs, charges, expenses, damages and liabilities whatsoever, whether at law or in equity, in any way caused by or arising, directly or indirectly, in respect of any act, deed, matter or thing whatsoever made, done, acquiesced in or omitted in or about or in relation to the execution of each Indemnified Party's respective activities or duties in any way in connection with the CCAA Proceeding and the Chapter 15 Proceedings, including for the avoidance of doubt: (i) the actions of the Court-Appointed Mediator, the Monitors, the CCAA Plan Administrators and the Administrative Coordinator and their respective legal counsel and advisors in connection with the CCAA Proceeding and the Chapter 15 Proceedings, (ii) the business and affairs of RBH whenever or however conducted, and (iii) any matter or transaction involving RBH occurring in or in connection with the CCAA Proceeding and the Chapter 15 Proceedings, the CCAA Plan, or the development thereof (other than the enforcement of the Indemnified Parties' obligations under the CCAA Plan and the Definitive Documents). To the extent any Indemnified Party is not otherwise compensated by the applicable Tobacco Company, such Indemnified Party may resort to their respective CCAA Plan Administration Reserve for compensation.

32. **THIS COURT ORDERS** that the indemnity in paragraph 31 hereof shall survive the resignation or removal of any Indemnified Party from any role, capacity, engagement, office or position relevant to its activities or duties in connection with the CCAA Plan.

G. SERVICE AND NOTICE

33. **THIS COURT ORDERS** that the service of documents made in accordance with the E-Service Guide of the Commercial List (the “**Guide**”) (which can be found on the Commercial List website at: www.ontariocourts.ca/scj/practice/practice-directions/toronto/eservice-commercial/) shall continue to be valid and effective service. Subject to rule 17.05, this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 13 of the Guide, service of documents in accordance with the Guide will be effective on transmission. This Court further orders that the Case Website established by the Monitor in accordance with the Guide with the following URL: www.ey.com/ca/rbh (the “**Case Website**”) shall be maintained by the Monitor or the CCAA Plan Administrator.

34. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Guide is not practicable, the CCAA Plan Administrator is at liberty to serve or distribute this Order, any other materials and orders in connection with the administration of the CCAA Plan, and any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery, facsimile or other electronic transmission to the relevant interested parties at their respective addresses as last shown on the records of RBH, or as otherwise made known to the CCAA Plan Administrator, and that any such service or distribution by courier, personal delivery, facsimile or other electronic transmission shall be deemed to be received on the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

35. **THIS COURT ORDERS** that each reference to the “Monitors” shall be replaced with the “Monitors or CCAA Plan Administrators” in the Common Service Protocol approved by the Court by endorsement dated June 26, 2019, which shall continue in force *mutatis mutandis* during the administration of the CCAA Plan. The CCAA Plan Administrator or the Monitor shall manage the scheduling of all motions that are brought in these proceedings or in the administration of the CCAA Plan.

36. **THIS COURT ORDERS** that the CCAA Plan Administrator, the Monitor or their counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in these proceedings, including any notices or other correspondence, by forwarding true copies thereof by electronic message to the interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of clause 3(c) of the Electronic Commerce Protection Regulations, Reg. 8100 2-175 (SOR/DORS).

37. **THIS COURT ORDERS** that all motions in this proceeding or in connection with the administration of the CCAA Plan are to be brought on not less than seven (7) calendar days’ notice to all persons on the Service List. Each notice of motion shall specify a date (the “**Return Date**”) and time for the hearing.

38. **THIS COURT ORDERS** that any interested person wishing to object to the relief sought in a motion must serve responding motion material or, if they do not intend to file material, a notice in all cases stating the objection to the motion and the grounds for such objection in writing (the “**Responding Material**”) to the moving party, RBH and the CCAA Plan Administrator, with a copy to all persons on the Service List, no later than 5 p.m. (Eastern time) on the date that is four (4) calendar days prior to the Return Date (the “**Objection Deadline**”).

39. **THIS COURT ORDERS** that, if no Responding Materials are served by the Objection Deadline, the judge having carriage of the motion (the “**Presiding Judge**”) may determine:

- (a) whether a hearing is necessary;
- (b) whether such hearing will be in person, virtual or by written submissions only; and
- (c) the parties from whom submissions are required,

(collectively, the “**Hearing Details**”). In the absence of any such determination, a hearing will be held in the ordinary course.

40. **THIS COURT ORDERS** that, if no Responding Materials are served by the Objection Deadline, the CCAA Plan Administrator shall communicate with the Presiding Judge regarding whether a determination has been made by the Presiding Judge concerning the Hearing Details. The CCAA Plan Administrator shall thereafter advise the Service List of the Hearing Details and the CCAA Plan Administrator shall report upon its dissemination of the Hearing Details to the Court in a timely manner, which may be contained in the CCAA Plan Administrator’s next report.

41. **THIS COURT ORDERS** that if any party objects to the motion proceeding on the Return Date or believes that the Objection Deadline does not provide sufficient time to respond to the motion, such objecting party shall, promptly upon receipt of the notice of motion and in any event prior to the Objection Deadline, contact the moving party and the CCAA Plan Administrator (together with the objecting party and any other party who has served Responding Materials, the “**Interested Parties**”) to advise of such objection and the reasons therefor. If the Interested Parties are unable to resolve the objection to the timing and schedule for the motion following good faith consultations, the Interested Parties may seek a scheduling appointment before the Presiding Judge to be held prior to the Return Date or on such other date as may be mutually agreed by the

Interested Parties or as directed by the Presiding Judge to establish a schedule for the motion. At the scheduling appointment, the Presiding Judge may provide directions including a schedule for the delivery of any further materials and the hearing of the contested motion, and may address such other matters, including interim relief, as the Court sees fit. Notwithstanding the foregoing, the Presiding Judge may require the Interested Parties to proceed with the contested motion on the Return Date or on any other date as may be directed by the Presiding Judge or as may be mutually agreed by the Interested Parties, if otherwise satisfactory to the Presiding Judge.

H. GENERAL

42. **THIS COURT ORDERS** that the CCAA Plan Administrator may from time to time apply to this Court to amend, vary, supplement or replace this Order or for advice and directions concerning the discharge of its powers and duties under this Order, the interpretation or application of this Order, or any matters relevant to the implementation or administration of the CCAA Plan.

43. **THIS COURT ORDERS** that in the event of a conflict between (i) this Order, (ii) the Sanction Order, (iii) the CCAA Plan, and (iv) the terms of any agreement existing between any Person and RBH as at the Plan Implementation Date, the terms of the Sanction Order shall govern, subject to any subsequent order of this Court dated after the Sanction Order.

44. **THIS COURT ORDERS** that the Applicant and the CCAA Plan Administrator are at liberty and are hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the CCAA Plan Administrator is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having this Order recognized in a jurisdiction outside Canada.

45. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, or abroad, including but not limited to the Courts in respect of the Pending Litigation and the Quebec Class Actions, to give effect to this Order and to assist RBH, the Monitor, the CCAA Plan Administrator and their respective agents in carrying out the terms of this Order and the CCAA Plan. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to RBH, the CCAA Plan Administrator and the Monitor as an officer of this Court, as may be necessary or desirable to give effect to this Order and the CCAA Plan or to assist RBH, the CCAA Plan Administrator and the Monitor and their respective agents in carrying out the terms of this Order and the CCAA Plan.

Chief Justice G.B. Morawetz

Court File No. CV-19-616779-00CL

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

**CCAA PLAN ADMINISTRATOR APPOINTMENT
ORDER**

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SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceeding commenced at Toronto

**MOTION RECORD
(SANCTION ORDER AND CCAA PLAN
ADMINISTRATOR APPOINTMENT ORDER)**

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