

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
(CCAA PLAN AMENDMENT ORDER #2 & PLAN ADMINISTRATION RESERVE
TRUST ORDER)**

August 23, 2025

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INDEX

Tab	Document	
1.	Notice of Motion dated August 23, 2025	
2.	Thirtieth Report of the Monitor dated August 23, 2025	
	Appendix A	Amendments to the Third Amended & Restated Plan of Compromise and Arrangement affecting, involving and concerning Rothmans, Benson & Hedges Inc. dated February 27, 2025
	Appendix B	Fourth Amended & Restated Plan of Compromise and Arrangement affecting, involving and concerning Rothmans, Benson & Hedges Inc. dated August 22, 2025
	Appendix C	Blackline of Fourth A&R RBH Plan as against Third A&R RBH Plan
3.	Draft CCAA Plan Amendment Order #2	
4.	Draft Plan Administration Reserve Trust Order	
	Schedule A	RBH CCAA Plan Administration Reserve Trust Deed

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
(CCAA PLAN AMENDMENT ORDER #2 & PLAN ADMINISTRATION RESERVE
TRUST ORDER)**

Ernst & Young Inc. (“**EY**”), 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**”), and in its capacity as CCAA Plan Administrator (as defined below), will make a motion before Chief Justice Morawetz of the Ontario Superior Court of Justice (Commercial List) on August 27, 2025 at 9:00 a.m. (Eastern Time), or as soon after that time as the motion can be heard, by Zoom video conference.

PROPOSED METHOD OF HEARING: The motion is to be heard by Zoom video conference. Please refer to the Virtual Hearing Protocol attached as **Schedule “A”** for details on attending the motion.

THE MOTION IS FOR:¹

1. An Order (the “**CCAA Plan Amendment Order**”) substantially in the form included at Tab 3 of the Motion Record, *inter alia*, approving the proposed Amendments (as defined below), as reflected in the Fourth Amended and Restated Plan of Compromise and Arrangement in respect of the Applicant dated August 22, 2025 (the “**Fourth A&R RBH Plan**”), attached as Appendix “B” to the Thirtieth Report of the Monitor dated August 23, 2025 (the “**Thirtieth Report**”).
2. An Order (the “**Plan Administration Reserve Trust Order**”) substantially in the form included at Tab 4 of the Motion, *inter alia*:
 - (a) approving the RBH Administration Reserve Trust Deed (as defined below);
 - (b) amending the RBH Insurance Settlement Order (as defined below); and
 - (c) confirming that the termination, discharge, expunge and release of the Sales and Excise Tax Charge and Directors’ Charge upon the Effective Time, as approved pursuant to paragraph 56(b) of the Sanction Order, shall be effective upon the delivery of a written confirmation from RBH to the Monitor.
3. Such further and other relief as counsel may advise and this CCAA Court may permit.

¹ All capitalized terms used but not defined herein have the meanings given to them in the Fourth A&R RBH Plan (defined below).

THE GROUNDS FOR THE MOTION ARE:

Background

4. The plan of compromise or arrangement in respect of the Applicant dated October 17, 2024 (the “**RBH Plan**”), developed by the Court-Appointed Mediator and the Monitor, was accepted for filing and approved by the requisite majorities of voting creditors.
5. Pursuant to Section 20.4(b) of the RBH Plan, the RBH Plan was amended and restated on December 5, 2024 and then further amended and restated on January 27, 2025 (such amended and restated version, the “**Second A&R RBH Plan**”) to make administrative amendments, which in each case were not materially adverse to the financial interests of the Affected Creditors or the Unaffected Creditors.
6. The Second A&R RBH Plan was further amended and restated on February 27, 2025 (such amended and restated version, the “**Third A&R RBH Plan**”) to reflect the terms of certain agreements amongst the stakeholders.
7. On March 6, 2025, pursuant to the Sanction Order, this CCAA Court approved and sanctioned the Third A&R RBH Plan and appointed EY as the CCAA Plan Administrator pursuant to the CCAA Plan Administrator Appointment Order.

The Proposed Plan Amendments

8. The Monitor, including in its capacity as CCAA Plan Administrator, has been working with the Court-Appointed Mediator, RBH and the Claimants to implement the Third A&R RBH Plan. While doing so, it has become apparent that certain amendments are required to the Third A&R RBH Plan to achieve a successful implementation.

9. The Court-Appointed Mediator and the Monitors have identified certain provisions in the Third A&R RBH Plan and the substantially similar CCAA Plans of the other Tobacco Companies that require amendment in order to cure errors and better effect the implementation of the compromise as agreed to by the voting creditors and as contemplated in the CCAA Plans.
10. Accordingly, the Court-Appointed Mediator and the Monitor are seeking to make certain amendments to the Third A&R RBH Plan and the Schedules thereto (the “**Amendments**”).
11. Pursuant to section 20.4(a) of the Third A&R RBH Plan, the Monitor is permitted to make non-administrative amendments, restatements, modifications or supplementations to the Third A&R RBH Plan following the Meeting Order (issued October 31, 2024) with the approval of the CCAA Court and on notice to the Affected Creditors and RBH.
12. The proposed Amendments are summarized in Appendix “A” to the Thirtieth Report. A blackline of the Fourth A&R RBH Plan as against the Third A&R RBH Plan is attached to the Thirtieth Report as Appendix “C”. The Thirtieth Report will be served upon each of the Affected Creditors and RBH.
13. The proposed Amendments, in each case, are required for the effective implementation of the proposed Fourth A&R RBH Plan on the Plan Implementation Date and are consistent with the compromise and settlement contemplated in the Third A&R RBH Plan, as approved by the voting creditors.
14. The Monitor does not anticipate that any party would be materially prejudiced by the Amendments.

15. The Claimants and the Tobacco Companies were consulted with respect to the proposed Amendments. No party has indicated its intention to oppose the relief sought in the CCAA Plan Amendment Order.

RBH Administration Reserve Trust Deed

16. The Fourth A&R RBH Plan (in all cases, as proposed to amend the Third A&R RBH Plan) provides for the establishment of a trust (the “**RBH CCAA Plan Administration Reserve Trust**”) to hold the RBH CCAA Plan Administration Reserve, which will serve as security for the RBH CCAA Plan Administration Reserve Costs in favour of the beneficiaries of the RBH CCAA Plan Administration Reserve.
17. In the Plan Administration Reserve Trust Order, the CCAA Plan Administrator is seeking the CCAA Court’s approval of, among other things:
 - (a) a trust deed (the “**RBH Administration Reserve Trust Deed**”) in the form attached as Schedule “A” to the RBH CCAA Plan Administration Reserve Order, pursuant to which the RBH CCAA Plan Administration Reserve Trust will be established, and the other transactions contemplated therein;
 - (b) the engagement of BMO Trust Company (“**BMO**”) to act as trustee of the RBH CCAA Plan Administration Reserve Trust;
 - (c) BMO’s proposed fees and expenses; and
 - (d) the proposed investment guidelines pertaining to the funds held in the RBH CCAA Plan Administration Reserve Trust.

18. Each of these elements is explained in greater detail in the Thirtieth Report of the Monitor.
19. The relief set out above is necessary to allow the Fourth A&R RBH Plan to be implemented. The Fourth A&R RBH Plan requires the RBH CCAA Plan Administration Reserve to be deposited into the RBH CCAA Plan Administration Reserve Account as a condition to implementation. Without the Plan Administration Reserve Trust Order, the RBH CCAA Plan Administration Reserve Account will not be established and therefore, the Fourth A&R RBH Plan will not be capable of implementation.
20. No party has indicated an intention to oppose the granting of the Plan Administration Reserve Trust Order.

Sales and Excise Tax Charge and the Directors' Charge

21. The Second Amended and Restated Initial Order issued by the CCAA Court in these CCAA Proceedings on April 25, 2019 (the “**Second A&R Initial Order**”) granted:
 - (a) the Sales and Excise Tax Charge over the Property, as security for all amounts owing by RBH in respect of Sales & Excise Taxes to the Canadian federal, provincial, and territorial authorities that are entitled to receive payments or collect monies from RBH in respect of Sales & Excise Taxes; and
 - (b) the Directors' Charge over the Property for the benefit of the directors and officers of RBH, as security for the indemnity provided in the Initial Order.
22. Pursuant to paragraph 56(b) of the Sanction Order, 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 up to the Plan Implementation Date.

23. Accordingly, for greater certainty, the proposed Plan Administration Reserve Trust Order provides that upon the CCAA Plan Administrator's receipt of RBH's written confirmation that the claims secured by the Sales and Excise Tax Charge and the Directors' Charge up to the Plan Implementation Date have been paid in full, these charges will be terminated discharged, expunged and released.

Amendment to RBH Insurance Settlement Order

24. Pursuant to an Order granted on December 23, 2024 by Chief Justice Morawetz (the "**RBH Insurance Settlement Order**"), certain insurance settlement proceeds of RBH (the "**Settlement Payments**") are currently held by the Monitor in an interest-bearing trust account, pending the Plan Implementation Date.

25. The RBH Insurance Settlement Order, among other things, provides that, on the Plan Implementation Date, RBH is authorized and directed to direct the Monitor to contribute the Settlement Payments to the RBH Global Settlement Trust Account on behalf of RBH and as a Contribution by RBH to the Global Settlement Amount.

26. The CCAA Plan Administrator, in consultation with RBH, has determined that it would be most efficient to use the Settlement Payments, and any interest accrued thereon, to fund the RBH Administration Reserve Trust, with any remainder being directed to the RBH Global Settlement Trust. As such the CCAA Plan Administer is seeking to amend paragraph 4(b) of the RBH Insurance Settlement Order as follows:

effective on the Plan Implementation Date, the Settlement Payments held by the Monitor, plus accrued interest, shall be released to and become property of the Applicant and the Applicant is authorized and directed to direct the Monitor to ~~contribute~~ forward the amount of (i) \$25 million to the RBH CCAA Plan Administration Reserve Account (as defined in the CCAA Plan) and (ii) the balance of the Settlement Payments to the Global Settlement Trust Account on behalf of the Applicant, or such other account(s) as the Applicant and the Monitor determine, with such amounts constituting a Contribution by the Applicant towards the Global Settlement Amount. For greater certainty, the Monitor shall not be considered to be a settlor of the RBH Global Settlement Trust or the RBH CCAA Plan Administration Reserve Trust (each as defined in the CCAA Plan);

27. The proposed amendment to the RBH Insurance Settlement Order is being sought by the CCAA Plan Administrator with the support of RBH and is intended to promote efficiency in implementing the Fourth A&R RBH Plan and minimize any disruptions on the Plan Implementation Date.

Additional Grounds

28. Section 11 of the CCAA and the inherent and equitable jurisdiction of this CCAA Court.
29. 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.
30. 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:

31. The Thirtieth Report; and
32. Such further and other evidence as counsel may advise and this CCAA Court may permit

August 23, 2025

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*Lawyers for Ernst & Young Inc., in its capacity as the
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TO: COMMON SERVICE LIST

Schedule “A”
Virtual Hearing Protocol

PROTOCOL FOR MOTION BY ZOOM VIDEO CONFERENCE

Scheduling and Specific Requirements

1. Any person on the Service List that wishes to appear virtually on the motion(s) (“**Participants**”) must register by **4:00 p.m. on Monday, August 25th, 2025** for the motion(s) scheduled for **Wednesday, August 27th, 2025**, by emailing Veritext Litigation Solutions Canada, Inc. (scheduling@neesonsreporting.com) and copying each Monitor’s counsel (aperley@dwpv.com, ehyderman@cassels.com, jake.harris@blakes.com). In their email, Participants should provide contact information, including their name, the party they are acting for, their email address and phone number for the counsel slip, along with a statement regarding whether they intend to make submissions.
2. 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.
3. All material for use on the motion(s) is to be posted on Case Center, as more fully described in Appendix “B”.
4. Participants will appear by video. Veritext will distribute the Zoom link to registered Participants. Participants are not permitted to forward or share the Zoom link. No person should have access to the hearing on Zoom other than Participants. If a Participant is unable to attend by video, they should contact Monitors’ counsel. Participants should carefully review the technical requirements below.
5. Counsel are not required to gown for the hearing.
6. 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.
7. No recording of any part of the hearing (including audio) may be made unless authorized in advance by the Court.
8. 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.

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

Technical Requirements for Zoom Participants

10. 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.

11. Each Participant is responsible for ensuring that they have suitable equipment to participate in the hearing and that such equipment works properly. 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.

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

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

14. Participants should log on using the Zoom link provided approximately 30 minutes before the hearing is scheduled to begin. During this time, Participants should speak to each other to determine if there are any audio/visual/connection issues.

15. It is suggested that Participants use the “gallery view” mode, rather than the “active speaker” mode, available on Zoom.

16. It is suggested that only counsel who are making submissions turn on their cameras during the hearing.

17. Should a Participant become disconnected from Zoom or experience technical difficulties during the hearing, they should immediately inform the Court by sending an email to Veritext Litigation Solutions Canada, Inc. (scheduling@neesonsreporting.com).

18. Further 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 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. Participants must ensure that they participate in the Zoom hearing from a well-lit room so that they are easily visible. Participants must also ensure that no filters are active that may distort or otherwise conceal their appearance.
3. 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 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 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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(Commercial List)**

Proceeding commenced at Toronto

**NOTICE OF MOTION
(CCAA PLAN AMENDMENT ORDER #2 & PLAN
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TAB 2

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS*
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Applicant

THIRTIETH REPORT OF THE MONITOR
August 23, 2025

INTRODUCTION¹

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* 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 (in such capacity, the “**Monitor**”) of the Applicant in this CCAA proceeding (the “**CCAA Proceeding**”).
2. On April 25, 2019, this Court (the “**CCAA 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 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 “**CCAA Plan**”) in respect of the Applicant, set the meeting of creditors for December 12, 2024 (the “**RBH**

¹ Capitalized terms used but not otherwise defined have the meanings ascribed to them in the Fourth Amended and Restated Plan of Compromise and Arrangement in respect of the Applicant dated August 22, 2025, attached hereto as Appendix “**B**” (the “**Fourth A&R RBH Plan**”).

Meeting”) for affected creditors to vote on the CCAA Plan, and approved a claims procedure to identify affected claims against the Applicant for purposes of voting on the CCAA Plan.

4. On December 5, 2024, the Monitor served the first amended and restated plan of compromise or arrangement in respect of the Applicant (the “**A&R RBH Plan**”) on the Common Service List. The RBH Meeting took place virtually on December 12, 2024 and the A&R RBH Plan was unanimously approved by the Eligible Voting Creditors. The A&R RBH Plan has since been amended and restated twice, most recently on February 27, 2025, when the Monitor served the third amended and restated plan of compromise or arrangement in respect of the Applicant (the “**Third A&R RBH Plan**”), on the Common Service List.
5. On March 6, 2025, the CCAA Court issued an Order (the “**Sanction Order**”) and endorsement sanctioning the Third A&R RBH Plan. On the same day, the Court issued an Order appointing Ernst & Young Inc. as the CCAA Plan Administrator in respect of RBH (the “**CCAA Plan Administrator**”).

PURPOSE

6. The purpose of this thirtieth report of the Monitor (the “**Thirtieth Report**”) is to provide information to this Court with respect to:
 - i) the motion brought by the Monitor for an Order (the “**CCAA Plan Amendment Order**”) approving the proposed amendments to the Third A&R RBH Plan, as reflected in the Fourth A&R RBH Plan;
 - ii) the motion by the CCAA Plan Administrator for an Order (the “**Plan Administration Reserve Trust Order**”) approving:
 - a) the trust deed (the “**RBH CCAA Plan Administration Reserve Trust Deed**”) pursuant to which “The RBH CCAA Plan Administration Reserve Trust” (the “**RBH CCAA Plan Administration Reserve Trust**”) will be established, and the transactions contemplated therein, in the form attached as Schedule A to the proposed Plan Administration Reserve Trust Order;

- b) the engagement of BMO Trust Company (“**BMO**”) to act as trustee (in such capacity, the “**Trustee**”) of the RBH CCAA Plan Administration Reserve Trust;
 - c) BMO’s proposed fees and expenses (the “**Trustee Fees**”) in accordance with the trustee services fee schedule (the “**Fee Schedule**”) attached as Schedule C to the RBH CCAA Plan Administration Reserve Trust Deed;
 - d) the proposed investment guidelines pertaining to the property held in the RBH CCAA Plan Administration Reserve Trust (the “**Investment Guidelines**”) attached as Schedule B to the RBH CCAA Plan Administration Reserve Trust Deed;
 - e) a proposed amendment to the RBH Insurance Settlement and Bar Order dated December 23, 2024, as described below (the “**RBH Insurance Settlement Order**”); and
- iii) an update on the Sales and Excise Tax Charge and the Directors’ Charge (as defined in the Second Amended and Restated Initial Order).

TERMS OF REFERENCE

7. In preparing this Thirtieth 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 prior affidavits of Milena Trentadue, Mindaugas Trumpaitis and Peter Luongo filed in the CCAA Proceedings, and discussions with RBH management (collectively, the “**Information**”). Except as described in this Thirtieth 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 Thirtieth 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 Thirtieth 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 Thirtieth 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. Copies of the Monitor's prior reports, including a copy of this Thirtieth 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.

AMENDMENTS TO THE THIRD A&R RBH PLAN

12. Since the Sanction Order was issued on March 6, 2025, the Monitor, including in its capacity as CCAA Plan Administrator, has been working with the Court-Appointed Mediator, the Applicant and the Claimants to implement the Third A&R RBH Plan. While doing so, it has become apparent that certain amendments are required to the Third A&R RBH Plan (the

“**Amendments**”) to achieve a successful implementation. The material proposed Amendments are summarized in the attached Appendix “**A**”².

13. Pursuant to section 20.4(a) of the Third A&R RBH Plan, the Court-Appointed Mediator and Monitor are permitted to make non-administrative amendments to the Third A&R RBH Plan with the approval of the CCAA Court following notice to the Affected Creditors and the Applicant.
14. The Amendments are incorporated into the Fourth A&R RBH Plan, which is attached hereto as Appendix “**B**” and will be served on the Common Service List. A blackline comparing the Third A&R RBH Plan to the Fourth A&R RBH Plan, reflecting the Amendments, is attached hereto as Appendix “**C**”.
15. The Monitor understands that the Claimants and the Tobacco Companies have been consulted in respect of the proposed Amendments. None of these parties have indicated their intention to oppose the approval of the Amendments.
16. The Amendments are required for the effective implementation of the Fourth A&R RBH Plan, are consistent with the compromise and settlement contemplated in the Third A&R RBH Plan, and, in the view of the Monitor, no Affected Creditor will be materially prejudiced by the Amendments.

THE RBH CCAA PLAN ADMINISTRATION RESERVE TRUST

17. The Fourth A&R RBH Plan (in all cases, as it is proposed to amend and restate the Third A&R RBH Plan) provides for the establishment of the RBH CCAA Plan Administration Reserve Trust to hold the RBH CCAA Plan Administration Reserve, which will serve as security for the RBH CCAA Plan Administration Reserve Costs. Pursuant to the proposed Plan Administration Reserve Trust Order, the RBH CCAA Plan Administration Reserve will be held in the RBH CCAA Plan Administration Reserve Trust in favour of the beneficiaries of the RBH CCAA Plan Administration Reserve pursuant to the Fourth A&R RBH Plan.

² This Appendix contains only an overview of certain material proposed Amendments and is not meant to be exhaustive.

18. The RBH CCAA Plan Administration Reserve Trust will be established pursuant to the RBH CCAA Plan Administration Reserve Trust Deed between RBH, as settlor, and BMO, as Trustee. The RBH CCAA Plan Administration Reserve Trust Deed is essentially identical to the proposed trust deeds which will establish the administration reserve trusts under each of the other Tobacco Companies' CCAA Plans. The form of the RBH CCAA Plan Administration Reserve Trust Deed is attached as Schedule A to the proposed Plan Administration Reserve Trust Order.
19. The material terms of the RBH CCAA Plan Administration Reserve Trust Deed include:
 - i) the legal ownership of the funds held in the RBH CCAA Plan Administration Reserve Trust will be vested in, and administered and managed exclusively by, the Trustee in accordance with the RBH CCAA Plan Administration Reserve Trust Deed; and
 - ii) the Trustee will make payments from the trust funds to or on behalf of the beneficiaries thereof on account of amounts which they are entitled under the Fourth A&R RBH Plan in accordance with the RBH CCAA Plan Administration Reserve Trust Deed.
20. The Fourth A&R RBH Plan requires the RBH CCAA Plan Administration Reserve to be deposited into the RBH CCAA Plan Administration Reserve Account as a condition to implementation. Without the Plan Administration Reserve Trust Order, the RBH CCAA Plan Administration Reserve Account will not be established, and therefore, the Fourth A&R RBH Plan will not be capable of implementation.
21. The Monitor believes that the form of the RBH CCAA Plan Administration Reserve Trust Deed is fair and reasonable and necessary to implement and administer the Fourth A&R RBH Plan.

THE TRUSTEE AND TRUSTEE FEES

22. As previously reported to the CCAA Court, following a request for proposals process BMO was selected to act as the trustee of the RBH Global Settlement Trust Account, and the equivalent accounts of the other Tobacco Companies, and as bare trustee of the RBH Supplemental Trust Account, and the equivalent accounts of the other Tobacco Companies, in accordance with the CCAA Plans.

23. To take advantage of efficiencies resulting from its other engagements, BMO was similarly selected as the proposed trustee of the RBH CCAA Plan Administration Reserve Trust.
24. BMO's proposed services, as Trustee, will include:
- i) establishing and administering the RBH CCAA Plan Administration Reserve Trust;
 - ii) managing and investing the funds in the RBH CCAA Plan Administration Reserve Trust in accordance with the Investment Guidelines;
 - iii) providing monthly reporting to the CCAA Plan Administrator on investment performance, portfolio composition, and receipts and disbursements of the RBH CCAA Plan Administration Reserve Trust;
 - iv) administering distributions from the RBH CCAA Plan Administration Reserve Trust in accordance with the deed establishing such trust;
 - v) filing and paying taxes of the RBH CCAA Plan Administration Reserve Trust and complying with any applicable tax withholding requirements; and
 - vi) adhering to typical fiduciary obligations including avoiding conflicts of interest.
25. In consideration for its services, BMO will be paid an annual fee of 0.04% of the average market value of the assets under administration in the RBH CCAA Plan Administration Reserve Trust³, subject to an annual minimum fee of \$5,000.
26. BMO will be entitled to be reimbursed for its legal and tax preparation fees and expenses and all other out-of-pocket expenses incurred in the administration of the RBH CCAA Plan Administration Reserve Trust. Such expenses and the other Trustee Fees will be paid quarterly out of the property held in the RBH CCAA Plan Administration Reserve Trust

³ This is the same rate payable to BMO in connection with the administration of the RBH Global Settlement Trust Account and RBH Supplemental Trust Account. The Monitor understands that in addition to the 0.04% fee described above, a 0.05% fee will be charged by an affiliate portfolio manager of BMO for the provision of investment services in respect of the RBH CCAA Plan Administration Reserve Trust. The Monitor further understands a separate 0.05% fee for investment services will also be incurred and paid by the RBH Global Settlement Trust and RBH Supplemental Trust.

following the delivery of an invoice by BMO. The Trustee Fees are further detailed in the Fee Schedule.

27. The Monitor believes the proposed Trustee Fees are fair and reasonable given the scope of the duties to be performed by BMO in connection with the RBH CCAA Plan Administration Reserve Trust.

THE INVESTMENT GUIDELINES

28. Pursuant to the Fourth A&R RBH Plan, the amounts held in the RBH CCAA Plan Administration Reserve Account are to be invested in accordance with approved investment guidelines, pending disbursement to applicable payees.
29. The proposed Investment Guidelines are essentially identical to the investment guidelines approved by the CCAA Court pursuant to the Banking Arrangements Order and applicable to the funds held in the RBH Global Settlement Trust Account and the RBH Supplemental Trust Account. The objectives of the Investment Guidelines are to preserve capital, maintain a high degree of liquidity and were developed to be extremely risk adverse.
30. The Monitor believes that the proposed Investment Guidelines are rationally tailored to the stated objectives thereof and will provide payees with reasonable assurance that the funds held in the RBH CCAA Plan Administration Reserve Account will not be subjected to unnecessary investment risk.

INSURANCE SETTLEMENT PROCEEDS

31. On December 23, 2024, the CCAA Court granted the RBH Insurance Settlement Order which among other things: (i) approved a settlement between RBH and certain Insurers (as defined in the RBH Insurance Settlement Order); (ii) directed the Insurers to pay the Settlement Payments to the Monitor, to be held by the Monitor in an interest-bearing trust account; and (iii) ordered that, on the Plan Implementation Date (A) the Settlement Payments

were to be released by the Monitor and become property of RBH, and (B) RBH is authorized and directed to direct the Monitor to contribute the Settlement Payments to the RBH Global Settlement Trust Account on behalf of RBH.

32. The Fourth A&R RBH Plan contemplates that, on the Plan Implementation Date, RBH will fund the RBH CCAA Plan Administration Reserve in the amount of \$25 million.
33. The amount of the Settlement Payments, plus accrued interest, currently held by the Monitor in trust, exceeds the amount to be funded to the RBH CCAA Plan Administration Reserve.
34. Accordingly, the Monitor, in consultation with RBH, has determined that the most efficient and effective means of funding the RBH CCAA Plan Administration Reserve is to have the Settlement Payments, up to a maximum of \$25 million, be forwarded by the Monitor, at the direction and on behalf of RBH, to the RBH CCAA Plan Administration Reserve, with the remainder being forwarded to the RBH Global Settlement Trust Account.
35. The Plan Administration Reserve Trust Order contemplates that the following amendment will be made to paragraph 4(b) of the RBH Insurance Settlement Order:

4(b): effective on the Plan Implementation Date, the Settlement Payments, plus interest that has accrued to that date held by the Monitor shall be released to and become property of the Applicant and the Applicant is authorized and directed to direct the Monitor to ~~contribute~~ forward the amount of (i) \$25 million to the RBH CCAA Plan Administration Reserve Account and (ii) the balance of the Settlement Payments to the Global Settlement Trust Account, or such other account as the Applicant and the Monitor determine on behalf of the Applicant, with such amounts constituting a Contribution by the Applicant towards the Global Settlement Amount. For greater certainty, the Monitor shall not be considered to be a settlor of the Global Settlement Trust (as defined in the Twenty-Eighth Report of the Monitor, dated August 12, 2025) or the RBH CCAA Plan Administration Reserve Trust (as defined in the Thirtieth Report of the Monitor, dated August 23, 2025);

36. RBH, being the sole party the Monitor is aware of that may be affected by the proposed amendment to the RBH Insurance Settlement Order, has consented to the proposed amendment.

SALES AND EXCISE TAX CHARGE AND THE DIRECTOR'S CHARGE

37. The Second Amended and Restated Initial Order granted:
- i) the Sales and Excise Tax Charge over the Property, as security for all amounts owing by the Applicant in respect of Sales & Excise Taxes to the Canadian federal, provincial and territorial authorities that are entitled to receive payments or collect monies from the Applicant in respect of Sales & Excise Taxes; and
 - ii) the Directors' Charge over the Property for the benefit of the directors and officers of the Applicant, as security for the indemnity provided in the Second Amended and Restated Initial Order.
38. Pursuant to paragraph 56(b) of the Sanction Order, each of the Sales and Excise Tax Charge and the Directors' Charge will be terminated, discharged, expunged and released upon receipt by the CCAA Plan Administrator, from the Applicant of an acknowledgement of payment in full and in the appropriate currency of the claims secured thereby up to the Plan Implementation Date.
39. Accordingly, for greater certainty, the proposed Plan Administration Reserve Trust Order provides that, upon the Monitor's receipt of the Applicant's written confirmation that the claims secured by the Sales and Excise Tax Charge and the Directors' Charge up to the Plan Implementation Date have been paid in full, these charges will be terminated discharged, expunged and released.

CONCLUSION AND RECOMMENDATION

40. The Monitor is not aware of any party at this time that intends to oppose the granting of the CCAA Plan Amendment Order or the Plan Administration Reserve Trust Order.
41. For the reasons outlined in this Thirtieth Report, the Monitor supports (i) the approval of the proposed Amendments to the Third A&R RBH Plan, as reflected in the Fourth A&R RBH Plan, and the granting of the CCAA Plan Amendment Order, (ii) the engagement of BMO as the Trustee of the RBH CCAA Plan Administration Reserve Trust on the terms outlined in the RBH CCAA Plan Administration Reserve Trust Deed and the Plan Administration

Reserve Trust Order, (iii) the approval of the proposed amendment to the RBH Insurance Settlement Order, and (iv) the approval of the provisions with respect to the termination of the Sales and Excise Tax Charge and the Directors' Charge in the Plan Administration Reserve Trust Order.

All of which is respectfully submitted this 23rd day of August, 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' or similar initials, written in a cursive style.

Matt Kaplan
Senior Vice President

Appendix “A”

APPENDIX “A”

Summary of the Material Proposed Amendments to the RBH CCAA Plan¹

CCAA Plan²

	Current Language in the RBH CCAA Plan	Amended Language in the Fourth A&R CCAA Plan	Affected Sections in the Fourth A&R CCAA Plan ³
<i>Agents to the Claimants</i>			
1.	The RBH CCAA Plan does not provide a mechanism to engage the Collateral Agent.	The Fourth A&R CCAA Plan provides that the Collateral Agent will be engaged pursuant to the RBH Collateral Agency Agreement, subject to CCAA Court approval.	• 1.1 Definitions – Collateral Agent • 1.1 Definitions – Collateral Agent Order • 1.1 Definitions – RBH Collateral Agency Agreement • 5.13 Contribution Security
<i>Contribution Security Agreement⁴</i>			
2.	The definition of Claimants in the RBH CCAA Plan includes (i) the Provinces and Territories, (ii) Quebec Class Action Plaintiffs, (iii) Pan-Canadian Claimants, (iv) <i>Knight</i> Class Action Plaintiffs and (v) Tobacco Producers.	The definition of Claimants in the Fourth A&R CCAA Plan, with respect to the Banking Arrangements Order, RBH Supplemental Trust Charge, Collateral Agent Order, RBH Collateral Agency Agreement and Contribution Security now excludes the <i>Knight</i> Class Action Plaintiffs and Tobacco Producers in those instances. This amendment reflects that the <i>Knight</i> Class Action Plaintiffs’ and Tobacco Producers’ Claims will be satisfied in full on	• 1.1 Definitions – “Claimants”

¹ This Appendix provides a summary of only material changes to the Third Amended and Restated Plan of Compromise and Arrangement of RBH dated February 27, 2025 (the “**RBH CCAA Plan**”) and its Schedules, and is not intended to be an exhaustive list of all amendments proposed.

² Capitalized terms used but not otherwise defined herein have the meanings attributed to them in the RBH CCAA Plan or the Fourth Amended and Restated Plan of Compromise and Arrangement of RBH dated August 22, 2025 (the “**Fourth A&R CCAA Plan**”), as applicable.

³ The sections referenced herein reflect the most pertinent sections affected by the applicable amendment. For clarity, the following is not intended to provide an exhaustive list of each section that may be impacted by an amendment listed in this Appendix.

⁴ Further material amendments to the Contribution Security Agreement attached as Schedule “E” to the RBH CCAA Plan are set out below.

	Current Language in the RBH CCAA Plan	Amended Language in the Fourth A&R CCAA Plan	Affected Sections in the Fourth A&R CCAA Plan ³
		the Plan Implementation Date, and they will not be granted a Security Interest.	
3.	The RBH CCAA Plan provides that, at least 10 Business Days prior to the Plan Implementation Date, the parties shall enter into the Contribution Security Agreement.	The Fourth A&R CCAA Plan removes the 10 Business Day requirement. Court approval of the Contribution Security Agreement is only scheduled for August 27, 2025 and the Contribution Security Agreement can only be signed thereafter. The Fourth A&R CCAA Plan instead requires that the Contribution Security Agreement be entered into on or prior to the Plan Implementation Date.	5.13 Contribution Security
<i>Alternative Products Business</i>			
4.	The RBH CCAA Plan provides that, as of the Effective Time, RBH and the CCAA Plan Administrator will have, or will be deemed to have, agreed as to the timing and details of the transfer of RBH's Alternative Products Business to Newco.	The Fourth A&R CCAA Plan removes the condition to plan implementation that the timing and details dealing with the transfer of the Alternative Products Business to Newco will have been agreed to as of the Effective Time. For greater clarity, the corporate authorizations of RBH required to effect the transfer of the Alternative Products Business to Newco will still be deemed to have been authorized and approved as of the Effective Time.	4.2(b) Restructuring Steps
<i>Trust and Accounts</i>			
5.	The RBH CCAA Plan provides that the RBH QCAP Trust Account will be held by the	The Fourth A&R CCAA Plan provides that, subject to CCAA Court approval: (i) the Trustee will be engaged; (ii) the RBH QCAP	1.1 Definitions – “RBH QCAP Trust Account”

	Current Language in the RBH CCAA Plan	Amended Language in the Fourth A&R CCAA Plan	Affected Sections in the Fourth A&R CCAA Plan ³
	CCAA Plan Administrator in trust, in an account established by the CCAA Plan Administrator.	Trust Account will be established by the Trustee; and (iii) RBH's proportionate share of the QCAP Settlement Amount will be held by the Trustee in the RBH QCAP Trust Account.	• 7.4 QCAP Trust Accounts • 14.3 Trustees of the [Trust Accounts] • 14.4(m)(iv) Duties and Responsibilities of CCAA Plan Administrators
6.	The RBH CCAA Plan provides that the RBH PCC Trust Account will be held by the CCAA Plan Administrator in trust, in an account established by the CCAA Plan Administrator.	The Fourth A&R CCAA Plan provides that, subject to court approval: (i) the Trustee will be engaged; (ii) the RBH PCC Trust Account will be established by the Trustee; and (iii) RBH's proportionate share of the PCC Compensation Plan Amount will be held by the Trustee in the RBH PCC Trust Account.	• 1.1 Definitions – “RBH PCC Trust Account” • 8.3 PCC Trust Accounts • 14.3 Trustees of the [Trust Accounts] • 14.4(k)(iv) Duties and Responsibilities of CCAA Plan Administrators
7.	The RBH CCAA Plan provides that the RBH CCAA Plan Administration Reserve will be held by the CCAA Plan Administrator in trust, in an account established by the CCAA Plan Administrator.	The Fourth A&R CCAA Plan provides that, subject to CCAA Court approval: (i) the Trustee will be engaged; (ii) the RBH CCAA Plan Administration Reserve Account will be established by the Trustee; and (iii) the RBH CCAA Plan Administration Reserve will be held by the Trustee.	• 1.1 Definitions – “RBH CCAA Plan Administration Reserve” • 1.1 Definitions – “RBH CCAA Plan Administration Reserve Account” • 14.3 Trustees of the [Trust Accounts] • 15.1 CCAA Plan Administration Reserve
8.	The RBH CCAA Plan provides that the RBH PCC Compensation Plan Reserve will be held by the CCAA Plan Administrator in trust, in an account established by the CCAA Plan Administrator.	The Fourth A&R CCAA Plan provides that, subject to CCAA Court approval: (i) the Trustee will be engaged; (ii) the RBH PCC Compensation Plan Reserve Account will be established by the Trustee; and (iii) the RBH PCC Compensation Plan Reserve will be held by the Trustee in the RBH PCC Compensation Plan Reserve Account.	• 1.1 Definitions – “RBH PCC Compensation Plan Reserve Account” • 1.1 Definitions – “RBH PCC Compensation Plan Reserve” • 14.3 Trustees of the [Trust Accounts] • 15.2 PCC Compensation Plan Reserve
9.	The RBH CCAA Plan was unclear as to whether various trusts and accounts would be	The Fourth A&R CCAA Plan provides that separate trusts and accounts will be established for the administration of each	• 1.1 Definitions • 4.2 Restructuring Steps

	Current Language in the RBH CCAA Plan	Amended Language in the Fourth A&R CCAA Plan	Affected Sections in the Fourth A&R CCAA Plan ³
	shared across the Tobacco Companies' estates, including the Global Settlement Trust, CCAA Plan Administration Reserve Trust, Cy-près Trust, PCC Compensation Plan Reserve Account, PCC Trust Account, QCAP Trust Account, Supplemental Trust Account and Miscellaneous Claims Fund.	CCAA Plan, to be funded by the applicable Tobacco Company. The Global Settlement Amount, and the several liability of the Tobacco Companies, remains unaffected by these amendments.	• 5.3 Global Settlement Trust Account and Supplemental Trust Account • 7.4 QCAP Trust Accounts • 7.5 Payment of QCAP Cy-près Contributions to Cy-près Trust Account • 9.2 Funding the Cy-près Foundation • 14.3 Trustees of the [Trust Accounts] • 14.6 Distributions to Claimants from the [Global Settlement Trust Accounts] • 15.1 CCAA Plan Administration Reserve • 15.2 PCC Compensation Plan Reserve • 18.2.1 Miscellaneous Claims Fund • 19.3(i)-(o) Conditions Precedent to Implementation of the CCAA Plan
10.	The RBH CCAA Plan contemplates that the amounts held in certain of the trusts and accounts would be invested in accordance with approved investment guidelines, but did not provide any specificity regarding the substance of those guidelines. The RBH CCAA Plan also provides that the CCAA Plan Administrator would be required to oversee the investment of the funds to ensure they were in compliance with the investment guidelines to be approved.	The Fourth A&R CCAA Plan provides that: (i) the Investment Guidelines are in the form attached as a schedule to the RBH Deed, the RBH Supplemental Trust Agreement and the RBH CCAA Plan Administration Reserve Trust Deed; and (ii) the CCAA Plan Administrator will not be responsible for ensuring the funds in the applicable accounts are invested in accordance with the Investment Guidelines.	• 1.1 Definitions – “Investment Guidelines” • 6.5 Investment of Contributions and Reserved Amounts pending Disbursement • 14.4(g), (k)(i) & (m)(i) Duties and Responsibilities of CCAA Plan Administrators • 14.9 Payment of Costs

	Current Language in the RBH CCAA Plan	Amended Language in the Fourth A&R CCAA Plan	Affected Sections in the Fourth A&R CCAA Plan ³
11.	The RBH CCAA Plan provides that the RBH Supplemental Trust Account would be in the form of an interest-bearing account or trust account held by the CCAA Plan Administrator.	The Fourth A&R CCAA Plan provides that: (i) the RBH Supplemental Trust Account will be set up as a bare trust, held by the bare trustee pursuant to the RBH Supplemental Trust Agreement; and (ii) the RBH Supplemental Trust Agreement Funds will be invested in accordance with the Investment Guidelines.	• 1.1 Definitions – “Bare Trustees” • 5.3 Global Settlement Trust Account and Supplemental Trust Account • 6.5 Investment of Contributions and Reserved Amounts pending Disbursements • 14.3 Trustees of the [Trust Accounts] • 14.4(g) Duties and Responsibilities of CCAA Plan Administrators • 19.3(j) Conditions Precedent to Implementation of CCAA Plan
12.	The RBH CCAA Plan did not provide for how income earned on interest-bearing trust accounts would be allocated.	The Fourth A&R CCAA Plan provides that investment income earned on: (i) any Reserved Amount, following the release of such investment income from the Tobacco Company’s Supplemental Trust Account to such Tobacco Company’s Global Settlement Trust Account, shall be applied to reduce the aggregate Global Settlement Amount; and (ii) amounts in the RBH Global Settlement Trust and all other interest-bearing trust accounts under the Fourth A&R CCAA Plan will enure to the exclusive benefit of the beneficiaries thereof.	• 1.1 Definition – “Contribution” • 5.6 Annual Contributions • 20.3 Interest and Fees
Contributions			
13.	The RBH CCAA Plan provides that, on the Plan Implementation Date, the Cash Security Deposits will be included in the Upfront Contributions and	The Fourth A&R CCAA Plan provides that the Cash Security Deposits and (i) certain portions of Imperial’s Upfront Contribution (to the extent such funds remain pledged to cash collateralize outstanding letters of credit) or	• 5.4 Upfront Contributions • 7.3 Release of Cash Security Deposits • 16.2 (Note 2) Explanatory Notes

	Current Language in the RBH CCAA Plan	Amended Language in the Fourth A&R CCAA Plan	Affected Sections in the Fourth A&R CCAA Plan ³
	deposited into the RBH Global Settlement Trust Account.	insurance proceeds, and (ii) certain portions of JTIM's Upfront Contribution (to the extent such funds remain pledged as cash collateral), may not be available on the Plan Implementation Date, and shall be deposited into the RBH Global Settlement Trust Account on the Plan Implementation Date, or such later time as and when those amounts become available.	19.3(o) Conditions Precedent to Implementation of CCAA Plan
14.	The RBH CCAA Plan does not provide for the inclusion of the Net After-Tax Income of RBH for the period between the end of the month prior to the Plan Implementation Date and the Plan Implementation Date being included in the Contributions.	The Fourth A&R CCAA Plan provides that the period between the last day of the month prior to the Plan Implementation Date and the Plan Implementation Date is included in calculating the Annual Contribution of RBH during the first year of the Contribution Period.	5.6(a) Annual Contributions 5.8 Contribution Period
Orders/ Relief Granted			
15.	Various Orders and relief related to the implementation of the RBH CCAA Plan were granted by the CCAA Court subsequent to the date of the RBH CCAA Plan and are not referenced in the RBH CCAA Plan. ⁵	The Fourth A&R CCAA Plan provides references to the Orders granted and where relief has already been obtained.	1.1 Definitions 7.3 Release of Cash Security Deposits 14.1 Appointment of CCAA Plan Administrators 14.8 Role of Court-Appointed Mediator after Sanction Order 16.2 (Note 2) Explanatory Notes 18.1.11 CCAA Meeting Orders and Sanction Orders

⁵ The applicable Orders and Endorsements include the Banking Arrangements Order, the Cash Security Deposits Order, the Claims Administrator Order, Fee Approval Direction, Court-Appointed Mediator's Ongoing Services Direction, Meeting Order, the Sanction Order, the Signing Authorization Order.

	Current Language in the RBH CCAA Plan	Amended Language in the Fourth A&R CCAA Plan	Affected Sections in the Fourth A&R CCAA Plan ³
			• 19.2 Sanction Order
16.	The RBH CCAA Plan does not provide how the fees of the Monitor and its counsel will be approved.	The Fourth A&R CCAA Plan references the Fee Approval Direction, which provides that the Court-Appointed Mediator will: (i) review the fees and disbursements of the Monitor and its legal counsel incurred since the commencement of the CCAA Proceeding and on an ongoing basis; and (ii) in its sole discretion, advise the Court if these amounts are fair and reasonable.	• 1.1 Definitions – “Fee Approval Direction” • 14.9(a) Payment of Costs
Claims Administrator			
17.	The RBH CCAA Plan provides that the Claims Administrator will be engaged pursuant to a written agreement to be entered into between the CCAA Plan Administrator and the Claims Administrator, subject to approval of the CCAA Court.	The Fourth A&R CCAA Plan, Quebec Administration Plan and PCC Compensation Plan remove the requirement for the CCAA Plan Administrator to enter into a written agreement with the Claims Administrator and provide that the Claims Administrator will be appointed pursuant to the Claims Administrator Order, to be obtained.	• 1.1 Definitions – “Claims Administrator Order” • 14.4(k)(ii) & (m)(ii) Duties and Responsibilities of CCAA Plan Administrators
18.	The RBH CCAA Plan did not provide how the Claims Administrator would report to the CCAA Plan Administrators on its administration of the Quebec Administration Plan and PCC Compensation Plan, significant events or costs incurred in relation thereto.	The Fourth A&R CCAA Plan provides that the Claims Administrator shall deliver to the CCAA Plan Administrators: (i) Weekly Actual Costs Reports; (ii) Weekly Claims Administration Reports; (iii) Weekly Events Reports; (iv) Monthly Actual Costs Reports; (v) Monthly Claims Administration Reports; and (vi) Monthly Events Reports.	• 1.1 Definitions – “Monthly Actual Costs Reports” • 1.1 Definitions – “Monthly Claims Administration Reports” • 1.1 Definitions – “Monthly Events Reports” • 1.1 Definitions – “Weekly Actual Costs Reports” • 1.1 Definitions – “Weekly Claims Administration Reports”

	Current Language in the RBH CCAA Plan	Amended Language in the Fourth A&R CCAA Plan	Affected Sections in the Fourth A&R CCAA Plan ³
			1.1 Definitions – “Weekly Events Reports”

Schedule E – Contribution Security Agreement⁶

	Current Language in the Contribution Security Agreement attached to the RBH CCAA Plan	Amended Language in the Contribution Security Agreement attached to the Fourth A&R CCAA Plan	Affected Sections in the Contribution Security Agreement
1.	The Contribution Security Agreement provides that the Collateral will include the Global Settlement Trust Account.	The Global Settlement Trust is removed from the scope of Collateral. The Applicant does not have any right to property in the Global Settlement Trust and cannot grant security in the applicable property.	2.1(1)(e) Grant of Security
2.	The Contribution Security Agreement grants the Collateral Agent, for the benefit of the Secured Parties, the Security Interest in the Collateral held by the Debtors as of the Effective Time. No exclusion is referenced for Collateral related to the Alternative Products Business.	The Contribution Security Agreement includes a carve out for any personal property, assets and undertakings of the Debtors relating solely to the Alternative Products Business. The added provision reflects that the Alternative Products Business will not be transferred until after the Plan Implementation Date and the Fourth A&R CCAA Plan does not provide that Collateral related to the Alternative Products Business should be subject to the Security Interest.	2.5(2) Exclusions
3.	The terms of the Contribution Security Agreement provide that	The Contribution Security Agreement provides that the Material Subsidiary will enter into the	1.1 Definitions – “Guarantee”

⁶ Capitalized terms used but not otherwise defined herein have the meanings attributed to them in Contribution Security Agreement attached as Schedule “E” to the Fourth A&R CCAA Plan.

	Current Language in the Contribution Security Agreement attached to the RBH CCAA Plan	Amended Language in the Contribution Security Agreement attached to the Fourth A&R CCAA Plan	Affected Sections in the Contribution Security Agreement
	the Material Subsidiary of RBH will provide a guarantee under the Contribution Security Agreement.	Guarantee, as a standalone document, guaranteeing RBH's Obligations owing to the Secured Parties.	11.1 Guarantee

Schedule N – Quebec Administration Plan⁷

	Current Language in the Quebec Administration Plan attached to the RBH CCAA Plan	Amended Language in the Quebec Administration Plan attached to the Fourth A&R CCAA Plan	Affected Sections in the Quebec Administration Plan
1.	The Quebec Administration Plan provides that the Claims Administrator will be engaged pursuant to a written agreement to be entered into between the CCAA Plan Administrator and the Claims Administrator, subject to approval of the CCAA Court.	The Quebec Administration Plan provides that the Claims Administrator will be appointed pursuant to the Claims Administrator Order, to be obtained. The requirement for the CCAA Plan Administrator to enter into a written agreement with the Claims Administrator is removed.	1.1 Definitions – “Claims Administrator Order”
2.	The Quebec Administration Plan provides that the Claims Administrator's budget for the administration of the Quebec Administration Plan and the <i>Blais</i> Notice Plan will be set out in the written agreement	The Quebec Administration Plan provides that the budget of the Claims Administrator for the QCAP Claims Administration: (i) for the first annual period, will be set out in the First Annual Global Claims Administration Costs Budget, to be approved pursuant to the Claims Administrator Order; and (ii) for	1.1 Definitions – “First Annual Global Claims Administration Costs Budget” 1.1 Definitions – “Subsequent Annual Global Claims Administration Costs Budget” 16.2 Costs of Claims Administrator

⁷ Capitalized terms used but not otherwise defined herein have the meanings attributed to them in Quebec Administration Plan attached as Schedule “N” to the Fourth A&R CCAA Plan.

	Current Language in the Quebec Administration Plan attached to the RBH CCAA Plan	Amended Language in the Quebec Administration Plan attached to the Fourth A&R CCAA Plan	Affected Sections in the Quebec Administration Plan
	between the Claims Administrator and the CCAA Plan Administrator.	subsequent annual periods, will be set out in Subsequent Annual Global Claims Administration Costs Budgets, to be provided to the CCAA Plan Administrator in accordance with the Claims Administrator Order.	• 20.3 Costs of <i>Blais</i> Notice Plan
3.	The Quebec Administration Plan provides that the Claims Administrator's budget is subject to approval by the CCAA Plan Administrators, on an annual basis, who then shall submit the budget for final joint approval by the CCAA Court and the Quebec Superior Court.	The Quebec Administration Plan requires the Claims Administrator to: (i) prepare the First Annual Global Claims Administration Costs Budget and Subsequent Annual Global Claims Administration Costs Budget; and (ii) submit the applicable budget for joint approval by the CCAA Court and the Quebec Superior Court. For clarity, the obligation to the CCAA Plan Administrators to submit the budget to the CCAA Court and the Quebec Superior Court was removed.	• 57.3 Engagement with Administrative Coordinator and reporting to CCAA Plan Administrators, CCAA Court and Quebec Superior Court
4.	The Quebec Administration Plan temporally restricts the definition of "Official Confirmation" to confirmations of a Tobacco-Victim Claimant diagnosis of a <i>Blais</i> Compensable Disease or Diseases that was received before March 12, 2012.	The Quebec Administration Plan references the Official Confirmations of Diagnoses Order of the Quebec Superior Court, authorizing the MSSS and RAMQ to extract from the Quebec Cancer Registry and MED-ÉCHO information relating to diagnoses of Lung Cancer, Throat Cancer and Emphysema up to March 8, 2019.	• 1.1 Definitions – "Official Confirmation" • 1.1 Definitions – "Official Confirmations of Diagnoses Order" • 35.1 Official Confirmation of a Diagnosis of a <i>Blais</i> Compensable Disease

Schedule S – PCC Compensation Plan⁸

	Current Language in the PCC Compensation Plan attached to the RBH CCAA Plan	Amended Language in the PCC Compensation Plan attached to the Fourth A&R CCAA Plan	Affected Sections in the PCC Compensation Plan
1.	The PCC Compensation Plan provides that the Claims Administrator will be engaged pursuant to a written agreement to be entered into between the CCAA Plan Administrator and the Claims Administrator, subject to approval of the CCAA Court.	The PCC Compensation Plan provides that the Claims Administrator will be appointed pursuant to the Claims Administrator Order, to be obtained. The requirement for the CCAA Plan Administrator to enter into a written agreement with the Claims Administrator is removed.	1.1 Definitions – “Claims Administrator Order”
2.	The PCC Compensation Plan provides that the Claims Administrator’s budget for the administration of the PCC Compensation Plan and the PCC Notice Plan will be set out in the written agreement between the Claims Administrator and the CCAA Plan Administrator.	The PCC Compensation Plan provides that the budget of the Claims Administrator for the PCC Claims Administration: (i) for the first annual period, will be set out in the First Annual Global Claims Administration Costs Budget, to be approved pursuant to the Claims Administrator Order; and (ii) for subsequent annual periods, will be set out in Subsequent Annual Global Claims Administration Costs Budgets, to be provided to the CCAA Plan Administrator in accordance with the Claims Administrator Order.	• 1.1 Definitions – “First Annual Global Claims Administration Costs Budget” • 1.1 Definitions – “Subsequent Annual Global Claims Administration Costs Budget” • 17.2 Costs of Claims Administrator • 21.3 Costs of PCC Notice Plan
3.	The PCC Compensation Plan provides that the Claims Administrator’s budget is subject to approval by the CCAA Plan Administrators on an annual	The PCC Compensation Plan provides that the Claims Administrator will: (i) prepare the First Annual Global Claims Administration Costs Budget and Subsequent Annual Global Claims Administration Costs Budget; and (ii)	• 56.3 Engagement with Administrative Coordinator and reporting to CCAA Plan Administrators and CCAA Court

⁸ Capitalized terms used but not otherwise defined herein have the meanings attributed to them in PCC Compensation Plan attached as Schedule “S” to the Fourth A&R CCAA Plan.

	Current Language in the PCC Compensation Plan attached to the RBH CCAA Plan	Amended Language in the PCC Compensation Plan attached to the Fourth A&R CCAA Plan	Affected Sections in the PCC Compensation Plan
	basis, who then shall submit the budget for final approval by the CCAA Court.	submit the applicable budget for joint approval by the CCAA Court and the Quebec Superior Court. For clarity, the obligation to the CCAA Plan Administrator to submit the budget to the CCAA Court and the Quebec Superior Court was removed.	
4.	The PCC Compensation Plan did not provide for the inclusion of Official Confirmations received from the Quebec Cancer Registry for the purpose of making a claim under the PCC Compensation Plan.	The PCC Compensation Plan provides that Official Confirmations from the Quebec Cancer Registry for the purpose of the PCC Compensation Plan are applicable when dealing with PCC Claimants that are resident in Quebec.	• 1.1 Definitions – “Official Confirmation” • 1.1 Definitions – “Official Confirmations of Diagnoses Order” • 24.2.2 Claim Package required to be submitted to Claims Administrator by PCC-Claimants • 35.1-35.4 Proof of Diagnosis of Lung Cancer, Throat Cancer or Emphysema/CPOD (GOLD Grade III or IV) for PCCs resident in Quebec

Appendix “B”

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

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

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
RSC 1985, c C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE
OR ARRANGEMENT OF **ROTHMANS, BENSON & HEDGES INC.**

APPLICANT

**FOURTH AMENDED AND RESTATED
COURT-APPOINTED MEDIATOR'S AND MONITOR'S
CCAA PLAN OF COMPROMISE AND ARRANGEMENT**

**PURSUANT TO THE
*COMPANIES' CREDITORS ARRANGEMENT ACT***

**concerning, affecting and involving
ROTHMANS, BENSON & HEDGES INC.**

AUGUST 22, 2025

TABLE OF CONTENTS

	Page
ARTICLE 1. INTERPRETATION	1
1.1 Definitions	1
1.2 Certain Rules of Interpretation	51
1.3 Governing Law and Jurisdiction	52
1.4 Schedules	53
ARTICLE 2. PURPOSE AND EFFECT OF THE CCAA PLAN	54
2.1 Purpose	54
2.2 Exclusion of Alternative Products from CCAA Plan	55
ARTICLE 3. CLAIMS PROCEDURE, CLASSIFICATION OF AFFECTED CREDITORS, VOTING, PROCEDURE FOR SANCTION HEARING AND RELATED MATTERS	55
3.1 Claims Procedure	55
3.1.1 CCAA Court Hearing regarding Claims Procedure	55
3.1.2 Claims Procedure for Negative Notice Claims	55
3.1.3 Claims Procedure for Persons, other than Claimants or Individual Claimants, to assert a Claim	56
3.1.3.1 Notification Procedure	57
3.1.3.2 Miscellaneous Claims Bar Date	57
3.1.3.3 Monitor's Role for Purposes of the Meeting and the Vote	58
3.2 Classification of Creditors	59
3.3 Meeting of Affected Creditors	59
3.4 Approval by Creditors	59
3.5 Voting of the Affected Creditor Class	59
3.6 Unaffected Creditors	60
3.7 Treatment of Unaffected Claims	60
3.8 Extinguishment of Claims	60
3.9 Guarantees and Similar Covenants	60
3.10 Procedure for Sanction Hearing	60
3.10.1 CCAA Court Hearing regarding Procedure for Sanction Hearing	60
3.10.2 Omnibus Sanction Hearing Notice	61
3.10.3 Omnibus Sanction Hearing Notice Program	62
3.10.4 Sanction Hearing	62
ARTICLE 4. RESTRUCTURING STEPS	62
4.1 Transfer of Alternative Products Business to Newco	62
4.2 Restructuring Steps	63
4.3 Corporate Approvals	64

ARTICLE 5.	CCAA PLAN CONSIDERATION	64
5.1	Global Settlement Amount.....	64
5.2	Intentionally deleted	64
5.3	Global Settlement Trust Account and Supplemental Trust Account	64
5.4	Upfront Contributions	65
5.5	Reserved Amounts	66
5.6	Annual Contributions	67
5.7	Exclusion of Alternative Products from Metric	69
5.8	Contribution Period	69
5.9	Several Liability	70
5.10	No Admission of Liability.....	70
5.11	Retention/Transfer of Cash	70
5.12	Transparency of Payments by Tobacco Companies.....	71
5.13	Contribution Security	71
5.14	Parent and Tobacco Company Group Support through Intercompany Transactions	72
5.15	Payment of Intercompany Claims	73
ARTICLE 6.	ADMINISTRATION OF THE GLOBAL SETTLEMENT AMOUNT	73
6.1	Allocation of the Global Settlement Amount.....	73
6.2	Expert Evidence supporting Provincial HCCR Claims and Territorial HCCR Claims and Provincial and Territorial Allocation	73
6.3	Expert Evidence supporting the Pan-Canadian Claimants’ Compensation Plan	74
6.4	Consideration for Settlement of <i>Knight</i> Class Action	74
6.5	Investment of Contributions and Reserved Amounts pending Disbursement	74
ARTICLE 7.	ESTABLISHMENT AND ADMINISTRATION OF QUEBEC CLASS ACTION ADMINISTRATION PLAN.....	74
7.1	Purpose of the Quebec Administration Plan	74
7.2	Quebec Administration Plan is subject to the Approval of the CCAA Court	75
7.3	Release of Cash Security Deposits	75
7.4	QCAP Trust Accounts	76
7.5	Payment of QCAP Cy-près Contribution to Cy-près Trust Account	76
7.6	No Solicitation of <i>Blais</i> Class Members	77
ARTICLE 8.	ESTABLISHMENT AND ADMINISTRATION OF PAN-CANADIAN CLAIMANTS’ COMPENSATION PLAN	77
8.1	Purpose of the PCC Compensation Plan	77
8.2	PCC Compensation Plan	78
8.3	PCC Trust Accounts	79
8.4	No Solicitation of Pan-Canadian Claimants.....	79

ARTICLE 9.	ESTABLISHMENT AND ADMINISTRATION OF THE CY-PRÈS FOUNDATION	79
9.1	Purpose of the Cy-près Foundation	79
9.2	Funding the Cy-près Foundation	80
9.3	Cy-près Foundation Terms of Reference	81
9.4	CCAA Court Approval of Establishment of Cy-près Foundation (in the period after the Sanction Hearing and prior to Final Approval of the Cy-près Foundation)	84
9.5	Appointment of Board of Directors and Chair of Cy-près Foundation (in the period after the Sanction Hearing and prior to Final Approval of the Cy-près Foundation)	85
9.6	Process for soliciting and selecting proposals for funding by the Cy-près Foundation	85
9.7	Reporting by approved recipients of distributions from the Cy-près Fund	87
9.8	Reporting by Cy-près Foundation to CCAA Plan Administrators and CCAA Court	87
9.9	Role of the CCAA Plan Administrators and the CCAA Court	87
9.10	Term of Operation of Cy-près Foundation	88
ARTICLE 10.	INFORMATION TO BE PROVIDED DURING THE CONTRIBUTION PERIOD	88
10.1	Annual Business Plans	88
10.2	Quarterly and Annual Information	89
10.2.1	Annual Financial Information	89
10.2.2	Information to be provided by RBH in Annual MD&A	89
10.2.3	Information to be provided by RBH in Quarterly MD&A	91
10.3	Other Information to be provided by RBH	91
10.4	Access to RBH's Management	91
10.5	Procedure for Provinces and Territories to request Information from RBH	91
10.6	Procedure for Impacted Claimants to request Information from RBH	93
10.7	Confidentiality of Information	94
10.8	Information and Certification to be provided by RBH regarding Annual Contributions and Reserved Amounts	94
10.9	Timing of RBH's Delivery of Business Plan, Financial Statements and MD&A to CCAA Plan Administrators	95
10.10	Virtual Data Rooms and NDAs	95
ARTICLE 11.	COVENANTS AND OTHER PAYMENT ASSURANCE	95
11.1	Covenants	95
11.2	Ordinary Course Operational Activities	98

11.3	CapEx Thresholds	100
11.4	Ordinary Course Divestitures Thresholds	100
ARTICLE 12.	EVENTS OF DEFAULT, BREACHES AND REMEDIES	100
12.1	Aggrieved Parties in Dispute Resolution	100
12.2	Events of Default.....	101
12.3	Cure of Events of Default.....	103
12.4	Breach of CCAA Plan	104
12.5	Recourse against Parent.....	105
12.6	Waiver of Events of Default and Breaches	105
ARTICLE 13.	DISPUTE RESOLUTION PROCEDURE.....	105
13.1	Procedure for Dispute Resolution	105
13.2	Investigation of Events causing a Material Adverse Effect	106
13.3	Resolution of Breaches by Parties.....	106
13.4	Resolution of Breaches by Arbitrator.....	107
13.4.1	Notice of Arbitration	107
13.4.2	Appointment of an Arbitrator.....	108
13.5	Jurisdiction of Arbitrator	108
13.6	Arbitration Remedies	109
13.7	Enforcement of Arbitrator's Awards.....	109
13.8	Costs of Arbitration	110
13.9	Jurisdiction of CCAA Court.....	110
13.10	Appeals from Orders or Decisions of CCAA Court.....	110
13.11	Resolution of Events of Default by CCAA Court.....	110
ARTICLE 14.	CCAA PLAN ADMINISTRATORS	111
14.1	Appointment of CCAA Plan Administrators	111
14.2	Role of CCAA Plan Administrators.....	112
14.3	Trustees of the RBH Global Settlement Trust Account, RBH PCC Trust Account, RBH QCAP Trust Account, RBH Cy-près Trust Account, RBH Miscellaneous Claims Fund, RBH CCAA Plan Administration Reserve Account and RBH PCC Compensation Plan Reserve Account and Bare Trustees of the RBH Supplemental Trust Agreement Funds.....	113
14.4	Duties and Responsibilities of CCAA Plan Administrators.....	113
14.5	CCAA Plan Administrators' Communications	116
14.6	Distributions to Claimants from Imperial Global Settlement Trust Account, RBH Global Settlement Trust Account and JTIM Global Settlement Trust Account	117
14.7	Advisors to CCAA Plan Administrator.....	117
14.8	Role of Court-Appointed Mediator after Sanction Order	117
14.9	Payment of Costs.....	117

ARTICLE 15.	RBH CCAA PLAN ADMINISTRATION RESERVE AND RBH PCC COMPENSATION PLAN RESERVE	119
15.1	RBH CCAA Plan Administration Reserve	119
15.2	RBH PCC Compensation Plan Reserve	119
ARTICLE 16.	CLAIMANT ALLOCATION	121
16.1	Claimant Allocation	121
16.2	Explanatory Notes	122
16.3	Provincial and Territorial Allocation	124
ARTICLE 17.	DISTRIBUTIONS, PAYMENTS AND CURRENCY	125
17.1	Distributions Generally	125
17.2	Payment of Claimants' Claims	126
17.3	Payment of Miscellaneous Claims	126
17.4	Payment of Claims secured by the Administration Charge	126
17.5	Payment of Claims secured by the Court-Appointed Mediator Charge	126
17.6	Method of Distribution	126
17.7	Addresses for Distribution	126
17.8	Withholding Rights	127
17.9	Cancellation of Certificates and Notes, etc.	127
17.10	Calculations	127
17.11	Currency Matters	127
ARTICLE 18.	RELEASES, MISCELLANEOUS CLAIMS, INJUNCTIONS AND DISPOSITION OF PENDING PROCEEDINGS	128
18.1	CCAA Plan Releases	128
18.1.1	Consideration for Release	128
18.1.2	Release	128
18.1.3	Claimant Contractual Release	129
18.1.4	Release of Monitors	129
18.1.5	Release of Court-Appointed Mediator	130
18.1.6	Release of Administrative Coordinator	131
18.1.7	Indemnity of Monitors, CCAA Plan Administrators, Foreign Representative, Court-Appointed Mediator and Administrative Coordinator	131
18.1.8	Injunctions	132
18.1.9	Released Parties' Fulfillment of Obligations pursuant to Definitive Documents	133
18.1.10	Releases are Final and Binding	133
18.1.11	CCAA Meeting Orders and Sanction Orders	133
18.1.12	Future Legislation	135
18.2	Treatment of Miscellaneous Claims	135
18.2.1	Miscellaneous Claims Fund	135

18.2.2	Determination of Miscellaneous Claims	136
18.2.3	Leave required from CCAA Court to bring a Miscellaneous Claim Proceeding	136
18.2.4	Payment from Miscellaneous Claims Fund	137
18.2.5	Distribution of any Residual Monies from Miscellaneous Claims Fund	137
18.2.6	Sole Recourse for Miscellaneous Claims.....	137
18.3	Disposition of Pending Proceedings.....	138
18.3.1	Termination of Pending Litigation other than Quebec Class Actions.....	138
18.3.2	Disposition of Quebec Class Actions.....	139
ARTICLE 19. COURT SANCTION, CONDITIONS PRECEDENT AND CCAA PLAN IMPLEMENTATION.....		140
19.1	Application for Sanction Order	140
19.2	Sanction Order.....	140
19.3	Conditions Precedent to Implementation of CCAA Plan.....	145
19.4	Monitor's Certificate – Plan Implementation.....	147
ARTICLE 20. GENERAL		148
20.1	Binding Effect	148
20.2	Deeming Provisions	149
20.3	Interest and Fees	149
20.4	Modification of the CCAA Plan.....	149
20.5	Paramountcy	150
20.6	Severability of CCAA Plan Provisions	150
20.7	Transition Period – Responsibilities and Protections of EY as Monitor and CCAA Plan Administrator	151
20.8	Transition Period – Responsibilities and Protections of the Court-Appointed Mediator.....	151
20.9	Miscellaneous Claims Bar Date	152
20.10	Different Capacities.....	152
20.11	Notices	152
20.12	Further Assurances	153
20.13	Language	154
20.14	Acts to Occur on Next Business Day	154
20.15	Non-Consummation of the CCAA Plan.....	154
20.16	Deemed Waiver of Defaults from Plan Implementation Date	154
SCHEDULES		
Schedule “A”:	Negative Notice Claims Package comprised of Statement of Negative Notice Claim (Schedule “B-1”) and the Notice of Dispute of Negative Notice Claim (Schedule “B-2”)	

Schedule “B”:	Claims Package comprised of Miscellaneous Claims Instruction Letter (Schedule “A-1”) and the Miscellaneous Claimant Proof of Claim (Schedule “A-2”)
Schedule “C”:	Omnibus Notice
Schedule “D”:	Omnibus Notice Program comprised of condensed version of the Omnibus Notice (Appendix “A”) and the list of the regional newspapers in which the Omnibus Notice will be published (Appendix “B”)
Schedule “E”:	Contribution Security Agreement
Schedule “F”:	Deed of Immovable Hypothec (official French version)
Schedule “G”:	Deed of Immovable Hypothec (unofficial English version)
Schedule “H”:	Deed of Movable Hypothec
Schedule “I”:	Demand Debenture granting mortgage on RBH’s property situated at 1500 Don Mills Road, and Acknowledgment and Direction relating to the mortgage
Schedule “J”:	Harrison Report
Schedule “K”:	Curriculum vitae of Dr. Glenn Harrison
Schedule “L”:	Jha Report
Schedule “M”:	Curriculum vitae of Dr. Prabhat Jha
Schedule “N”:	Quebec Class Action Administration Plan
Schedule “O”:	Overview of Epiq’s complex claims administration experience
Schedule “P”:	Curriculum vitae of Daniel Shapiro, K.C.
Schedule “Q”:	Pan-Canadian Claimants’ Compensation Plan: Methodology and Analysis dated December 5, 2024
Schedule “R”:	Analysis of Limitations Law applicable to Pan-Canadian Claimants dated September 2, 2020
Schedule “S”:	Pan-Canadian Claimants’ Compensation Plan dated December 5, 2024
Schedule “T”:	Resume of Dr. Robert Bell
Schedule “U”:	Curriculum vitae of Dr. Robert Bell
Schedule “V”:	The Cy-près Fund: Methodology and Analysis dated December 5, 2024

Schedule “W”:	Claimant Contractual Release – RBH
Schedule “X”:	List of Health Care Costs Recovery Actions of the Provinces and HCCR Claims asserted by Territories
Schedule “Y”:	List of Actions commenced under Provincial Class Proceedings Legislation
Schedule “Z”:	List of Actions commenced by Individuals
Schedule “AA”:	Provincial and Territorial Liaison Committee Terms

**FOURTH AMENDED AND RESTATED
COURT-APPOINTED MEDIATOR’S AND MONITOR’S
CCAA PLAN OF COMPROMISE AND ARRANGEMENT
CONCERNING, AFFECTING AND INVOLVING
ROTHMANS, BENSON & HEDGES INC.**

WHEREAS Rothmans, Benson & Hedges Inc. (“**RBH**”) is insolvent;

AND WHEREAS RBH was granted protection from its creditors under the CCAA pursuant to the initial Order of the Honourable Justice Pattillo of the CCAA Court dated March 22, 2019 (“**Initial Order**”);

AND WHEREAS by the Initial Order the CCAA Court appointed Ernst & Young Inc. (“**EY**”) as an officer of the CCAA Court and the monitor of RBH (“**Monitor**”);

AND WHEREAS by an Order dated April 5, 2019, the CCAA Court appointed the Honourable Warren K. Winkler, K.C. (“**Court-Appointed Mediator**”) as an officer of the CCAA Court to, as a neutral third party, mediate a global settlement of the Tobacco Claims;

AND WHEREAS by an Order dated September 27, 2023, the Honourable Chief Justice Geoffrey B. Morawetz directed the Monitor to work with the Court-Appointed Mediator to develop a plan of compromise and arrangement concerning RBH;

NOW THEREFORE, set out herein is the fourth amended and restated plan of compromise and arrangement of RBH developed by the Court-Appointed Mediator and Monitor pursuant to the Order dated September 27, 2023 and in accordance with the CCAA.

ARTICLE 1. INTERPRETATION

1.1 Definitions

In the CCAA Plan, including all Schedules hereto, unless otherwise stated or the context otherwise requires:

“**Administration Charge**” means the charge over the Property for the benefit of the Monitor, counsel to the Monitor, the PCC Representative Counsel and counsel to RBH, created by paragraph 38 of the Initial Order, and having the priority provided in paragraphs 45 and 47 of such Order.

“**Administrative Coordinator**” means Daniel Shapiro, K.C., in his capacity as the Court-appointed administrative coordinator in respect of the administration of both the PCC Compensation Plan and the Quebec Administration Plan. Daniel Shapiro’s appointment as the Administrative Coordinator will be upon the recommendation of the Court-Appointed Mediator and the Monitors and subject to the approval of the CCAA Court.

“**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.

“**Affected Creditor**” means a creditor who holds an Affected Claim.

“**Affected Creditor Class**” means the single class of creditors comprised solely of Affected Creditors grouped for the purposes of considering and voting on the CCAA Plan.

“**Affiliate**” means a Person is an affiliate of another Person if,

- (a) one of them is the subsidiary of the other, or
- (b) each of them is controlled by the same Person.

For the purpose of this definition,

- (i) “subsidiary” means a Person that is controlled directly or indirectly by another Person and includes a subsidiary of that subsidiary, and
- (ii) a Person (first Person) is considered to control another Person (second Person) if,
 - (A) the first Person beneficially owns or directly or indirectly exercises control or direction over securities of the second Person carrying votes which, if exercised, would entitle the first Person to elect a majority of the directors of the second Person, unless that first Person holds the voting securities only to secure an obligation,
 - (B) the second Person is a partnership, other than a limited partnership, and the first Person holds more than 50% of the interests of the partnership, or
 - (C) the second Person is a limited partnership and the general partner of the limited partnership is the first Person.

“**Aggrieved Parties**” has the meaning given in Article 12, Section 12.1.

“**Alternative Product**” means (i) any device that produces emissions in the form of an aerosol and is intended to be brought to the mouth for inhalation of the aerosol without burning of (a) a substance; or (b) a mixture of substances; (ii) any substance or mixture of substances, whether or not it contains tobacco or nicotine, that is intended for use with or without those devices to produce emissions in the form of an aerosol without burning; (iii) any non-combustible tobacco (other than smokeless tobacco) or nicotine delivery product; or (iv) any component, part, or accessory of or used in connection with any such device or product referred to above.

“**Alternative Product Claim**” means any Claim of any Person, against or in respect of RBH or any member of its Tobacco Company Group, excluding any part of any such Claim that constitutes a Tobacco Claim, 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, 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 Alternative Products, the use of or exposure (whether directly or indirectly) to Alternative Products or their emissions, the development of any disease related to the use of Alternative Products or any representation or omission in respect of Alternative Products, including any misrepresentations, breach of duty or fraud in respect thereof by any member of RBH's Tobacco Company Group or its Representatives in Canada or, in the case of RBH, 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 before or after the Effective Time.

“Alternative Products Business” has the meaning given in Article 2, Section 2.1(f).

“Annual Amount” has the meaning given in the definition of Reserved Amount.

“Annual Contributions” has the meaning given in Article 5, Section 5.6, and **“Annual Contribution”** means any one of them.

“Annual Financial Statement” has the meaning given in Article 10, Section 10.2.1(a).

“Applicable Law” means any law, statute, order, decree, judgment, rule, regulation, ordinance or other pronouncement having the effect of law, whether in Canada or any other country, or any domestic or foreign state, county, province, city or other political subdivision of any Government.

“Arbitrator” means the arbitrator who is appointed pursuant to Article 13, Section 13.4.2.

“Bank” has the meaning given in Article 5, Section 5.3.

“Banking Arrangements Order” means the order of the CCAA Court dated August 15, 2025 (including all schedules and appendices thereto) made in the CCAA Proceeding approving (i) the engagement of BMO to act as the Trustee and Bare Trustee, (ii) the RBH Deed, (iii) the RBH Supplemental Trust Agreement, (iv) the Fee Schedule, (v) the RBH Supplemental Trust Charge, and (vi) the Investment Guidelines, as such order may be amended, restated or varied from time to time.

“Bankruptcy Action” means, with respect to RBH, where:

- (a) An Order of a court of competent jurisdiction is entered adjudging RBH bankrupt or insolvent, or subject to the CCAA or the BIA, or any other bankruptcy, insolvency or analogous laws;
- (b) RBH admits its inability to pay its debts generally as they become due or otherwise acknowledges its insolvency;
- (c) RBH makes an assignment in bankruptcy or makes any other assignment for the benefit of creditors, gives notice of intention to make a proposal or makes a proposal under the BIA,

or any comparable law, or seeks relief under the CCAA, or any other bankruptcy, insolvency or analogous law of any relevant jurisdiction;

- (d) A creditor delivers notice of its intention to enforce its security on RBH's property pursuant to the BIA, or a creditor brings an application seeking, or the court or a creditor appoints, or RBH consents to or acquiesces in, the appointment of a trustee, receiver, receiver and manager, interim receiver, custodian, sequestrator or other Person with similar powers of itself or of all or any substantial portion of RBH's assets, or a creditor otherwise exercises any of its rights or remedies under any of the PPSAs over all or any substantial portion of RBH's assets;
- (e) RBH files a petition, application or otherwise commences any proceeding seeking any reorganization, arrangement, composition, or readjustment under any applicable bankruptcy, insolvency, moratorium, reorganization or other similar insolvency law affecting creditors' rights, or consents to, or acquiesces in, such proceedings; or
- (f) RBH files a petition, application or otherwise commences any proceeding seeking any reorganization, arrangement, composition, or readjustment, whether or not affecting creditors' rights, under any applicable corporate statute, or consents to, or acquiesces in, such proceedings.

"Bare Trustees" initially means BMO (as bare trustee and escrow agent in respect of the Imperial Supplemental Trust, JTIM Supplemental Trust and RBH Supplemental Trust) and at any other time means the Person or Persons who may replace BMO pursuant to the terms hereof or the terms of the Imperial Tobacco Supplemental Trust Agreement, RBH Supplemental Trust Agreement and/or JTIM Supplemental Trust Agreement, as applicable.

"BIA" means the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended.

"Blais Class Action" means the class action commenced on November 20, 1998 by Conseil Québécois sur le tabac et la santé and Jean-Yves Blais against ITCAN, RBH and JTIM in the Superior Court of Quebec, District of Montreal, bearing Court File No. 500-06-000076-980.

"Blais Class Members" means individuals who meet the criteria of the following certified class definition in the *Blais Class Action*:

All persons residing in Quebec who satisfy the following criteria:

- (1) To have smoked, between January 1, 1950 and November 20, 1998, a minimum of 12 pack/years of cigarettes manufactured by the defendants (that is, the equivalent of a minimum of 87,600 cigarettes, namely any combination of the number of cigarettes smoked in a day multiplied by the number of days of consumption insofar as the total is equal to or greater than 87,600 cigarettes).

For example, 12 pack/years equals:

20 cigarettes a day for 12 years (20 X 365 X 12 = 87,600) or

30 cigarettes a day for 8 years ($30 \times 365 \times 8 = 87,600$) or

10 cigarettes a day for 24 years ($10 \times 365 \times 24 = 87,600$);

(2) To have been diagnosed before March 12, 2012 with:

(a) Lung cancer or

(b) Cancer (squamous cell carcinoma) of the throat, that is to say of the Larynx, the Oropharynx or the Hypopharynx or

(c) Emphysema.

The group also includes the Heirs of the persons deceased after November 20, 1998 who satisfied the criteria mentioned herein.

“**Blais Eligibility Criteria**” means the criteria set out in the certified class definition in the *Blais* Class Action which a person must meet to be eligible to receive a Compensation Payment as a Blais Class Member.

“**Blais Judgment**” means the judgment rendered by the Honourable Justice Brian Riordan on May 27, 2015 as rectified on June 9, 2015, and the judgment of the Court of Appeal of Quebec dated March 1, 2019 in the class action commenced in the Quebec Superior Court in Court File No. 500-06-00076-980 (*Conseil québécois sur le tabac et la santé et Jean-Yves Blais c. Imperial Tobacco Ltée, Rothmans, Benson & Hedges Inc. et JTI-MacDonald Corp.*).

“**BMO**” means BMO Trust Company.

“**Breach**” has the meaning given in Article 12, Section 12.4.

“**Business Day**” means a day other than a Saturday, Sunday, or statutory or civic holiday in the Province of Ontario.

“**Business Plan**” has the meaning given in Article 10, Section 10.1.

“**Canada**” means His Majesty in right of Canada.

“**Canada Newco**” has the meaning given in Article 11, Section 11.1(h).

“**CapEx**” has the meaning given in Article 10, Section 10.1(b).

“**CapEx Thresholds**” has the meaning given in Article 11, Section 11.3.

“**Carry Amount**” has the meaning given in the definition of Reserved Amount.

“**Cash**” means cash, certificates of deposit, bank deposits, term deposits, guaranteed investment certificates, cheques, commercial paper, treasury bills and other cash equivalents.

“Cash Management Bank” means any Person that is providing cash management services to RBH.

“Cash Management Bank Claim” means the Claim of any Cash Management Bank in connection with the provision of cash management services to RBH.

“Cash Security Deposits” means, collectively, (i) in the case of Imperial, the cash and interest, if any, deposited by ITCAN as suretyship pursuant to the Order of the Quebec Court of Appeal dated October 27, 2015; and (ii) in the case of RBH, the cash and interest, if any, deposited by RBH as suretyship pursuant to the Order of the Quebec Court of Appeal dated October 27, 2015, and **“Cash Security Deposit”** means any of them.

“Cash Security Deposits Order” means the order of the Court of Appeal of Quebec dated July 29, 2025, ordering the Minister of Finance of Quebec to release to the Trustees the Cash Security Deposits which shall be deposited into the Imperial Global Settlement Trust Account and the RBH Global Settlement Trust Account, as applicable, as such order may be amended, restated or varied from time to time.

“CCAA” means the *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36, as amended.

“CCAA Charges” means, collectively, the Administration Charge, Court-Appointed Mediator Charge, Sales and Excise Tax Charge and Directors’ Charge, as each term is defined in the Initial Order, as amended and restated, or any subsequent order in the CCAA Proceeding.

“CCAA Court” means the Ontario Superior Court of Justice (Commercial List) at Toronto.

“CCAA Plan”, or **“Plan”**, means the Court-Appointed Mediator’s and Monitor’s plan of compromise and arrangement pursuant to the CCAA concerning, affecting and involving RBH, including all Schedules thereto.

“CCAA Plan Administrators” has the meaning given in Article 14, Section 14.1, and **“CCAA Plan Administrator”** means EY in respect of RBH.

“CCAA Plan Administrator Appointment Order” means the order of the CCAA Court dated March 6, 2025 appointing EY to serve, as an officer of the CCAA Court, in the capacity of CCAA Plan Administrator of the CCAA Plan in respect of RBH and, among other things, setting out the rights, powers and obligations of the CCAA Plan Administrator in connection with such appointment, as such order may be amended, restated or varied from time to time.

“CCAA Plans” means, collectively, the Court-Appointed Mediator’s and Monitor’s plans of compromise and arrangement pursuant to the CCAA concerning, affecting and involving each of Imperial, RBH and JTIM, including all Schedules to each CCAA Plan.

“CCAA Proceeding” means, in respect of each Tobacco Company, the proceeding commenced by such Tobacco Company pursuant to the CCAA, namely Application No. CV-19-616077-00CL in respect of Imperial, Application No. CV-19-616779-00CL in respect of RBH, and Application No. CV-19-615862-00CL in respect of JTIM, collectively the **“CCAA Proceedings”**.

“Certificate of Plan Completion” has the meaning given in Article 19, Section 19.2(w).

“Chapter 15 Proceedings” means the foreign recognition proceedings of ITCAN pursuant to Chapter 15 of the US Bankruptcy Code pending before the US Bankruptcy Court (Case No. 19-10771(SCC)).

“Claimant Allocation” has the meaning given in Article 16, Section 16.1.

“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.

“Claimants” means the Provinces and Territories, Quebec Class Action Plaintiffs, Pan-Canadian Claimants, *Knight* Class Action Plaintiffs and Tobacco Producers, and **“Claimant”** means any one of them; provided that, for certainty, only with respect to the Banking Arrangements Order, the RBH Supplemental Trust Charge, the Collateral Agent Order, the RBH Collateral Agency Agreement and the Contribution Security, the use of “Claimants” therein shall not include the *Knight* Class Action Plaintiffs and Tobacco Producers.

“Claimants’ Representatives” means:

- (a) Counsel for the Provinces and Territories identified on the Common Service List;
- (b) Quebec Class Counsel;
- (c) PCC Representative Counsel;
- (d) Knight Class Counsel; and
- (e) Counsel for the Tobacco Producers.

“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.

“Claims Administrator” means the claims administrator approved and appointed by the CCAA Court to (i) manage the overall administration of the individual claims process and perform all other duties and responsibilities assigned to it in regard to the PCC Compensation Plan, including

acting as agent for the PCCs, and (ii) manage the overall administration of the individual claims process and perform all other duties and responsibilities assigned to it in regard to the Quebec Administration Plan. The appointment of Epiq as the Claims Administrator will be upon the recommendation of the Court-Appointed Mediator and the Monitors and subject to the approval of the CCAA Court.

“Claims Administrator Order” means the order of the CCAA Court made in the CCAA Proceeding appointing Epiq to serve in the role of Claims Administrator in respect of the PCC Compensation Plan and the Quebec Administration Plan and in the role of PCC Agent in respect of the PCC Compensation Plan, and, among other things, setting out the duties and responsibilities of the Claims Administrator and the PCC Agent in connection with such appointment, as such order may be amended, restated or varied from time to time.

“Claims Package” means the documents attached to the Claims Procedure Order as Schedule “A”, including the Instruction Letter and the Miscellaneous Claimant Proof of Claim form which are attached as Schedule “B” to the CCAA Plan.

“Claims Procedure” means the claims procedure contemplated by the Claims Procedure Order for (i) disputing the value and number of votes attributed to the Affected Claims of the Claimants, and (ii) identifying Miscellaneous Claims for the purpose of voting on the CCAA Plan.

“Claims Procedure Order” means the order of the CCAA Court dated October 31, 2024 (including all schedules and appendices thereto) made in the CCAA Proceeding establishing and approving the Claims Procedure in respect of RBH, and as may be further amended, restated or varied from time to time.

“Claims Process” means the process by which PCC-Claimants may assert PCC Claims for Individual Payments as set forth in the PCC Compensation Plan, and the process by which Tobacco-Victim Claimants and Succession Claimants may assert, respectively, Tobacco-Victim Claims and Succession Claims for Compensation Payments as set forth in the Quebec Administration Plan.

“Closing Judgment” means the judgment terminating the *Blais* Class Action and the *Létourneau* Class Action which will be requested on a motion brought by the Quebec Class Counsel after all Eligible Blais Class Members have been paid their Compensation Payments.

“Collateral Agent” means Computershare in its capacity as the collateral agent and hypothecary representative which shall act on behalf and for the benefit of itself and the Claimants under and in relation to the Contribution Security.

“Collateral Agent Order” means the order of the CCAA Court made in the CCAA Proceeding in respect of RBH approving, among other things, (i) the engagement of Computershare to act as the Collateral Agent for and on behalf of itself and the Claimants in respect of the Contribution Security, (ii) the RBH Collateral Agency Agreement, and (iii) the limitation of liability of the Indemnitees (as defined in the RBH Collateral Agency Agreement) in connection with the RBH Collateral Agency Agreement.

“Common Service List” means the service list posted on the Monitor’s website, as may be amended from time to time.

“Compensation Payment” means the amount determined by the Claims Administrator to be payable to an Eligible *Blais* Class Member under the Quebec Administration Plan in satisfaction of their QCAP Claim.

“Computershare” means Computershare Trust Company of Canada.

“Confidentiality Protocol” means the Court-Appointed Mediator Communication and Confidentiality Protocol as between the CCAA Court and the Court-Appointed Mediator, pursuant to the Endorsement of Justice McEwen dated May 24, 2019.

“Contribution” means, in respect of a Tobacco Company, each of its Upfront Contribution (excluding any income earned thereon following its transfer to the Global Settlement Trust Account) and Annual Contributions (excluding any income earned thereon following their transfer to the Global Settlement Trust Account), excluding any applicable Reserved Amounts retained in the Tobacco Company’s Supplemental Trust Account. A Contribution shall also include any Reserved Amount (including any investment income therefrom) following release of such Reserved Amount (or investment income therefrom) from the Tobacco Company’s Supplemental Trust Account to the Tobacco Company’s Global Settlement Trust Account, but exclude any Reserved Amount (or any investment income therefrom) released from the Tobacco Company’s Supplemental Trust Account to a Tax Authority or to a Tobacco Company. For greater certainty, any and all investment income accrued on the Reserve Amount in the Tobacco Company’s Supplemental Trust Account that is transferred to the Global Settlement Trust Account shall be applied to reduce the aggregate amount of the Global Settlement Amount that the Tobacco Companies are obligated to pay pursuant to the terms of their respective CCAA Plans.

“Contribution Period” has the meaning given in Article 5, Section 5.8.

“Contribution Security” has the meaning given in Article 5, Section 5.13.

“Contribution Security Agreement” has the meaning given in Article 5, Section 5.13 and is attached to the CCAA Plan as Schedule “E”.

“COPD” means chronic obstructive pulmonary disease (GOLD Grade III or IV). The Global Initiative for Chronic Obstructive Lung Disease (“**GOLD**”) developed a four grade classification system based upon severity of airflow limitation and other diagnostic parameters. The GOLD Grade III (severe) and GOLD Grade IV (very severe) classifications represent the two most severe categories of disease.

“Cost of Health Care Benefits” means the sum of (a) the present value of the total expenditure by a Province or Territory for Health Care Benefits provided for Insured Persons resulting from tobacco related disease or the risk of tobacco related disease, and (b) the present value of the estimated total expenditure by a Province or Territory for Health Care Benefits that could reasonably be expected will be provided for those Insured Persons resulting from tobacco related disease or the risk of tobacco related disease.

“Cost of Health Care Benefits Percentages” has the meaning given in Section 4 of the PTLC Terms which are Schedule “AA” to the CCAA Plan.

“Costs” has the meaning given in Article 14, Section 14.9.

“Counsel for the Tobacco Producers” means the law practice of Strosberg Sasso Sutts LLP.

“Counsel for the Tobacco Producers’ Fee” means the amount to be determined and approved by the CCAA Court that will be payable from the Tobacco Producers Settlement Amount to the Counsel for the Tobacco Producers in respect of their fees, disbursements and costs as Counsel for the Tobacco Producers, and any applicable Sales and Excise Taxes payable thereon. The retainer agreement respecting fees and disbursements between the Counsel for the Tobacco Producers and the representative plaintiffs, as well as the Counsel for the Tobacco Producers’ Fee, are subject to the approval of the CCAA Court.

“Court-Appointed Mediator” means the Honourable Warren K. Winkler, K.C., in his capacity as the Court-appointed mediator in the CCAA Proceedings of the Tobacco Companies.

“Court-Appointed Mediator Charge” means the charge over the Property for the benefit of the Court-Appointed Mediator created by paragraph 42 of the Initial Order, and having the priority provided in paragraphs 45 and 47 of such Order.

“Court-Appointed Mediator’s Ongoing Services” has the meaning given in the definition of Court-Appointed Mediator’s Ongoing Services Direction.

“Court-Appointed Mediator’s Ongoing Services Direction” means the direction of the CCAA Court issued on June 26, 2025 in the CCAA Proceeding empowering and authorizing the Court-Appointed Mediator, in collaboration with the Monitors, CCAA Plan Administrators, Tobacco Companies and Claimants, to take all steps and actions, and to do all things, necessary or appropriate, in his sole discretion, with respect to the CCAA Plans (collectively, the **“Court-Appointed Mediator’s Ongoing Services”**) until further Order of the CCAA Court.

“CRA” means the Canada Revenue Agency.

“Cy-près Foundation” has the meaning given in Article 9, Section 9.1.

“Cy-près Fund” means the aggregate amount allocated from the Global Settlement Amount to be paid into the Imperial Cy-près Trust Account, RBH Cy-près Trust Account and JTIM Cy-près Trust Account as set forth in Article 16, Sections 16.1, 16.2 and 16.3, and which amounts, for greater certainty, shall not be transferred to the Cy-près Foundation until such time as all aspects of the establishment of the Cy-près Foundation as set out in Section 9.4 herein have been given final approval by the CCAA Court.

“Deeds of Hypothec” has the meaning given in Section 1.2 of the Contribution Security Agreement which is Schedule “E” to the CCAA Plan, and includes the Deed of Immovable Hypothec and the Deed of Movable Hypothec.

“Definitive Documents” means the CCAA Plan, the Sanction Order, the Contribution Security Agreement, the Deeds of Hypothec, the documents required to implement and give effect to the PCC Compensation Plan and the Cy-près Foundation, and all other agreements, documents and orders contemplated by, or necessary to implement the transactions contemplated by, any of the foregoing.

“Deliberation Meetings” has the meaning given in Section 14(b) of the PTLC Terms which are Schedule “AA” to the CCAA Plan.

“Deliberation Phase” has the meaning given in Section 14(b) of the PTLC Terms which are Schedule “AA” to the CCAA Plan.

“Deliberation Phase Secretariat” has the meaning given in Section 25 of the PTLC Terms which are Schedule “AA” to the CCAA Plan.

“Deloitte” means Deloitte Restructuring Inc.

“Demand Debenture” means the demand debenture granting a mortgage on RBH’s property situated at 1500 Don Mills Road in Toronto, which is attached to the CCAA Plan as Schedule “I” together with the Acknowledgment and Direction relating to the mortgage.

“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.

“Directors’ Charge” means the charge over the Property for the benefit of the Directors created by paragraph 28 of the Initial Order, and having the priority provided in paragraphs 45 and 47 of such Order.

“Disposition” means, with respect to any Person, the sale, lease, license, transfer, assignment or other disposition of, or the expropriation, condemnation, destruction or other loss of, all or any portion of its business, assets, rights, revenues or property, real, personal or mixed, tangible or intangible, whether in one transaction or a series of transactions, and **“Dispose”** shall have a correlative meaning thereto.

“Dispute” has the meaning given in Article 13, Section 13.1.

“Dispute Resolution Procedure” has the meaning given in Article 13, Section 13.1.

“Distribution Record Date” means the date that is seven Business Days prior to the date that any distribution is made under the CCAA Plan.

“Effective Time” means such time on the Plan Implementation Date as the Court-Appointed Mediator and the Monitor may determine and designate.

“Eligible *Blais* Class Members” means the Tobacco-Victim Claimants and Succession Claimants whom the Claims Administrator has determined meet all the *Blais* Eligibility Criteria such that

their Tobacco-Victim Claims and Succession Claims are approved to receive a Compensation Payment in accordance with the terms of the Quebec Administration Plan, and “**Eligible Blais Class Member**” means any one of them.

“**Eligible Pan-Canadian Claimants**” means the Individuals whom the Claims Administrator has determined meet all the PCC Eligibility Criteria such that their PCC Claims are approved for an Individual Payment in accordance with the terms of the PCC Compensation Plan, and “**Eligible Pan-Canadian Claimant**” means any one of them.

“**Emphysema**” means the condition of the lung that is marked by distension and eventual rupture of the alveoli with progressive loss of pulmonary elasticity, that is accompanied by shortness of breath with or without cough, and that may lead to impairment of heart action. For the purpose of the PCC Compensation Plan and the Quebec Administration Plan, “Emphysema” includes COPD (GOLD Grade III or IV).

“**Employee Priority Claim**” means any Claim for (a) 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 (b) unpaid amounts provided for in sections 6(5)(a) and 6(6)(a) of the CCAA.

“**Encumbrance**” means a mortgage, floating charge, deed of trust, lien, pledge, hypothecation, assignment, security interest, right of offset or any other encumbrance, charge, or transfer of, on or affecting the property or assets of any Person or any interest therein, including any conditional sale contract or other title retention agreement or arrangement of any kind or character intended to create a security interest in substance, regardless of whether the Person creating the interest retains the equity of redemption, any financing lease having substantially the same economic effect as any of the foregoing, any rights of way, any easements and any construction, builder’s, mechanic’s, materialmen’s or other similar liens, encumbrances and any trust imposed or deemed to exist by law.

“**Epiq**” means Epiq Class Actions Services Canada, Inc.

“**Event of Default**” has the meaning given in Article 12, Section 12.2.

“**Extended Cure Period**” has the meaning given in Article 12, Section 12.3(c).

“**EY**” means Ernst & Young Inc.

“**Fee Approval Direction**” means the direction of the CCAA Court issued on June 26, 2025 in the CCAA Proceeding which, among other things:

- (i) directs the Court-Appointed Mediator to review the fees and disbursements of the Monitors and their counsel incurred since the commencement of the CCAA Proceedings (including any amounts accrued pre-filing but billed after the applicable filing date), and on an ongoing basis and advise the CCAA Court if, in his sole discretion, it is the opinion of the Court-Appointed Mediator that the fees and disbursements of the Monitors and their counsel are fair and reasonable in the circumstances; and

- (ii) orders that, in discharging his duties in accordance with the Fee Approval Direction, the Court-Appointed Mediator shall continue to have the benefits of all protections given to him by the CCAA or any order or endorsement of the CCAA Court including, without limitation, the Confidentiality Protocol, the Sanction Order and the CCAA Plan, and shall incur no liability in connection with the discharge of his duties and shall continue to have the immunity of a Judge of a Superior Court in Canada.

“Fee Schedule” means the trustee services fee schedule attached as a schedule to the RBH Deed, the RBH CCAA Plan Administration Reserve Trust Deed and the RBH Supplemental Trust Agreement in accordance with which the Trustees and Bare Trustees shall be paid their reasonable fees and disbursements.

“Filing Date” means March 22, 2019.

“Final Information Request” has the meaning given in Article 10, Section 10.5(c).

“Financially Viable”, or **“Financial Viability”**, means the ability of RBH to meet its obligations to creditors in the Ordinary Course of Business as they come due.

“First Annual Global Claims Administration Costs Budget” means (i) the first budget for the PCC Claims Administration, and (ii) the first budget for the QCAP Claims Administration that the Claims Administrator and PCC Agent shall provide to the CCAA Plan Administrators and is subject to the approval of the CCAA Court in accordance with the terms of the Claims Administrator Order.

“First Notice” means the initial notice which the Claims Administrator shall publish regarding the PCC Compensation Plan.

“First Notice Date” means the date on which the Claims Administrator publishes the First Notice.

“Flow of Funds Agreement” means the agreement to be entered into between the Tobacco Companies and the Claimants that sets out the particulars of (i) the payments, directions and actions that are to be effected prior to the Effective Time, and (ii) the payments and actions that are to be effected at the Effective Time following the delivery of the Plan Implementation Date Certificate in respect of each of the CCAA Plans by the applicable Monitor, as amended, restated or supplemented from time to time pursuant to the terms thereof.

“Foreign Representative” means, with respect to the Chapter 15 Proceedings, FTI in its capacity as the foreign representative for ITCAN within the meaning of section 101(24) of the US Bankruptcy Code.

“FTI” means FTI Consulting Canada Inc.

“GAAS” means Generally Accepted Auditing Standards.

“Global Claims Administration Costs Framework” means the framework basis that will be used to review and assess the Costs of the services provided by Epiq in respect of each of (i) the claims administration under the PCC Compensation Plan (**“PCC Claims Administration”**), (ii) the

claims administration under the Quebec Administration Plan (“**QCAP Claims Administration**”), (iii) the PCC Agent services, (iv) the PCC Notice Plan, (v) the *Blais* Notice Plan and (vi) the pre-CCAA Plan implementation activities relating to the PCC Compensation Plan.

“**Global Settlement Amount**” has the meaning given in Article 5, Section 5.1.

“**Government**” means any government, including the Provinces, Territories and Canada, and any person, body or entity within such government having or purporting to have jurisdiction on behalf of any nation, province, territory, municipality or state or any other geographic or political subdivision of any of them.

“**Government Priority Claim**” means any Claim of any Government against RBH in respect of amounts that are outstanding, if any, provided for in section 6(3) of the CCAA.

“**Governmental Authority**” means any government (including the Provinces, Territories and Canada), regulatory authority, governmental department, agency, commission, bureau, official, minister, Crown corporation, court, board, tribunal or dispute settlement panel or other law, rule or regulation-making organization or entity: (i) having or purporting to have jurisdiction on behalf of any nation, province, territory or state or any other geographic or political subdivision of any of them; or (ii) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power.

“**Harrison Report**” means the report of Dr. Glenn Harrison dated March 14, 2024 entitled “The Provincial and Territorial Present Value of Smoking Attributable Expenditures” that is attached to the CCAA Plan as Schedule “J”.

“**HCCR Legislation**” means, collectively, the *Crown’s Right of Recovery Act*, SA 2009, c C-35, Part 2, Sections 41-50 only, *Tobacco Damages and Health Care Costs Recovery Act*, SBC 2000, c 30, *The Tobacco Damages and Health Care Costs Recovery Act*, SM 2006, c 18, *Tobacco Damages and Health Care Costs Recovery Act*, SNB 2006, c T-7.5, *Tobacco Health Care Costs Recovery Act*, SNL 2001, c T-4.2, *Tobacco Damages and Health-care Costs Recovery Act*, SNS 2005, c 46, *Tobacco Damages and Health Care Costs Recovery Act*, SNWT 2011, c 33 (proclaimed but not yet in force), *Tobacco Damages and Health Care Costs Recovery Act*, SNu 2010, c 31 (proclaimed but not yet in force), *Tobacco Damages and Health Care Costs Recovery Act*, 2009, SO 2009, c 13, *Tobacco Damages and Health Care Costs Recovery Act*, SPEI 2009, c 22, *Tobacco-related Damages and Health Care Costs Recovery Act*, 2009, CQLR c R-2.2.0.0.1, and *The Tobacco Damages and Health Care Costs Recovery Act*, SS 2007, c T-14.2.

“**Health Care Benefits**” means “health care benefits”, “health services” or “health care services” as such terms, as applicable, are defined in each of the statutes enumerated in the definition of “HCCR Legislation”.

“**Hypopharynx**” means the laryngeal part of the pharynx extending from the hyoid bone to the lower margin of the cricoid cartilage.

“**Impacted Claimants**” means, at any given time during the Contribution Period, all Claimants, other than the Provinces and Territories, who have not yet been paid their full share of the Global Settlement Amount, and “**Impacted Claimant**” means any one of them.

“Imperial” means, collectively, ITCAN and ITCO.

“Imperial CCAA Plan Administration Reserve” means the Cash reserve to be established on the Plan Implementation Date prior to any distributions to Affected Creditors as authorized by the CCAA Court pursuant to the Sanction Order, in the amount of \$25.0 million, and to be paid out of the Upfront Contributions of Imperial and deposited from the Imperial Global Settlement Trust Account into the Imperial CCAA Plan Administration Reserve Account for the purpose of remedying any default in payment of any Imperial CCAA Plan Administration Reserve Costs. The Trustees shall hold the Imperial CCAA Plan Administration Reserve in trust for the benefit of those Persons who incur and are entitled to be paid Imperial CCAA Plan Administration Reserve Costs pursuant to the CCAA Plan. In aggregate, the Imperial CCAA Plan Administration Reserve, RBH CCAA Plan Administration Reserve and JTIM CCAA Plan Administration Reserve shall total \$75.0 million.

“Imperial CCAA Plan Administration Reserve Account” means a segregated interest-bearing trust account to be established by the Trustees to hold the Imperial CCAA Plan Administration Reserve on behalf of the beneficiaries thereof.

“Imperial CCAA Plan Administration Reserve Costs” means Costs incurred and payments to be made on or after the Plan Implementation Date by Imperial, including Costs incurred prior to the Plan Implementation Date which remain outstanding as of the Plan Implementation Date, in respect of:

- (a) The Costs of the services which FTI (including its legal, financial, investment or other advisors) provides in connection with the performance of its duties as both the Monitor and the CCAA Plan Administrator under the CCAA Plan, in the CCAA Proceeding and in respect of the ongoing administration of the CCAA Plan, including the fulfillment of its duties and responsibilities enumerated in Article 14, Section 14.4 herein, and as set out in the Sanction Order and the CCAA Plan Administrator Appointment Order; and
- (b) The Costs of the Court-Appointed Mediator’s Ongoing Services which the Court-Appointed Mediator (including his legal counsel and other consultants and advisors) may provide after the date of the Sanction Order, as requested by the Monitor or the CCAA Plan Administrator, or by the CCAA Court, and approved by the CCAA Court pursuant to the CCAA Plan Administrator Appointment Order, the Court-Appointed Mediator’s Ongoing Services Direction and the Fee Approval Direction.

“Imperial CCAA Plan Administration Reserve Trust” means the trust to be known as “The Imperial CCAA Plan Administration Reserve Trust” that shall be created pursuant to the Imperial CCAA Plan Administration Reserve Trust Deed and into which the Imperial CCAA Plan Administration Reserve shall be deposited.

“Imperial CCAA Plan Administration Reserve Trust Deed” means the deed of trust to be entered into between ITCAN as the settlor and BMO as the Original Trustee to create the Imperial CCAA Plan Administration Reserve Trust, as amended, restated or supplemented from time to time pursuant to the terms thereof.

“Imperial Collateral Agency Agreement” means the agreement to be entered into between ITCAN, ITCO, Marlboro Canada Limited, John Player & Sons Ltd., Imperial Brands Ltd., Medallion Inc., Cameo Inc. and Imperial Tobacco Products Limited as the debtors, Computershare as the Collateral Agent, the Provinces and Territories, the QCAPs and PCCs, as amended, restated or supplemented from time to time pursuant to the terms thereof.

“Imperial Cy-près Trust Account” means a segregated interest-bearing trust account to be established in the Bank by the Trustees to hold Imperial’s share of the aggregate Cy-près Fund set out in Article 16 in trust for the benefit of the Cy-près Foundation. The proportionate shares of the Cy-près Fund which the Trustees shall transfer from each of the Imperial Global Settlement Trust Account, RBH Global Settlement Trust Account and JTIM Global Settlement Trust Account into, respectively, the Imperial Cy-près Trust Account, RBH Cy-près Trust Account and JTIM Cy-près Trust Account shall be equal to: (i) on the Plan Implementation Date, the proportionate shares of the Upfront Contributions made by Imperial, RBH and JTIM; and (ii) in respect of years 2, 3, 4 and 5 following the Plan Implementation Date and any subsequent years until the Cy-près Fund has been paid in full, the proportionate shares of the Annual Contributions made by Imperial, RBH and JTIM in each of those years.

“Imperial Deed” means the deed of trust to be entered into between ITCAN as the settlor and BMO as the Original Trustee to create the Imperial Global Settlement Trust, as amended, restated or supplemented from time to time pursuant to the terms thereof.

“Imperial Global Settlement Trust” means the trust to be known as “The Imperial Tobacco Global Settlement Trust” that shall be created pursuant to the Imperial Deed and into which Imperial’s Upfront Contributions and Annual Contributions shall be deposited.

“Imperial Global Settlement Trust Account” has the meaning given in Article 5, Section 5.3.

“Imperial Miscellaneous Claims Fund” means the Cash reserve to be established on the Plan Implementation Date prior to any distributions to Affected Creditors as authorized by the CCAA Court pursuant to the Sanction Order, and to be paid out of the total Upfront Contributions to be made by Imperial and deposited into the Imperial Miscellaneous Claims Fund for the purpose of paying the Miscellaneous Claims of Persons who are found by the CCAA Court to be entitled to be paid their Miscellaneous Claim pursuant to the CCAA Plan. The Trustees shall hold the Imperial Miscellaneous Claims Fund in trust for those Persons who are entitled to be paid their Miscellaneous Claim pursuant to the CCAA Plan. In aggregate, the Imperial Miscellaneous Claims Fund, RBH Miscellaneous Claims Fund and JTIM Miscellaneous Claims Fund shall total \$25.0 million. The proportionate shares of the aggregate amount of \$25.0 million which Imperial, RBH and JTIM shall deposit, respectively, into the Imperial Miscellaneous Claims Fund, RBH Miscellaneous Claims Fund and JTIM Miscellaneous Claims Fund from their respective Upfront Contributions shall be equal to the proportionate shares of the Upfront Contributions to be made by Imperial, RBH and JTIM.

“Imperial PCC Compensation Plan Reserve” means the Cash reserve to be established on the Plan Implementation Date prior to any distributions to Affected Creditors as authorized by the CCAA Court pursuant to the Sanction Order, and to be paid out of the total Upfront Contributions made by Imperial and deposited into the Imperial PCC Compensation Plan Reserve Account for

the purpose of remedying any default in payment of any PCC Compensation Plan Reserve Costs. The Trustees shall hold the Imperial PCC Compensation Plan Reserve in trust for those Persons who incur and are entitled to be paid PCC Compensation Plan Reserve Costs pursuant to the CCAA Plan. In aggregate, the Imperial PCC Compensation Plan Reserve, RBH PCC Compensation Plan Reserve and JTIM PCC Compensation Plan Reserve shall total \$5.0 million. The proportionate shares of the aggregate amount of \$5.0 million which each of Imperial, RBH and JTIM shall deposit, respectively, into the Imperial PCC Compensation Plan Reserve Account, RBH PCC Compensation Plan Reserve Account and JTIM PCC Compensation Plan Reserve Account from their respective Upfront Contributions shall be equal to the proportionate shares of the Upfront Contributions made by Imperial, RBH and JTIM.

“Imperial PCC Compensation Plan Reserve Account” means a segregated interest-bearing trust account to be established by the Trustees to hold the Imperial PCC Compensation Plan Reserve on behalf of the beneficiaries thereof.

“Imperial PCC Trust Account” means a segregated interest-bearing trust account to be established in the Bank by the Trustees to hold Imperial’s share of the PCC Compensation Plan Amount in trust for the benefit of the Pan-Canadian Claimants. The proportionate shares of the PCC Compensation Plan Amount which the Trustees shall transfer from each of the Imperial Global Settlement Trust Account, RBH Global Settlement Trust Account and JTIM Global Settlement Trust Account into, respectively, the Imperial PCC Trust Account, RBH PCC Trust Account and JTIM PCC Trust Account shall be equal to: (i) on the Plan Implementation Date, the proportionate shares of the Upfront Contributions made by Imperial, RBH and JTIM; and (ii) in respect of years 1 and 2 following the Plan Implementation Date and any subsequent years until the PCC Compensation Plan Amount has been paid in full, the proportionate shares of the Annual Contributions made by Imperial, RBH and JTIM in each of those years.

“Imperial QCAP Trust Account” means a segregated interest-bearing trust account to be established in the Bank by the Trustees to hold Imperial’s share of the QCAP Settlement Amount in trust for the benefit of the *Blais* Class Members. The proportionate shares of the QCAP Settlement Amount which the Trustees shall transfer from each of the Imperial Global Settlement Trust Account, RBH Global Settlement Trust Account and JTIM Global Settlement Trust Account into, respectively, the Imperial QCAP Trust Account, RBH QCAP Trust Account and JTIM QCAP Trust Account shall be equal to: (i) on the Plan Implementation Date, the proportionate shares of the Upfront Contributions made by Imperial, RBH and JTIM; and (ii) in respect of year 1 following the Plan Implementation Date and any subsequent years until the QCAP Settlement Amount has been paid in full, the proportionate shares of the Annual Contributions made by Imperial, RBH and JTIM in that year.

“Imperial Supplemental Trust” means the bare trust to be known as “The Imperial Tobacco Supplemental Trust” that shall be created pursuant to the Imperial Tobacco Supplemental Trust Agreement.

“Imperial Supplemental Trust Account” has the meaning given in Article 5, Section 5.3.

“Imperial Supplemental Trust Agreement Funds” means any and all property held at any time by the Bare Trustees pursuant to the Imperial Tobacco Supplemental Trust Agreement, including

the Reserved Amounts and such additional property which ITCAN, or other Persons may, in accordance with the CCAA Plan, transfer, assign, convey or deliver to the Bare Trustees to be deposited into the Imperial Supplemental Trust Account, together with income, interest and any other revenues generated thereby or accretions or additions thereto and any property into which any of the foregoing may be converted or exchanged.

“Imperial Tobacco Supplemental Trust Agreement” means the agreement to be entered into between ITCAN and the Bare Trustees creating the Imperial Supplemental Trust, as amended, restated or supplemented from time to time pursuant to the terms thereof.

“Indebtedness” means for RBH or any Material Subsidiary, at a particular time, the sum (without duplication) at such time of all:

- (a) Indebtedness or liability of RBH (including amounts for borrowed money and mezzanine debt and preferred equity that would be considered to be debt under relevant generally accepted accounting principles);
- (b) Obligations evidenced by bonds, debentures, notes or other similar instruments;
- (c) Obligations for the deferred purchase price of property or services (including trade obligations);
- (d) Amounts drawn or available to be drawn under letters of credit or under guaranties or similar obligations;
- (e) Face amounts outstanding under acceptance or letter of credit facilities;
- (f) Guaranties, endorsements (other than for collection or deposit in the Ordinary Course of Business) and other contingent obligations to purchase, to provide funds for payment, to supply funds, to invest in any Person, or otherwise to assure a creditor against loss; and
- (g) Obligations secured by any Encumbrances, whether or not the obligations have been assumed.

“Indemnified Parties” has the meaning given in Article 18, Section 18.1.7.

“Individual Claimants” means all individuals who have asserted or may be entitled to assert a Tobacco Claim, which individuals are either Pan-Canadian Claimants or Quebec Class Action Plaintiffs and are represented in this CCAA Proceeding by either the PCC Representative Counsel or the Quebec Class Counsel respectively.

“Individual Payment” means the amount determined by the Claims Administrator to be payable to an Eligible Pan-Canadian Claimant under the PCC Compensation Plan.

“Individuals” means all individuals residing in a Province or Territory of Canada, and **“Individual”** means any one of them.

“Information Request” has the meaning given in Article 10, Section 10.5.

“Initial Order” means the initial order commencing the CCAA Proceeding of RBH, as amended and restated from time to time.

“Instruction Letter” means the letter included in the Claims Package which is attached to the CCAA Plan as Schedule “B”.

“Insured Person” means (a) a Person, including a deceased Person, for whom Health Care Benefits have been provided by a Province or Territory directly or through one or more agents or other intermediate bodies, or (b) a Person for whom Health Care Benefits could reasonably be expected will be provided by a Province or Territory directly or through one or more agents or other intermediate bodies.

“Intercompany Claim” means any Claim, other than an Intercompany Services Claim, that may be asserted against RBH by or on behalf of any member of RBH’s Tobacco Company Group and, for greater certainty, includes all arrears of royalty and license fees as well as principal and interest due on loans made by any member of RBH’s Tobacco Company Group to RBH.

“Intercompany Services” has the meaning given in Article 5, Section 5.14.

“Intercompany Services Claim” means any Claim that may be asserted by or on behalf of RBH’s Parent or the relevant Affiliates within its Tobacco Company Group in accordance with Article 5, Section 5.14 in respect of the provision of Intercompany Services to RBH.

“Intercompany Transaction” means any transaction in the Ordinary Course of Business between RBH and any member(s) of its Tobacco Company Group to buy and sell goods and/or services, licences, intellectual property and/or allocate, collect and pay any costs, expenses and other amounts from and to the members of its Tobacco Company Group, including in relation to:

- (a) Head office, shared or supplied services and operational support (including information technology and marketing services);
- (b) Finished, unfinished (including tobacco leaf purchases) and semi-finished goods and materials;
- (c) Manufacturing of goods;
- (d) Distribution and sale of goods;
- (e) Equipment purchases;
- (f) Personnel, administrative, technical and professional services;
- (g) Royalties and fees in respect of trademark licenses;
- (h) Treasury and debt; and
- (i) RBH’s central cash management system and all related transactions and intercompany funding policies and procedures between RBH and its Tobacco Company Group,

collectively, “**Intercompany Transactions**”.

“**Interface Meetings**” has the meaning given in Section 14(a) of the PTLC Terms which are Schedule “AA” to the CCAA Plan.

“**Interface Phase**” has the meaning given in Section 14(a) of the PTLC Terms which are Schedule “AA” to the CCAA Plan.

“**Interface Phase Secretariat**” has the meaning given in Section 24 of the PTLC Terms which are Schedule “AA” to the CCAA Plan.

“**Investment Guidelines**” means the guidelines and strategies approved by the CCAA Court pursuant to the Banking Arrangements Order and an Order to be granted in respect of the RBH CCAA Plan Administration Reserve Account for investing the assets held in the RBH Global Settlement Trust Account, RBH Supplemental Trust Account, RBH CCAA Plan Administration Reserve Account, RBH PCC Compensation Plan Reserve Account, RBH QCAP Trust Account, RBH PCC Trust Account, RBH Cy-près Trust Account and RBH Miscellaneous Claims Fund. The Investment Guidelines are attached as Schedule “C” to the RBH Deed and Schedule “B” to the RBH CCAA Plan Administration Reserve Trust Deed.

“**ITA**” means the *Income Tax Act* (Canada), as amended from time to time.

“**ITCAN**” means Imperial Tobacco Canada Limited.

“**ITCAN Subsidiaries**” means Imperial Tobacco Services Inc., Imperial Tobacco Products Limited, Marlboro Canada Limited, Cameo Inc., Medallion Inc., Allan Ramsay and Company Limited, John Player & Sons Ltd., Imperial Brands Ltd., 2004969 Ontario Inc., Construction Romir Inc., Genstar Corporation, Imasco Holdings Group, Inc., ITL (USA) Limited, Genstar Pacific Corporation, Imasco Holdings Inc., Southward Insurance Ltd., and Liggett & Myers Tobacco Company of Canada Limited.

“**ITCO**” means Imperial Tobacco Company Limited.

“**Jha Report**” means the report of Dr. Prabhat Jha dated March 24, 2021 entitled “Analyses to quantify smoking-attributable conditions that could be compensable and quantification of these conditions for each province and over time from 2003-2019”, that is attached to the CCAA Plan as Schedule “L”.

“**JTIM**” means JTI-Macdonald Corp.

“**JTIM CCAA Plan Administration Reserve**” means the Cash reserve to be established on the Plan Implementation Date prior to any distributions to Affected Creditors of JTIM as authorized by the CCAA Court pursuant to the Sanction Order in respect of JTIM, in the amount of \$25.0 million, and to be paid out of the Upfront Contributions of JTIM and deposited from the JTIM Global Settlement Trust Account into the JTIM CCAA Plan Administration Reserve Account for the purpose of remedying any default in payment of any JTIM CCAA Plan Administration Reserve Costs. The Trustees shall hold the JTIM CCAA Plan Administration Reserve in trust for the benefit of those Persons who incur and are entitled to be paid JTIM CCAA Plan Administration

Reserve Costs pursuant to the JTIM CCAA Plan in respect of the CCAA Proceeding in respect of JTIM. In aggregate, the Imperial CCAA Plan Administration Reserve, RBH CCAA Plan Administration Reserve and JTIM CCAA Plan Administration Reserve shall total \$75.0 million.

“JTIM CCAA Plan Administration Reserve Account” means a segregated interest-bearing trust account to be established by the Trustees to hold the JTIM CCAA Plan Administration Reserve on behalf of the beneficiaries thereof.

“JTIM CCAA Plan Administration Reserve Costs” means Costs incurred and payments to be made on or after the Plan Implementation Date by JTIM, including Costs incurred prior to the Plan Implementation Date which remain outstanding as of the Plan Implementation Date, in respect of:

- (a) The Costs of the services which Deloitte (including its legal, financial, investment or other advisors) provides in connection with the performance of its duties as both the Monitor and the CCAA Plan Administrator under the CCAA Plan, in the CCAA Proceeding, and in respect of the ongoing administration of the CCAA Plan, including the fulfillment of its duties and responsibilities enumerated in Article 14, Section 14.4 herein, and as set out in the Sanction Order and the CCAA Plan Administrator Appointment Order; and
- (b) The Costs of the Court-Appointed Mediator’s Ongoing Services which the Court-Appointed Mediator (including his legal counsel and other consultants and advisors) may provide after the date of the Sanction Order, as requested by the Monitor or the CCAA Plan Administrator, or by the CCAA Court, and approved by the CCAA Court pursuant to the CCAA Plan Administrator Appointment Order, the Court-Appointed Mediator’s Ongoing Services Direction and the Fee Approval Direction.

“JTIM CCAA Plan Administration Reserve Trust” means the trust to be known as “The JTIM CCAA Plan Administration Reserve Trust” that shall be created pursuant to the JTIM CCAA Plan Administration Reserve Trust Deed and into which the JTIM CCAA Plan Administration Reserve shall be deposited.

“JTIM CCAA Plan Administration Reserve Trust Deed” means the deed of trust to be entered into between JTIM as the settlor and BMO as the Original Trustee to create the JTIM CCAA Plan Administration Reserve Trust, as amended, restated or supplemented from time to time pursuant to the terms thereof.

“JTIM Cy-près Trust Account” means a segregated interest-bearing trust account to be established in the Bank by the Trustees to hold JTIM’s share of the Cy-près Fund in trust for the benefit of the Cy-près Foundation. The proportionate shares of the Cy-près Fund which the Trustees shall transfer from each of the Imperial Global Settlement Trust Account, RBH Global Settlement Trust Account and JTIM Global Settlement Trust Account into, respectively, the Imperial Cy-près Trust Account, RBH Cy-près Trust Account and JTIM Cy-près Trust Account shall be equal to: (i) on the Plan Implementation Date, the proportionate shares of the Upfront Contributions made by Imperial, RBH and JTIM; and (ii) in respect of years 2, 3, 4 and 5 following the Plan Implementation Date and any subsequent years until the Cy-près Fund has been paid in full, the proportionate shares of the Annual Contributions made by Imperial, RBH and JTIM in each of those years.

“JTIM Deed” means the deed of trust to be entered into between JTIM as the settlor and BMO as the Original Trustee to create the JTIM Global Settlement Trust, as amended, restated or supplemented from time to time pursuant to the terms thereof.

“JTIM Global Settlement Trust” means the trust to be known as “The JTIM Global Settlement Trust” that shall be created pursuant to the JTIM Deed and into which JTIM’s Upfront Contributions and Annual Contributions shall be deposited.

“JTIM Global Settlement Trust Account” has the meaning given in Article 5, Section 5.3.

“JTIM Miscellaneous Claims Fund” means the Cash reserve to be established on the Plan Implementation Date prior to any distributions to Affected Creditors of JTIM as authorized by the CCAA Court pursuant to the Sanction Order in respect of JTIM, and to be paid out of the total Upfront Contributions made by JTIM and deposited into the JTIM Miscellaneous Claims Fund for the purpose of paying the Miscellaneous Claims of Persons who are found by the CCAA Court to be entitled to be paid their Miscellaneous Claim pursuant to the JTIM CCAA Plan. The Trustees shall hold the JTIM Miscellaneous Claims Fund in trust for those Persons who are entitled to be paid their Miscellaneous Claim pursuant to the JTIM CCAA Plan. In aggregate, the Imperial Miscellaneous Claims Fund, RBH Miscellaneous Claims Fund and JTIM Miscellaneous Claims Fund shall total \$25.0 million. The proportionate shares of the aggregate amount of \$25.0 million which Imperial, RBH and JTIM shall deposit, respectively, into the Imperial Miscellaneous Claims Fund, RBH Miscellaneous Claims Fund and JTIM Miscellaneous Claims Fund from their respective Upfront Contributions shall be equal to the proportionate shares of the Upfront Contributions made by Imperial, RBH and JTIM.

“JTIM PCC Compensation Plan Reserve” means the Cash reserve to be established on the Plan Implementation Date prior to any distributions to Affected Creditors as authorized by the CCAA Court pursuant to the Sanction Order, and to be paid out of the total Upfront Contributions made by JTIM and deposited into the JTIM PCC Compensation Plan Reserve Account for the purpose of paying the PCC Compensation Plan Reserve Costs. The Trustees shall hold the JTIM PCC Compensation Plan Reserve in trust for those Persons who incur and are entitled to be paid PCC Compensation Plan Reserve Costs pursuant to the CCAA Plan. In aggregate, the Imperial PCC Compensation Plan Reserve, RBH PCC Compensation Plan Reserve and JTIM PCC Compensation Plan Reserve shall total \$5.0 million. The proportionate shares of the aggregate amount of \$5.0 million which each of Imperial, RBH and JTIM shall deposit, respectively, into the Imperial PCC Compensation Plan Reserve Account, RBH PCC Compensation Plan Reserve Account and JTIM PCC Compensation Plan Reserve Account from their respective Upfront Contributions shall be equal to the proportionate shares of the Upfront Contributions made by Imperial, RBH and JTIM.

“JTIM PCC Compensation Plan Reserve Account” means a segregated interest-bearing trust account to be established by the Trustees to hold the JTIM PCC Compensation Plan Reserve on behalf of the beneficiaries thereof.

“JTIM PCC Trust Account” means a segregated interest-bearing trust account to be established in the Bank by the Trustees to hold JTIM’s share of the PCC Compensation Plan Amount in trust for the benefit of the Pan-Canadian Claimants. The proportionate shares of the PCC Compensation

Plan Amount which the Trustees shall transfer from each of the Imperial Global Settlement Trust Account, RBH Global Settlement Trust Account and JTIM Global Settlement Trust Account into, respectively, the Imperial PCC Trust Account, RBH PCC Trust Account and JTIM PCC Trust Account shall be equal to: (i) on the Plan Implementation Date, the proportionate shares of the Upfront Contributions made by Imperial, RBH and JTIM; and (ii) in respect of years 1 and 2 following the Plan Implementation Date and any subsequent years until the PCC Compensation Plan Amount has been paid in full, the proportionate shares of the Annual Contributions made by Imperial, RBH and JTIM in each of those years.

“JTIM QCAP Trust Account” means a segregated interest-bearing trust account to be established in the Bank by the Trustees to hold JTIM’s share of the QCAP Settlement Amount in trust for the benefit of the *Blais* Class Members. The proportionate shares of the QCAP Settlement Amount which the Trustees shall transfer from each of the Imperial Global Settlement Trust Account, RBH Global Settlement Trust Account and JTIM Global Settlement Trust Account into, respectively, the Imperial QCAP Trust Account, RBH QCAP Trust Account and JTIM QCAP Trust Account shall be equal to: (i) on the Plan Implementation Date, the proportionate shares of the Upfront Contributions made by Imperial, RBH and JTIM; and (ii) in year 1 following the Plan Implementation Date until the QCAP Settlement Amount has been paid in full,, the proportionate shares of the Annual Contributions made by Imperial, RBH and JTIM in that year.

“JTIM Supplemental Trust” means the bare trust to be known as “The JTIM Supplemental Trust” that shall be created pursuant to the JTIM Supplemental Trust Agreement .

“JTIM Supplemental Trust Account” has the meaning given in Article 5, Section 5.3.

“JTIM Supplemental Trust Agreement” means the agreement to be entered into between JTIM and the Bare Trustees creating the JTIM Supplemental Trust, as amended, restated or supplemented from time to time pursuant to the terms thereof.

“JTIM Supplemental Trust Agreement Funds” means any and all property held at any time by the Bare Trustees pursuant to the JTIM Supplemental Trust Agreement, including the Reserved Amounts and such additional property which JTIM, or other Persons may, in accordance with the CCAA Plan, transfer, assign, convey or deliver to the Bare Trustees to be deposited into the JTIM Supplemental Trust Account, together with income, interest and any other revenues generated thereby or accretions or additions thereto and any property into which any of the foregoing may be converted or exchanged.

“JTIM TM” means JTI-Macdonald TM Corp.

“*Knight* Claim” means any Claim that has been advanced, could have been advanced or could be advanced in the following class action, whether before or after the Effective Time: *Kenneth Knight v. Imperial Tobacco Canada Limited* (Supreme Court of British Columbia, Court File No. L031300), including any such Claim that is a Section 5.1(2) Claim or Section 19(2) Claim.

“*Knight* Class Action” means *Kenneth Knight v. Imperial Tobacco Canada Limited* (Supreme Court of British Columbia, Court File No. L031300).

“Knight Class Action Plaintiffs” means Individuals who meet the criteria of the certified class definition in the *Knight Class Action*. The fact that an Individual is a *Knight Class Action Plaintiff* does not thereby disqualify that Individual from being a Pan-Canadian Claimant.

“Knight Class Action Plaintiffs Settlement Amount” means the aggregate amount allocated from the Global Settlement Amount to be payable to the *Knight Class Action Plaintiffs* as set forth in Article 16, Sections 16.1, 16.2 and 16.3 herein.

“Knight Class Counsel” means Klein Lawyers LLP.

“Knight Class Counsel Fee” means the amount to be determined and approved by the CCAA Court that will be payable from the *Knight Class Action Plaintiffs Settlement Amount* to the *Knight Class Counsel* in respect of their fees, disbursements and costs as *Knight Class Counsel* and any applicable Sales and Excise Taxes payable thereon. The retainer agreement respecting fees and disbursements between the *Knight Class Counsel* and the representative plaintiffs, as well as the *Knight Class Counsel Fee*, are subject to the approval of the CCAA Court.

“Larynx” means the upper part of the respiratory passage that is bounded above by the glottis and is continuous below with the trachea.

“Legal Representative” means an Individual who establishes through the submission to the Claims Administrator of one of the documents listed in the Claim Form for the Legal Representative of a PCC-Claimant that they have the right and are authorized to make a Submitted PCC-Claim on behalf of the PCC-Claimant.

“Létourneau Class Action” means the class action commenced on September 30, 1998 by Cecilia Létourneau against ITCAN, RBH and JTIM in the Superior Court of Quebec, District of Montreal, bearing Court File No. 500-06-000070-983.

“Létourneau Class Members” means Persons who meet the criteria of the following certified class definition in the *Létourneau Class Action*:

All persons residing in Quebec who, as of September 30, 1998, were addicted to the nicotine contained in the cigarettes made by the defendants and who otherwise satisfy the following criteria:

- (1) They started to smoke before September 30, 1994 and since that date have smoked principally cigarettes manufactured by the defendants;
- (2) Between September 1 and September 30, 1998, they smoked on a daily basis an average of at least 15 cigarettes manufactured by the defendants; and
- (3) On February 21, 2005, or until their death if it occurred before that date, they were still smoking on a daily basis an average of at least 15 cigarettes manufactured by the defendants.

The group also includes the heirs of the members who satisfy the criteria described herein.

“Létourneau Judgment” means the judgment rendered by the Honourable Justice Brian Riordan on May 27, 2015 as rectified on June 9, 2015, and the judgment of the Court of Appeal of Quebec dated March 1, 2019 in the class action commenced in the Quebec Superior Court in Court File No. 500-06-000070-983 (*Cecilia Létourneau et al. v. Imperial Tobacco Canada Ltd., et al.*).

“Lung Cancer” has the meaning given in Article 8, Section 8.1(d)(i).

“Material Adverse Effect” means an event or condition that caused or would reasonably be expected to cause a material adverse effect on:

- (a) The assets and liabilities of RBH considered as a whole or the use or operation thereof;
- (b) The business, profits, operations or condition (financial or otherwise) of RBH;
- (c) The ability of RBH to perform its obligations in any material respect under any of the Definitive Documents to which it is a party or by which it is bound; or
- (d) The Contribution Security.

“Material Subsidiary” means, in relation to RBH:

- (a) Any of its Subsidiaries that holds 5% or more of the consolidated assets of RBH or contributes 5% or more of the consolidated revenues or net income of RBH, or
- (b) Any of its Subsidiaries that are material to the conduct of RBH’s business and operations.

provided that, without limiting the generality of Subsections (a) and (b), it includes Rothmans Inc.

“MD&A” has the meaning given in Article 10, Section 10.2.2.

“Meeting” means the meeting of Affected Creditors to be called and held pursuant to the Meeting Order for the purpose of considering and voting on the CCAA Plan, and includes any adjournment, extension, postponement or other rescheduling of such meeting.

“Meeting Date” means the date fixed for the Meeting pursuant to the Meeting Order subject to any adjournment or postponement or further order of the CCAA Court.

“Meeting Order” means the order of the CCAA Court dated October 31, 2024 directing the calling and holding of the Meeting of Affected Creditors to consider and vote on the CCAA Plan, as such order may be amended, restated or varied from time to time.

“Metric” has the meaning given in Article 5, Section 5.6.

“Minister of Finance of Quebec” means the Ministre des Finances du Québec, Bureau general de dépôts pour le Québec.

“Miscellaneous Claimant Proof of Claim” means the proof of claim form included as part of the Claims Package which is attached to the CCAA Plan as Schedule “B”.

“Miscellaneous Claims” means, collectively:

- (a) any Pre-Implementation Miscellaneous Claim;
- (b) any Section 5.1(2) Claim, in respect of which the Person holding such Claim, or an authorized Person on their behalf, has not executed and delivered, or will not execute and deliver, a Claimant Contractual Release;
- (c) any Section 19(2) Claim in regard to which the compromise or arrangement in respect of RBH explicitly provides for the Section 19(2) Claim’s compromise, and the Person holding such Claim, or an authorized Person on their behalf, has not voted, or will not vote, for the acceptance of the compromise or arrangement, or otherwise execute and deliver a Claimant Contractual Release; and
- (d) any other Claim in respect of RBH (excluding any Unaffected Claim) which is received by the Monitor and asserted against any Released Party 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) by a Person who asserts that such Claim will not be or, if asserted after the Effective Time, has not been compromised and fully, finally and irrevocably and unconditionally released and forever discharged, and permanently barred and enjoined pursuant to the terms of the CCAA Plan, the Claims Procedure Order, the Sanction Order or any other Order made in the CCAA Proceeding, and in accordance with Article 18, Section 18.2.3 of the CCAA Plan, the CCAA Court grants leave for such Person to bring such Claim for determination on its merits by the CCAA Court.

The existence of any such Miscellaneous Claims is not admitted but is expressly denied by RBH, its Tobacco Company Group and the Claimants. For greater certainty, no Claimant or Individual Claimant may assert a Miscellaneous Claim.

“Miscellaneous Claims Amount” has the meaning given in Article 18, Section 18.2.1.

“Miscellaneous Claims Bar Date” means 5:00 pm (Eastern Time) on December 5, 2024.

“Miscellaneous Claims Fund Period” has the meaning given in Article 18, Section 18.2.1.

“Miscellaneous Claims Procedure” means the procedure pursuant to which a Putative Miscellaneous Claimant can assert a Miscellaneous Claim as established in Article 18, Section 18.2 of the CCAA Plan.

“Monetary Cure Period” has the meaning given in Article 12, Section 12.3(b).

“Monitor” means Ernst & Young Inc. in its capacity as the Court-appointed monitor appointed pursuant to the Initial Order in the CCAA Proceeding.

“Monitors” means, collectively, the Court-appointed monitors of the Tobacco Companies in the CCAA Proceedings.

“Monthly Actual Costs Reports” means the monthly reports that the Claims Administrator and PCC Agent shall provide to the CCAA Plan Administrators setting out the actual costs incurred, including actual time spent and hourly rates applied, and expenditures made by the Claims Administrator and the PCC Agent during the immediately prior month in regard to each of the PCC Claims Administration, QCAP Claims Administration, PCC Agent, PCC Notice Plan and *Blais* Notice Plan, in accordance with the terms of the Claims Administrator Order.

“Monthly Claims Administration Reports” means the monthly reports, in respect of the month upon which the monthly reports are based, that the Claims Administrator and PCC Agent shall provide to the CCAA Plan Administrators setting out for each of the PCC Compensation Plan and the Quebec Administration Plan the particulars regarding (i) the number of claims received, (ii) the number of claims reviewed, (iii) the number of incomplete claims awaiting submission of further information, (iv) the number of claims approved, (v) the number of claims rejected, (vi) the number of rejected claims that are in the process of being reviewed by the Review Officer, and (vii) the overall status of the claims administration process, in accordance with the terms of the Claims Administrator Order.

“Monthly Events Reports” means the monthly reports, in respect of the month upon which the monthly reports are based, that the Claims Administrator and PCC Agent shall provide to the CCAA Plan Administrators identifying and explaining any unusual, unexpected or inexplicable events that occurred and/or out of the ordinary trends that were observed in the PCC Claims Administration and the QCAP Claims Administration to enable the Claims Administrator and/or the PCC Agent, as applicable, to take prompt steps to correct any issues, problems, errors and/or mistakes in the claims administration processes as soon as possible, in accordance with the terms of the Claims Administrator Order.

“NDA” means a confidentiality, non-disclosure and non-use agreement between RBH and another Person in the form already agreed to by the Parties.

“Negative Notice Bar Date” means 5:00 p.m. (Eastern Time) on the date that is twenty-one (21) days following the Negative Notice Issuance Date.

“Negative Notice Claim” means the value (for voting purposes only) of the Affected Claims of each Claimant and the number of votes associated therewith as set forth in a Statement of Negative Notice Claim to be sent to each Claimant in accordance with the following:

Claimant	Number of Votes for Voting Purposes	Value of Claim for Voting Purposes
Quebec Class Action Plaintiffs (QCAPs)	99,958	\$13,706,891,279
Pan-Canadian Claimants (PCCs)	186,003	\$5,041,088,110
Tobacco Producers	3,930	\$29,043,876
British Columbia	1	\$136,681,344,490
Alberta	1	\$119,266,303,168
Saskatchewan	1	\$27,189,868,453
Manitoba	1	\$42,741,373,788
Ontario	1	\$271,795,731,959
Quebec	1	\$253,365,332,712

Claimant	Number of Votes for Voting Purposes	Value of Claim for Voting Purposes
New Brunswick	1	\$22,778,964,723
Nova Scotia	1	\$29,979,033,060
Prince Edward Island	1	\$6,238,547,995
Newfoundland and Labrador	1	\$20,279,767,449
Yukon	1	\$3,752,573,987
Northwest Territories	1	\$6,865,708,611
Nunavut	1	\$3,584,449,605

“Negative Notice Claims Package” means the Claimant’s Statement of Negative Notice Claim and the form of Notice of Dispute of Negative Notice Claim to be used in the event that the Claimant wishes to raise a dispute in accordance with paragraph 8 of the Claims Procedure Order, which are attached as Schedule “A” to the CCAA Plan.

“Negative Notice Issuance Date” means the date that the Statement of Negative Notice Claim is sent to a Claimant.

“Net After-Tax Income” is as described in Article 5, Section 5.6.

“Newco” has the meaning given in Article 2, Section 2.1(f) and refers to the new corporation to be incorporated pursuant to Article 4, Section 4.1.

“Non-Monetary Cure Period” has the meaning given in Article 12, Section 12.3(c).

“Non-Released Claims” means all Claims that are not Released Claims and, for greater certainty, includes all Unaffected Claims.

“Normal Reassessment Period” has the meaning ascribed by subsection 152(3.1) of the ITA (and any analogous provisions of provincial or territorial law), taking into account any applicable extension under the *Taxation Act* (Quebec) resulting from a reassessment made by the CRA or another Provincial Tax Authority, except that in the case of a Tax Refund Cash Payment, the extended period provided by subparagraph 152(4)(b)(i) of the ITA (and any analogous provisions of provincial or territorial law) will apply, and where the CCAA Plan Administrators and RBH have agreed to file a waiver, the extended period provided by subparagraph 152(4)(a)(ii) of the ITA (or the relevant analogous provisions of provincial or territorial law) shall apply.

“Notice of Breach” has the meaning given in Article 13, Section 13.3.

“Notice of Default” has the meaning given in Article 12, Section 12.3.

“Notice of Dispute of Negative Notice Claim” means the notice, substantially in the form included in the Negative Notice Claims Package and attached to the CCAA Plan as Schedule “A”, which may be delivered to the Monitor by a Claimant disputing a Statement of Negative Notice Claim and providing reasons for such dispute.

“Omnibus Notice” means the notice which the Monitor shall cause to be published regarding the Claims Procedure Order and the Meeting, in accordance with the Omnibus Notice Program, a copy of which notice is attached as Schedule “C” to the Claims Procedure Order and as Schedule “C” to the CCAA Plan.

“Omnibus Notice Program” means the plan to publish comprehensive legal notice regarding the Claims Procedure Order and the Meeting to Persons, including Putative Miscellaneous Claimants, situated in all the Provinces and Territories, as set forth on the document attached as Schedule “D” to the Claims Procedure Order and as Schedule “D” to the CCAA Plan.

“Omnibus Sanction Hearing Notice” means the notice which the Monitor shall cause to be published regarding the Sanction Hearing in accordance with the Omnibus Sanction Hearing Notice Program.

“Omnibus Sanction Hearing Notice Program” means the plan to publish comprehensive legal notice regarding the Sanction Hearing to Persons, including Putative Miscellaneous Claimants, situated in all the Provinces and Territories.

“Ordinary Course Divestitures” has the meaning given in Article 11, Section 11.4.

“Ordinary Course Divestitures Thresholds” has the meaning given in Article 11, Section 11.4.

“Ordinary Course of Business” means, in relation to RBH or a member of its Tobacco Company Group, the ordinary course of day-to-day business activities and operations of that company consistent with past practices, as such practices may change from time to time in the tobacco industry in response to regulatory, market or industry developments or changes, and materially similar in nature and magnitude to actions customarily taken in the normal course of day-to-day operations.

“Ordinary Course Operational Activities” has the meaning given in Article 11, Section 11.2.

“Original Trustee” means BMO.

“Oropharynx” means the part of the pharynx that is below the soft palate and above the epiglottis and is continuous with the mouth. It includes the back third of the tongue, the soft palate, the side and back walls of the throat, and the tonsils.

“Pan-Canadian Claimants”, or “PCCs”, means Individuals, excluding *Blais* Class Members and *Létourneau* Class Members in relation to QCAP Claims, who have asserted or may be entitled to assert a PCC Claim.

“Parent” means, in the case of RBH, Philip Morris International Inc.

“Parties” means the Claimants, the Tobacco Companies and the Tobacco Company Groups, and **“Party”** means any one of them.

“PCC Agent” means Epiq in its role of agent for the PCC Representative Counsel in respect of the PCC Compensation Plan.

“**PCC Claim**” means any Claim of any Pan-Canadian Claimant that has been made or may in the future be asserted or made in whole or in part against or in respect of the Released Parties, or any one of them (either individually or with any other Person), that has been advanced, could have been advanced or could be advanced, whether on such Pan-Canadian Claimant’s own account, or on their behalf, or on behalf of a certified or proposed class, to recover damages or any other remedy in respect of the development, design, manufacture, production, marketing, advertising, distribution, purchase or sale of Tobacco Products, including any representations or omissions in respect thereof, the historical or ongoing use of or exposure (whether directly or indirectly) to Tobacco Products or their emissions and the development of any disease or condition as a result thereof, whether existing or hereafter arising, 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) including, all Claims that have been advanced, could have been advanced or could be advanced in the following actions commenced by Individuals under provincial class proceedings legislation and actions commenced by Individuals, or in any other similar proceedings:

- (a) *Barbara Bourassa v. Imperial Tobacco Canada Limited et al.* (Supreme Court of British Columbia, Court File No. 10-2780 and Court File No. 14-4722);
- (b) *Roderick Dennis McDermid v. Imperial Tobacco Canada Limited et al.* (Supreme Court of British Columbia, Court File No. 10-2769);
- (c) *Linda Dorion v. Canadian Tobacco Manufacturers’ Council et al.* (Alberta Court of Queen’s Bench, Court File No. 0901-08964);
- (d) *Thelma Adams v. Canadian Tobacco Manufacturers’ Council et al.* (Saskatchewan Court of Queen’s Bench, Court File No. 916 of 2009);
- (e) *Deborah Kunta v. Canadian Tobacco Manufacturers’ Council et al.* (Manitoba Court of Queen’s Bench, Court File No. C109-01-61479);
- (f) *Suzanne Jacklin v. Canadian Tobacco Manufacturers’ Council* (Ontario Superior Court of Justice, Court File No. 53794/12);
- (g) *Ben Semple v. Canadian Tobacco Manufacturers’ Council et al.* (Supreme Court of Nova Scotia, Court File No. 312869);
- (h) *Victor Todd Sparkes v. Imperial Tobacco Canada Limited* (Newfoundland and Labrador Supreme Court - Trial Division, Court File No. 200401T2716 CP);
- (i) *Peter Stright v. Imperial Tobacco Canada Limited* (Supreme Court of Nova Scotia, Court File No. 177663);
- (j) *Ljubisa Spasic as estate trustee of Mirjana Spasic v. Imperial Tobacco Limited and Rothmans, Benson & Hedges Inc.* (Ontario Superior Court of Justice, Court File No. C17773/97);

- (k) *Ljubisa Spasic as estate trustee of Mirjana Spasic v. B.A.T. Industries P.L.C.* (Ontario Superior Court of Justice, Court File No. C18187/97);
- (l) *Ragoonanan v. Imperial Tobacco Canada Limited* (Ontario Superior Court of Justice, Court File No. 00-CV-183165-CP00);
- (m) *Scott Landry v. Imperial Tobacco Canada Limited* (Ontario Superior Court of Justice, Court File No. 1442/03);
- (n) *Joseph Battaglia v. Imperial Tobacco Canada Limited* (Ontario Superior Court of Justice, Court File No. 21513/97);
- (o) *Roland Bergeron v. Imperial Tobacco Canada Limited* (Quebec Superior Court, Court File No. 750-32-700014-163);
- (p) *Paradis, in personal capacity and on behalf of estate of Lorraine Trepanier v. Rothmans, Benson & Hedges Inc.* (Quebec Small Claims Court);
- (q) *Couture v. Rothmans, Benson & Hedges Inc.* (Quebec Superior Court); and

including any such Claim that is a Section 5.1(2) Claim or Section 19(2) Claim.

“PCC Claim Package” means all of the documents that a PCC-Claimant or a PCC-Claimant’s Legal Representative, as applicable, is required to complete and submit to the Claims Administrator including the Claim Form for PCC-Claimant, Claim Form for the Legal Representative of a PCC-Claimant, Physician Form (only if a pathology report in respect of Lung Cancer or Throat Cancer, or a spirometry report in respect of Emphysema/COPD (GOLD Grade III or IV), is not available), and all medical and other documents requested in the Claim Forms and the Physician Form. The aforesaid forms are Appendices “C”, “D” and “E” to the PCC Compensation Plan which is attached as Schedule “S” to the CCAA Plan.

“PCC-Claimants” means the Pan-Canadian Claimants who are all Individuals resident in a Province or Territory of Canada, excluding the Quebec Class Action Plaintiffs in relation to QCAP Claims but including the Pan-Canadian Claimants’ respective heirs, successors, assigns and representatives, who assert a PCC Claim by submitting a PCC Claim Package to the Claims Administrator pursuant to the PCC Compensation Plan, and **“PCC-Claimant”** means any one of them.

“PCC Claims Administration” has the meaning given in the definition of Global Claims Administration Costs Framework.

“PCC Claims Application Deadline” means the date twenty-four months after the First Notice Date by which all PCC-Claimants are required to submit their completed PCC Claim Packages to the Claims Administrator. The PCC Claims Application Deadline may be extended by the CCAA Court if it is deemed necessary and expedient to do so as the implementation of the PCC Compensation Plan unfolds.

“PCC Claims Period” has the meaning given in Article 8, Section 8.1(d).

“PCC Compensable Diseases” has the meaning given in Article 8, Section 8.1(d)(iii).

“PCC Compensation Plan” has the meaning given in Article 8, Section 8.1 and is attached as Schedule “S”.

“PCC Compensation Plan Amount” means the aggregate amount allocated from the Global Settlement Amount to be payable into the Imperial PCC Trust Account, RBH PCC Trust Account and JTIM PCC Trust Account in respect of compensation for Eligible Pan-Canadian Claimants as set forth in Article 16, Sections 16.1, 16.2 and 16.3 herein.

“PCC Compensation Plan Reserve Costs” means Costs incurred and payments to be made on or after the Plan Implementation Date, including Costs incurred prior to the Plan Implementation Date which remain outstanding as of the Plan Implementation Date, in respect of:

- (a) The Costs of the services which the Claims Administrator (including its advisors) provides in relation to the PCC Compensation Plan;
- (b) The Costs of the services which the PCC Agent (including its advisors) provides in relation to the PCC Compensation Plan;
- (c) The Costs of the services which the Administrative Coordinator (including his advisors) provides in connection with the performance of his duties under the CCAA Plan; and
- (d) The Costs of the services which the PCC Representative Counsel (including their advisors) provide in connection with the performance of their duties under the CCAA Plan and in the CCAA Proceeding.

“PCC Eligibility Criteria” has the meaning given in Article 8, Section 8.1.

“PCC Representative Counsel” means The Law Practice of Wagner & Associates, Inc.

“Pending Litigation” has the meaning given in Article 18, Section 18.3.1.

“Permitted Encumbrance” in regard to RBH or any Material Subsidiary means:

- (a) Encumbrances in favour of RBH or any Material Subsidiary existing on the date of the Contribution Security Agreement;
- (b) Subject to the covenants set forth in Article 11, Section 11.1(g) and Article 11, Section 11.1(l) herein, Encumbrances on property, or on capital stock or Indebtedness, of a Person existing at the time such Person is merged with or into, amalgamated with, or consolidated with RBH or any Material Subsidiary, provided that such Encumbrances were in existence prior to the contemplation of such merger, amalgamation or consolidation and do not extend to any assets other than those of the Person merged into, amalgamated with, or consolidated with RBH or any Material Subsidiary;

- (c) Encumbrances on property (including capital stock) existing at the time of acquisition of the property by RBH or any Material Subsidiary, provided that such Encumbrances were in existence prior to, and not incurred in contemplation of, such acquisition;
- (d) Encumbrances to secure the performance of bids, tenders, leases, statutory obligations, surety or appeal bonds, performance bonds or other obligations of a like nature incurred in the Ordinary Course of Business;
- (e) Encumbrances existing on the Plan Implementation Date;
- (f) Encumbrances for Taxes, assessments or governmental charges or claims that are not yet delinquent or that are being contested in good faith by appropriate proceedings promptly instituted and diligently concluded, provided that any reserve or other appropriate provision as is required in conformity with generally accepted accounting principles has been established therefor;
- (g) Encumbrances imposed by law, such as carriers', warehousemen's, landlord's, construction and mechanics' liens, in each case incurred in the Ordinary Course of Business;
- (h) Survey exceptions, easements or reservations of, or rights of others for, licenses, rights-of-way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning or other restrictions as to the use of real property that were not incurred in connection with Indebtedness and that do not in the aggregate constitute a Material Adverse Effect on the value of such property or materially impair their use in the operation of the business of such Person;
- (i) Encumbrances created for the benefit of or to secure the obligations created in the Definitive Documents; and
- (j) Encumbrances incurred in the Ordinary Course of Business of RBH or any Material Subsidiary with respect to obligations that do not cause a Material Adverse Effect.

“Permitted Transfers” has the meaning given in Article 11, Section 11.1(h).

“Person” means an individual, a corporation, a partnership, a limited liability company, a trust, an unincorporated association, a Government, or any other group, entity or body.

“Plan Implementation Conditions” has the meaning given in Article 19, Section 19.3.

“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.

“Plan Implementation Date Certificate” has the meaning given in Article 19, Section 19.4.

“**PPSAs**” means, collectively, *Personal Property Security Act*, RSBC 1996, c. 359, *Personal Property Security Act*, RSA 2000, c. P-7, *The Personal Property Security Act*, 1993, SS 1993, c. P-6.2, *The Personal Property Security Act*, RSM 1987, c. P35, *Personal Property Security Act*, RSO 1990, c. P.10, *Personal Property Security Act*, SNB 1993, c. P-7.1, *Personal Property Security Act*, SNS 1995-96, c. 13, *Personal Property Security Act*, RSPEI 1988, c. P-3.1, *Personal Property Security Act*, SNL 1998, c. P-7.1, *Personal Property Security Act*, RSY 2002, c. 169, *Personal Property Security Act*, SNWT (Nu) 1994, c. 8, as amended, and the relevant provisions of the Civil Code of Quebec, CQLR c. CCQ-1991.

“**Pre-Implementation Miscellaneous Claim**” means an Affected Claim by a Person who is not an Individual Claimant and which Affected Claim is not a: (a) Provincial HCCR Claim, (b) Territorial HCCR Claim, (c) QCAP Claim, (d) PCC Claim, (e) Tobacco Producers Claim, or (f) Knight Claim.

“**Property**” means all current and future assets, undertakings and properties of RBH of every nature and kind whatsoever, and wherever situate, including all Cash and other proceeds thereof.

“**Provinces**” means, collectively, His Majesty the King in right of British Columbia (“**British Columbia**”), His Majesty the King in right of Alberta (“**Alberta**”), His Majesty the King in right of Saskatchewan (“**Saskatchewan**”), His Majesty the King in right of Manitoba (“**Manitoba**”), His Majesty the King in right of Ontario (“**Ontario**”), the Attorney General of Quebec (“**Quebec**”), His Majesty the King in right of New Brunswick (“**New Brunswick**”), His Majesty the King in right of Nova Scotia (“**Nova Scotia**”), His Majesty the King in right of Prince Edward Island (“**Prince Edward Island**”) and His Majesty the King in right of Newfoundland and Labrador (“**Newfoundland and Labrador**”), and “**Province**” means any one of them.

“**Provinces and Territories Settlement Amount**” means the aggregate amount allocated from the Global Settlement Amount to be payable to the Provinces and Territories to settle the Provincial HCCR Claims and Territorial HCCR Claims, as set forth in Article 16, Sections 16.1, 16.2 and 16.3 herein.

“**Provincial and Territorial Liaison Committee**”, or “**PTLC**”, means the committee that shall be established by the Provinces and Territories in accordance with the PTLC Terms set out in Schedule “AA”.

“**Provincial and Territorial Liaison Committee Terms**”, or “**PTLC Terms**”, are attached to the CCAA Plan as Schedule “AA”.

“**Provincial HCCR Claim**” means any Claim that has been advanced, could have been advanced or could be advanced in any of the following actions or in any other similar proceedings, whether before or after the Effective Time and whether under the HCCR Legislation or otherwise:

- (a) *Her Majesty the Queen in right of British Columbia v. Imperial Tobacco Canada Limited* (Supreme Court of British Columbia, Court File No. S010421);
- (b) *Her Majesty in right of Alberta v. Altria Group, Inc.* (Alberta Court of Queen’s Bench, Court File No. 1201-07314);

- (c) *The Government of Saskatchewan v. Rothmans, Benson & Hedges Inc.* (Saskatchewan Court of Queen’s Bench, Court File No. 8712012);
- (d) *Her Majesty the Queen in right of the Province of Manitoba v. Rothmans, Benson & Hedges Inc.* (Manitoba Court of Queen’s Bench, Court File No. CI 12-01-78127);
- (e) *Her Majesty the Queen in right of Ontario v. Rothmans Inc. et al.* (Ontario Superior Court of Justice, Court File No. CV-09-387984);
- (f) *Procureur général du Québec v. Impérial Tobacco Canada Limitée* (Quebec Superior Court, Court File No. 500-17-072363-123);
- (g) *Her Majesty the Queen in right of the Province of New Brunswick v. Rothmans Inc.* (New Brunswick Court of Queen’s Bench, Court File No. F/C/88/08);
- (h) *Her Majesty the Queen in right of the Province of Nova Scotia v. Rothmans, Benson & Hedges Inc.* (Supreme Court of Nova Scotia, Court File No. 434868/737686);
- (i) *Her Majesty the Queen in right of the Province of Prince Edward Island v. Rothmans, Benson & Hedges Inc.* (Prince Edward Island Supreme Court, Court File No. S1 GS-25019);
- (j) *Attorney General of Newfoundland and Labrador v. Rothmans Inc.* (Supreme Court of Newfoundland and Labrador, Court File No. 201101G0826); and

including any such Claim that is a Section 5.1(2) Claim or Section 19(2) Claim.

“**PTLC Chair**” has the meaning given in Section 8 of the PTLC Terms which are Schedule “AA” to the CCAA Plan.

“**PTLC Members**” has the meaning given in Section 5 of the PTLC Terms which are Schedule “AA” to the CCAA Plan.

“**PTLC Vice-Chair**” has the meaning given in Section 11 of the PTLC Terms which are Schedule “AA” to the CCAA Plan.

“**Putative Miscellaneous Claimant**” means a Person, other than a Claimant or an Individual Claimant, who asserts a Miscellaneous Claim.

“**QCAP Claim**” means any Claim that has been advanced, could have been advanced or could be advanced in the following class actions, whether before or after the Effective Time:

- (a) *Conseil québécois sur le tabac et la santé et Jean-Yves Blais c. Imperial Tobacco Ltée, Rothmans, Benson & Hedges Inc. et JTI-MacDonald Corp.* (Quebec Superior Court, Court File No. 500-06-00076-980); and
- (b) *Létourneau c. Imperial Tobacco Ltée, Rothmans Benson & Hedges Inc. et JTI MacDonald Corp.* (Quebec Superior Court, Court File No. 500-06-000070-983),

including the judgment of the Honourable Justice Brian Riordan dated May 27, 2015 as rectified on June 9, 2015, and the judgment of the Court of Appeal of Quebec dated March 1, 2019, and any such Claim that is a Section 5.1(2) Claim or Section 19(2) Claim.

“QCAP Claims Administration” has the meaning given in the definition of Global Claims Administration Costs Framework.

“QCAP Claims Process” means the process established pursuant to the Quebec Administration Plan for *Blais* Class Members to assert claims for direct monetary compensation.

“QCAP Cy-près Contribution” means the aggregate sum of \$131.0 million forming part of the QCAP Settlement Amount that shall be contributed by the QCAPs to the Cy-près Fund. The proportionate shares of the QCAP Cy-près Contribution which the Trustees shall transfer from each of the Imperial Global Settlement Trust Account, RBH Global Settlement Trust Account and JTIM Global Settlement Trust Account into, respectively, the Imperial Cy-près Trust Account, RBH Cy-près Trust Account and JTIM Cy-près Trust Account shall be equal to the proportionate shares of the Upfront Contributions made by Imperial, RBH and JTIM. The QCAP Cy-près Contribution is the consideration for the full and final settlement and satisfaction of the *Létourneau* Judgment.

“QCAP Settlement Amount” means the aggregate amount allocated from the Global Settlement Amount to be paid into the Imperial QCAP Trust Account, RBH QCAP Trust Account and JTIM QCAP Trust Account for the benefit of the QCAPs in settlement of the Tobacco Companies’ liability pursuant to the judgments rendered in the Quebec Class Actions, as set forth in Article 16, Sections 16.1, 16.2 and 16.3 herein.

“Quebec Class Action Administration Plan”, or **“Quebec Administration Plan”**, means the document (with attached appendices) that is subject to the approval of the CCAA Court setting out the process by which the Quebec Class Action Plaintiffs may submit claims for a Compensation Payment pursuant to the *Blais* Judgment, the process of administering such claims, and the joint oversight and supervision thereof by the CCAA Court and the Superior Court of Quebec.

“Quebec Class Action Plaintiffs”, or **“QCAPs”**, means individuals who meet the criteria of the certified class definitions in the Quebec Class Actions.

“Quebec Class Actions” means, collectively, (i) *Conseil québécois sur le tabac et la santé et al. v. JTI-Macdonald Corp. et al.*, Court File No. 500-06-000076-980 (Montreal, Quebec), and (ii) *Cecilia Létourneau et al. v. Imperial Tobacco Canada Ltd., et al.*, Court File No. 500-06-000070-983 (Montreal, Quebec).

“Quebec Class Counsel” means, collectively, the law practices of Trudel Johnston & Lespérance s.e.n.c., Kugler Kandestin s.e.n.c.r.l., L.L.P., De Grandpré Chait s.e.n.c.r.l., L.L.P., and Fishman Flanz Meland Paquin s.e.n.c.r.l., L.L.P.

“Quebec Class Counsel Fee” means the amount to be determined subject to the approval of the CCAA Court that will be payable from the QCAP Settlement Amount to Quebec Class Counsel, and to any legal counsel or other advisors of any nature or kind whatsoever who have provided, are providing or may in the future provide services to the Quebec Class Counsel in connection

with the CCAA Proceedings, the Quebec Class Actions and/or any other proceedings on behalf of the *Blais* Class Members and/or *Létourneau* Class Members both before and after the Plan Implementation Date, in respect of their fees, disbursements and costs as Quebec Class Counsel, and any applicable Sales and Excise Taxes payable thereon. All Costs incurred in respect of the services provided by Raymond Chabot (as agent for the Quebec Class Counsel on behalf of the QCAPs) both before and after the Plan Implementation Date shall be paid by Quebec Class Counsel out of the Quebec Class Counsel Fee.

“Quebec Superior Court” means the Superior Court of Quebec, Class Action Division, at Montreal.

“Raymond Chabot” means Raymond Chabot Administrateur Provisoire Inc. and its Affiliates.

“RBH” means Rothmans, Benson & Hedges Inc.

“RBH CCAA Plan Administration Reserve” means the Cash reserve to be established on the Plan Implementation Date prior to any distributions to Affected Creditors of RBH as authorized by the CCAA Court pursuant to the Sanction Order in respect of RBH, in the amount of \$25.0 million, and to be paid out or directed to be paid by RBH of the Upfront Contributions of RBH or any other Contribution made by RBH as of the Plan Implementation Date and deposited into the RBH CCAA Plan Administration Reserve Account for the purpose of remedying any default in payment of any RBH CCAA Plan Administration Reserve Costs. The Trustees shall hold the RBH CCAA Plan Administration Reserve in trust for the benefit of those Persons who incur and are entitled to be paid RBH CCAA Plan Administration Reserve Costs pursuant to the RBH CCAA Plan in respect of the CCAA Proceeding in respect of RBH. In aggregate, the Imperial CCAA Plan Administration Reserve, RBH CCAA Plan Administration Reserve and JTIM CCAA Plan Administration Reserve shall total \$75.0 million.

“RBH CCAA Plan Administration Reserve Account” means a segregated interest-bearing trust account to be established by the Trustees to hold the RBH CCAA Plan Administration Reserve on behalf of the beneficiaries thereof.

“RBH CCAA Plan Administration Reserve Costs” means Costs incurred and payments to be made on or after the Plan Implementation Date by RBH, including Costs incurred prior to the Plan Implementation Date which remain outstanding as of the Plan Implementation Date, in respect of:

- (a) The Costs of the services which EY (including its legal, financial, investment or other advisors) provides in connection with the performance of its duties as both the Monitor and the CCAA Plan Administrator under the RBH CCAA Plan and in the CCAA Proceeding in respect of RBH and in respect of the ongoing administration of the RBH CCAA Plan, including the fulfillment of its duties and responsibilities enumerated in Article 14, Section 14.4 herein, and as set out in the Sanction Order and the CCAA Plan Administrator Appointment Order, each in respect of RBH; and
- (b) The Costs of the Court-Appointed Mediator’s Ongoing Services which the Court-Appointed Mediator (including his legal counsel and other consultants and advisors) may provide after the date of the Sanction Order in respect of RBH, as requested by the Monitor or the CCAA Plan Administrator of RBH, or by the CCAA Court, and approved by the

CCAA Court pursuant to the CCAA Plan Administrator Appointment Order in respect of RBH, the Court-Appointed Mediator's Ongoing Services Direction and the Fee Approval Direction.

“RBH CCAA Plan Administration Reserve Trust” means the trust to be known as “The RBH CCAA Plan Administration Reserve Trust” that shall be created pursuant to the RBH CCAA Plan Administration Reserve Trust Deed and into which the RBH CCAA Plan Administration Reserve shall be deposited.

“RBH CCAA Plan Administration Reserve Trust Deed” means the deed of trust to be entered into between RBH as the settlor and BMO as the Original Trustee to create the RBH CCAA Plan Administration Reserve Trust, as amended, restated or supplemented from time to time pursuant to the terms thereof.

“RBH Cy-près Trust Account” means a segregated interest-bearing trust account to be established in the Bank by the Trustees to hold RBH's share of the Cy-près Fund in trust for the benefit of the Cy-près Foundation. The proportionate shares of the Cy-près Fund which the Trustees shall transfer from each of the Imperial Global Settlement Trust Account, RBH Global Settlement Trust Account and JTIM Global Settlement Trust Account into, respectively, the Imperial Cy-près Trust Account, RBH Cy-près Trust Account and JTIM Cy-près Trust Account shall be equal to: (i) on the Plan Implementation Date, the proportionate shares of the Upfront Contributions made by Imperial, RBH and JTIM; and (ii) in respect of years 2, 3, 4 and 5 following the Plan Implementation Date and any subsequent years until the Cy-près Fund has been paid in full, the proportionate shares of the Annual Contributions made by Imperial, RBH and JTIM in each of those years.

“RBH Deed” means the deed of trust to be entered into between RBH as the settlor and BMO as the Original Trustee, to create the RBH Global Settlement Trust, as amended, restated or supplemented from time to time pursuant to the terms thereof.

“RBH Global Settlement Trust” means the trust to be known as “The RBH Global Settlement Trust” that shall be created pursuant to the RBH Deed and into which RBH's Upfront Contribution (other than the portion of the Upfront Contributions which is to be contributed to the RBH CCAA Plan Administration Reserve) and Annual Contributions shall be deposited.

“RBH Global Settlement Trust Account” has the meaning given in Article 5, Section 5.3.

“RBH Miscellaneous Claims Fund” means the Cash reserve to be established on the Plan Implementation Date prior to any distributions to Affected Creditors as authorized by the CCAA Court pursuant to the Sanction Order, and to be paid out of the total Upfront Contributions made by RBH and deposited into the RBH Miscellaneous Claims Fund for the purpose of paying the Miscellaneous Claims of Persons who are found by the CCAA Court to be entitled to be paid their Miscellaneous Claim pursuant to the CCAA Plan. The Trustees shall hold the RBH Miscellaneous Claims Fund in trust for those Persons who are entitled to be paid their Miscellaneous Claim pursuant to the CCAA Plan. In aggregate, the Imperial Miscellaneous Claims Fund, RBH Miscellaneous Claims Fund and JTIM Miscellaneous Claims Fund shall total \$25.0 million. The proportionate shares of the aggregate amount of \$25.0 million which Imperial, RBH and JTIM

shall deposit, respectively, into the Imperial Miscellaneous Claims Fund, RBH Miscellaneous Claims Fund and JTIM Miscellaneous Claims Fund from their respective Upfront Contributions shall be equal to the proportionate shares of the Upfront Contributions made by Imperial, RBH and JTIM.

“RBH PCC Compensation Plan Reserve” means the Cash reserve to be established on the Plan Implementation Date prior to any distributions to Affected Creditors as authorized by the CCAA Court pursuant to the Sanction Order, and to be paid out of the total Upfront Contributions made by RBH and deposited into the RBH PCC Compensation Plan Reserve Account for the purpose of remedying any default in payment of any PCC Compensation Plan Reserve Costs. The Trustees shall hold the RBH PCC Compensation Plan Reserve in trust for those Persons who incur and are entitled to be paid PCC Compensation Plan Reserve Costs pursuant to the CCAA Plan. In aggregate, the Imperial PCC Compensation Plan Reserve, RBH PCC Compensation Plan Reserve and JTIM PCC Compensation Plan Reserve shall total \$5.0 million. The proportionate shares of the aggregate amount of \$5.0 million which each of Imperial, RBH and JTIM shall deposit, respectively, into the Imperial PCC Compensation Plan Reserve Account, RBH PCC Compensation Plan Reserve Account and JTIM PCC Compensation Plan Reserve Account from their respective Upfront Contributions shall be equal to the proportionate shares of the Upfront Contributions made by Imperial, RBH and JTIM.

“RBH PCC Compensation Plan Reserve Account” means a segregated interest-bearing trust account to be established by the Trustees to hold the RBH PCC Compensation Plan Reserve on behalf of the beneficiaries thereof.

“RBH PCC Trust Account” means a segregated interest-bearing trust account to be established in the Bank by the Trustees to hold RBH’s share of the PCC Compensation Plan Amount in trust for the benefit of the Pan-Canadian Claimants. The proportionate shares of the PCC Compensation Plan Amount which the Trustees shall transfer from each of the Imperial Global Settlement Trust Account, RBH Global Settlement Trust Account and JTIM Global Settlement Trust Account into, respectively, the Imperial PCC Trust Account, RBH PCC Trust Account and JTIM PCC Trust Account shall be equal to: (i) on the Plan Implementation Date, the proportionate shares of the Upfront Contributions made by Imperial, RBH and JTIM; and (ii) in respect of years 1 and 2 following the Plan Implementation Date and any subsequent year until the PCC Compensation Plan Amount has been paid in full, the proportionate shares of the Annual Contributions made by Imperial, RBH and JTIM in each of those years.

“RBH QCAP Trust Account” means a segregated interest-bearing trust account to be established in the Bank by the Trustees to hold RBH’s share of the QCAP Settlement Amount in trust for the benefit of the *Blais* Class Members. The proportionate shares of the QCAP Settlement Amount which the Trustees shall transfer from each of the RBH Global Settlement Trust Account, RBH Global Settlement Trust Account and JTIM Global Settlement Trust Account into, respectively, the Imperial QCAP Trust Account, RBH QCAP Trust Account and JTIM QCAP Trust Account shall be equal to: (i) on the Plan Implementation Date, the proportionate shares of the Upfront Contributions made by Imperial, RBH and JTIM; and (ii) in respect of year 1 following the Plan Implementation Date and any subsequent years until the QCAP Settlement Amount has been paid in full, the proportionate shares of the Annual Contributions made by Imperial, RBH and JTIM in that year.

“RBH Retained Amount” has the meaning given in Article 5, Section 5.4.

“RBH Supplemental Trust” means the bare trust to be known as “The RBH Supplemental Trust” that shall be created pursuant to The RBH Supplemental Trust Agreement.

“RBH Supplemental Trust Account” has the meaning given in Article 5, Section 5.3.

“RBH Supplemental Trust Agreement” means the agreement to be entered into between RBH and the Bare Trustees to create the RBH Supplemental Trust, as amended, restated or supplemented from time to time pursuant to the terms thereof.

“RBH Supplemental Trust Agreement Funds” means any and all property held at any time by the Bare Trustees pursuant to the RBH Supplemental Trust Agreement, including the Reserved Amounts and such additional property which RBH, or other Persons may, in accordance with the CCAA Plan, transfer, assign, convey or deliver to the Bare Trustees to be deposited into the RBH Supplemental Trust Account, together with income, interest and any other revenues generated thereby or accretions or additions thereto and any property into which any of the foregoing may be converted or exchanged.

“RBH Supplemental Trust Charge” means the charge on the property held in the RBH Supplemental Trust Account from time to time pursuant to the CCAA Plan for the benefit of the Collateral Agent and the Claimants, created by paragraph 10 of the Banking Arrangements Order, and having the priority provided in paragraph 12 of such Order.

“Release” has the meaning given in Article 18, Section 18.1.1.

“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 herein.

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.

“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.

“**Releasors**”, 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. “**Releasors**” and “**Releasor**” shall include their respective Representatives.

“**Representatives**” means, in respect of a Person, as may be applicable, such Person’s past, present or future representatives, predecessors, successors, executors, trustees, heirs, dependents, children, siblings, parents, administrators, executors, directors, officers, shareholders, partners, employees, servants, agents, consultants, legal counsel and advisers, including their respective successors and assigns, and each of their respective directors, officers, partners and employees.

“**Request for Particulars**” has the meaning given in Article 13, Section 13.2.

“**Request for Review**”, as applicable, has the meaning given in paragraph 29.1 of the PCC Compensation Plan and is in the form attached thereto as Appendix “J”, and the meaning given in

paragraph 28.1 of the Quebec Administration Plan and is in the form attached thereto as Appendix “M”.

“Required Majority” means, in respect of the Affected Creditor Class, a majority in number of the Affected Creditors holding Voting Claims representing at least two-thirds in value of the Voting Claims of the Affected Creditors, in each case who are entitled to vote at the Meeting in accordance with the Meeting Order and who are present and voting in person or by proxy at the Meeting.

“Reserved Amount” of a Tobacco Company means: (i) any Tax Refund attributable to the carryback of a Tax Attribute to a preceding taxation year (other than the taxation year in which the Upfront Contribution is made) (a **“Tax Refund Cash Payment”**); (ii) in respect of an Annual Contribution, the reduction in income tax payable by the Tobacco Company in respect of its taxation year in which the Annual Contribution is made attributable to the deduction in computing income for tax purposes of the Annual Contribution and any resulting Tax Refund Cash Payment (the **“Annual Amount”**); and (iii) the reduction in income tax payable by the Tobacco Company in respect of a subsequent taxation year attributable to the carryforward of a Tax Attribute to the subsequent taxation year (the **“Carry Amount”**), and **“Reserved Amounts”** in respect of a Tobacco Company, means at any time, the aggregate of any Reserved Amount in respect of such Tobacco Company.

“Response” has the meaning given in Article 13, Section 13.3.

“Review Officer” means, (i) in respect of the PCC Compensation Plan, a senior employee or officer of the Claims Administrator who is screened from the Claims Process and whose role is designated solely to review upon an independent basis any Requests for Review that may be submitted to the Claims Administrator by PCC-Claimants and decide whether to confirm, reverse or vary the Claims Administrator’s decision, and (ii) in respect of the Quebec Administration Plan, a senior employee or officer of the Claims Administrator who is screened from the Claims Process and whose role is designated solely to review upon an independent basis any Requests for Review that may be submitted to the Claims Administrator by Tobacco-Victim Claimants or Succession Claimants and decide whether to confirm, reverse or vary the Claims Administrator’s decision.

“Sales and Excise Tax Charge” means the charge over the Property for the benefit of a Tax Authority that is entitled to receive payments or collect monies from RBH in respect of Sales and Excise Taxes (including for greater certainty the Canada Border Services Agency), created by paragraph 25 of the Initial Order, and having the priority provided in paragraphs 45 and 47 of such Order.

“Sales and Excise Taxes” means all goods and services, harmonized sales or other applicable federal, provincial or territorial sales or use taxes, and all federal excise taxes and customs and import duties and all federal, provincial and territorial tobacco taxes.

“Sanction Hearing” means the hearing before the CCAA Court in respect of the Sanction Order.

“Sanction Hearing Objection Notice” means the notice, substantially in the form attached as a schedule to the Sanction Protocol Order, which may be submitted or delivered to the Monitor by

a Putative Miscellaneous Claimant objecting to the Sanction Order and providing reasons for such objection.

“Sanction Order” means the Order of the CCAA Court dated March 6, 2025, among other things, sanctioning and approving the CCAA Plan and granting, approving and declaring the settlements, compromises and releases, as applicable, contemplated by the CCAA Plan.

“Sanction Protocol Order” means the Order of the CCAA Court dated December 23, 2024 (including all schedules and appendices thereto) made in the CCAA Proceeding approving the Omnibus Sanction Hearing Notice, the Omnibus Sanction Hearing Notice Program and the timetable and procedure for the Sanction Hearing, as such Order may be amended, restated or varied from time to time.

“Section 5.1(2) Claims” means any Claims against the Directors that:

- (a) arose before the commencement of the CCAA Proceeding;
- (b) relate to the obligations of RBH where the Directors are by law liable in their capacity as Directors for the payment of such obligations; and
- (c) either relate to contractual rights of one or more creditors, or are based on allegations of misrepresentations made by Directors to creditors, or of wrongful or oppressive conduct by Directors.

“Section 19(2) Claims” means any Claims against RBH that relate to any of the following debts or liabilities, present or future, to which RBH is subject on the day on which the CCAA Proceeding commenced, or to which RBH may become subject before the compromise or arrangement is sanctioned by reason of any obligation incurred by RBH before the day on which the CCAA Proceeding commenced, unless the compromise or arrangement in respect of RBH explicitly provides for the Claim’s compromise, and the creditor in relation to that debt has voted for the acceptance of the compromise or arrangement:

- (a) any fine, penalty, restitution order or other order similar in nature to a fine, penalty or restitution order, imposed by a court in respect of an offence;
- (b) any award of damages by a court in civil proceedings in respect of:
 - (i) bodily harm intentionally inflicted, or sexual assault, or
 - (ii) wrongful death resulting from an act referred to in subparagraph (i);
- (c) any debt or liability arising out of fraud, embezzlement, misappropriation or defalcation while acting in a fiduciary capacity or, in Quebec, as a trustee or an administrator of the property of others;
- (d) any debt or liability resulting from obtaining property or services by false pretences or fraudulent misrepresentation, other than a debt or liability of the company that arises from an equity claim; or

- (e) any debt for interest owed in relation to an amount referred to in any of paragraphs (a) to (d).

“Secured Claim” means any Claim of a creditor to the extent that it is secured by a valid Encumbrance that is duly and properly registered or otherwise perfected in accordance with Applicable Law in the appropriate jurisdiction as of the Filing Date or thereafter pursuant to an Order, to the extent of the value of such Encumbrance as at the Filing Date (having regard to the value of the assets subject to such Encumbrance and the priority of such Encumbrance) and which Claim is entitled to be proven as a secured claim pursuant to the provisions of the CCAA.

“Signing Authorization Order” means the order of the CCAA Court dated August 15, 2025 made in the CCAA Proceedings authorizing Quebec Class Counsel, PCC Representative Counsel, *Knight* Class Counsel and Counsel for the Tobacco Producers to execute and deliver on behalf of, respectively, the Quebec Class Action Plaintiffs, the Pan-Canadian Claimants, the *Knight* Class Action Plaintiffs, and the Tobacco Producers any and all documents as they consider advisable to give effect to the implementation of the CCAA Plans.

“Statement of Negative Notice Claim” means the respective statements to be prepared by the Monitor, each of which shall contain, for voting purposes, the amount and number of votes ascribed to the Negative Notice Claim of each Claimant. The Statement of Negative Notice Claim is included in Schedule “A” to the CCAA Plan.

“Stay Period” has the meaning ascribed to such term in the Initial Order.

“Submitted PCC-Claims” means the claims made by the PCC-Claimants by submitting a PCC Claim Package to the Claims Administrator, and **“Submitted PCC-Claim”** means any one of them.

“Subsequent Annual Global Claims Administration Costs Budget” means, for each twelve calendar month period following the end of the twelve calendar month period covered by the First Annual Global Claims Administration Costs Budget until the PCC Claims Administration and the QCAP Claims Administration, respectively, are complete (i) each subsequent budget for the PCC Claims Administration, and (ii) each subsequent budget for the QCAP Claims Administration that the Claims Administrator and PCC Agent shall provide to the CCAA Plan Administrators and is subject to the joint approval of the CCAA Court and the Quebec Superior Court in accordance with the terms of the Claims Administrator Order.

“Subsidiary” has the meaning attributed thereto in Section 2(5) of the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended.

“Succession Claim” means the QCAP Claim of a Succession Claimant which is submitted to the Claims Administrator using the Succession Claim Form.

“Succession Claimant” means a person who asserts a Succession Claim pursuant to the Quebec Administration Plan.

“Surviving Family Members” means, collectively the Individuals who are eligible to recover damages for loss of guidance, care and companionship pursuant to the applicable legislation in

each jurisdiction which governs surviving family members' claims for damages, namely: *Family Compensation Act*, RSBC 1996, c. 126; *Fatal Accidents Act*, RSA 2000, c. F-8; *The Fatal Accidents Act*, RSS 1978, c. F-11; *The Fatal Accidents Act*, CCSM, c. F50; *Family Law Act*, RSO 1990, c. F.3; *Civil Code of Quebec*, chapter CCQ-1991; *Fatal Accidents Act*, RSNB 2012, c.104; *Fatal Injuries Act*, RSNS 1989, c. 163; amended 2000, c. 29, ss. 9-12; *Fatal Accidents Act*, RSPEI 1988, c. F-5; *Fatal Accidents Act*, RSNL 1990, c F-6; *Fatal Accidents Act*, RSY 2002, c 86; and *Fatal Accidents Act*, RSNWT (Nu) 1988, c F-3. For greater certainty, "Surviving Family Members" does not include the estates of Individuals who fulfill the criteria to receive compensation as a Pan-Canadian Claimant.

"Tax Attribute" means, with respect to RBH, any tax attribute resulting from the deductibility of an Upfront Contribution, Annual Contribution or applicable Reserved Amount that is available for carryforward or carryback to another taxation year, including a non-capital loss, capital loss, credit, and other balance.

"Tax Authority" means the CRA, the Receiver General for Canada, any other federal Governmental Authority (such as the Canada Border Services Agency) and any corresponding provincial or territorial Governmental Authority.

"Tax Matter" has the meaning given in Article 10, Section 10.2.2(m).

"Tax Refund Cash Payment" has the meaning given in the definition of Reserved Amount.

"Tax Refund" means any income tax refund received from a Tax Authority in cash or cash equivalent by RBH during the Contribution Period. For greater certainty, any tax instalment overpayment shall not be considered a Tax Refund.

"Taxes" means all federal, state, provincial, territorial, county, municipal, local or foreign taxes, duties, imposts, levies, assessments, tariffs and other charges imposed, assessed or collected by a Tax Authority including those levied on, or measured by, or referred to as, income, net income, gross income, gross receipts, business, royalty, capital, capital gains, goods and services, harmonized sales, value added, severance, stamp, franchise, occupation, premium, capital stock, sales and use, real property, land transfer, personal property, ad valorem, transfer, licence, profits, windfall profits, withholding, environmental, payroll, employment, employer health, pension plan, anti-dumping, countervail, excise, severance, stamp, occupation, or premium tax, all employment insurance premiums, Canada, Québec and any other pension plan contributions or premiums.

"Territorial HCCR Claim" means any Claim that:

- (a) Northwest Territories has advanced, could have advanced or could advance pursuant to the *Tobacco Damages and Health Care Costs Recovery Act*, SNWT 2011, c 33 (proclaimed but not yet in force), whether before or after the Effective Time, and whether under the HCCR Legislation or otherwise;
- (b) Nunavut has advanced, could have advanced or could advance pursuant to the *Tobacco Damages and Health Care Costs Recovery Act*, SNu 2010, c 31 (proclaimed but not yet in force), whether before or after the Effective Time, and whether under the HCCR Legislation or otherwise;

- (c) Yukon has advanced, could have advanced or could advance, whether before or after the Effective Time, in relation to the recovery of (i) the present value of the total expenditure by Yukon for health care benefits provided for Insured Persons resulting from Tobacco-related Disease or the risk of Tobacco-related Disease, and (ii) the present value of the estimated total expenditure by Yukon for health care benefits that could reasonably be expected will be provided for those Insured Persons resulting from Tobacco-related Disease or the risk of Tobacco-related Disease, including pursuant to any legislation that may be enacted by Yukon in the future which could result in a Claim against any of the Released Parties relating to such expenditures; and

including any such Claim that is a Section 5.1(2) Claim or Section 19(2) Claim.

“**Territories**” means, collectively, the Government of Yukon (“**Yukon**”), the Government of the Northwest Territories (“**Northwest Territories**”) and the Government of Nunavut (“**Nunavut**”), and “**Territory**” means any one of them.

“**Throat Cancer**” has the meaning given in Article 8, Section 8.1(d)(ii).

“**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.

“Tobacco Companies” means, collectively, Imperial, RBH and JTIM, and **“Tobacco Company”** means any one of them.

“Tobacco Company’s Global Settlement Trust Account” means, as applicable, the Imperial Global Settlement Trust Account, the RBH Global Settlement Trust Account and the JTIM Global Settlement Trust Account.

“Tobacco Company’s Supplemental Trust Account” means, as applicable, the Imperial Supplemental Trust Account, the RBH Supplemental Trust Account and the JTIM Supplemental Trust Account.

“Tobacco Company Group” means, in respect of RBH, its Parent and all other current or former Affiliates, direct or indirect Subsidiaries or parents, of RBH, and their respective indemnitees.

“Tobacco Producers” means, collectively, the Ontario Flue-Cured Tobacco Growers’ Marketing Board, Andy J. Jacko, Brian Baswick, Ron Kichler, Arpad Dobrentey and all other tobacco growers and producers, including any successors or assigns, who sold their tobacco through the Ontario Flue-Cured Tobacco Growers’ Marketing Board pursuant to the annual Heads of Agreement made with ITCAN, RBH and JTIM from January 1, 1986 to December 31, 1996, and **“Tobacco Producer”** means any one of them.

“Tobacco Producers’ Actions” means the uncertified class actions enumerated in the definition of “Tobacco Producers Claim” in the CCAA Plan.

“Tobacco Producers Claim” means any Claim that has been advanced, could have been advanced or could be advanced in the following class actions or in any other similar proceedings, whether before or after the Effective Time:

- (a) *The Ontario Flue-Cured Tobacco Growers’ Marketing Board v. JTI-Macdonald Corp.* (Ontario Superior Court of Justice, Court File No. 1056/10CP);
- (b) *The Ontario Flue-Cured Tobacco Growers’ Marketing Board v. Rothmans, Benson & Hedges Inc.* (Ontario Superior Court of Justice, Court File No. 64462 CP); and
- (c) *The Ontario Flue-Cured Tobacco Growers’ Marketing Board v. Imperial Tobacco Canada Limited* (Ontario Superior Court of Justice, Court File No. 64757 CP);

including any such Claim that is a Section 5.1(2) Claim or Section 19(2) Claim.

“Tobacco Producers Settlement Amount” means the aggregate amount allocated from the Global Settlement Amount to be payable to the Ontario Flue-Cured Tobacco Growers’ Marketing Board for the benefit of the Tobacco Producers, as set forth in Article 16, Sections 16.1, 16.2 and 16.3 herein. The Counsel for the Tobacco Producers’ Fee is subject to the approval of the CCAA Court and shall be paid out of the Tobacco Producers Settlement Amount.

“Tobacco Product” means any product made in whole or in part of tobacco that is intended for human consumption or use, including any component, part, or accessory of or used in connection with a tobacco product, including cigarettes, tobacco sticks (intended for smoking and requiring further preparation before they are smoked), loose tobacco intended for incorporation into cigarettes, cigars, cigarillos, pipe tobacco, kreteks, bidis and smokeless tobacco (including chewing tobacco, nasal snuff and oral snuff), but does not include any Alternative Product.

“Tobacco-related Disease” means a disease or other illness or harm caused or contributed to by the use of or exposure (whether directly or indirectly) to a Tobacco Product.

“Tobacco-Victim” means any Individual who suffers or suffered from a Tobacco-related Disease.

“Tobacco-Victim Claim” is the QCAP Claim of a Tobacco-Victim which is submitted to the Claims Administrator using the Tobacco-Victim Claim Form.

“Tobacco-Victim Claimant” means a person who asserts a Tobacco-Victim Claim pursuant to the Quebec Administration Plan.

“Trustees” means BMO (i) in its capacity as the original trustee under the Imperial Deed, RBH Deed or JTIM Deed and at any other time the Person or Persons holding office as the trustee or trustees of any trust created under the Imperial Deed, RBH Deed or JTIM Deed at such time, or as the context otherwise requires (ii) in its capacity as the original trustee under the Imperial CCAA Plan Administration Reserve Trust Deed, RBH CCAA Plan Administration Reserve Trust Deed or JTIM CCAA Plan Administration Reserve Trust Deed and at any other time the Person or Persons holding office as the trustee or trustees of any trust created under the RBH CCAA Plan Administration Reserve Trust Deed at such time.

“Twelve Pack-Years” means the equivalent of a minimum of 87,600 cigarettes, namely any combination of the number of cigarettes smoked in a day multiplied by the number of days of consumption insofar as the total is equal to or greater than 87,600 cigarettes. For example, Twelve Pack-Years equals:

- (a) 20 cigarettes a day for 12 years ($20 \times 365 \times 12 = 87,600$); or
- (b) 30 cigarettes a day for 8 years ($30 \times 365 \times 8 = 87,600$); or
- (c) 10 cigarettes a day for 24 years ($10 \times 365 \times 24 = 87,600$).

“Unaffected Claims” means, collectively:

- (a) any Alternative Product Claim;
- (b) any Claim by a Person relating to the right to enforce against any Released Party its obligations under any of the Definitive Documents;
- (c) any Claim secured by the CCAA Charges;
- (d) any Cash Management Bank Claim;

- (e) any Employee Priority Claim;
- (f) any Government Priority Claim;
- (g) any Claim in respect of the RBH CCAA Plan Administration Reserve Costs;
- (h) any Claim in respect of the PCC Compensation Plan Reserve Costs;
- (i) any Secured Claim that is not a Tobacco Claim;
- (j) any Claim for Costs by the Monitor, the CCAA Plan Administrator, the Claims Administrator, the Administrative Coordinator, the Court-Appointed Mediator, including their respective legal or other advisors, or counsel to RBH, subject to the applicable terms in connection therewith under the CCAA Plan;
- (k) any Claim by any Director under any directors' or officers' indemnity policy or agreement with RBH to the extent not otherwise covered by the CCAA Charges;
- (l) any Intercompany Services Claim;
- (m) any Intercompany Claim, subject to the terms of Article 5, Section 5.15;
- (n) any Claim by a supplier against RBH for the supply of goods or services other than a Tobacco Claim;
- (o) any Claim against RBH relating to environmental remediation pursuant to Applicable Law;
- (p) any Claim by Canada or any Province or Territory against any Released Party relating in any manner to:
 - (i) any applicable federal, provincial or territorial sales taxes, federal excise taxes and customs and import duties, federal, provincial and territorial tobacco taxes, and any other taxes of any kind whatsoever applicable to any Released Party, and
 - (ii) such Released Party's compliance with any Applicable Law and statutes and the regulations made thereunder, except for liability for actions or omissions occurring prior to the Effective Time in respect of a Tobacco Claim; and
- (q) any Claim by any Person under any contract with RBH that has not been disclaimed and which Claim is not a Tobacco Claim;

and, for greater certainty, shall include any Unaffected Claim arising through subrogation.

“Unaffected Creditor” means a Person who has an Unaffected Claim.

“Upfront Contributions” has the meaning given in Article 5, Section 5.4, and **“Upfront Contribution”** means any one of them.

“US Bankruptcy Code” means title 11 of the United States Bankruptcy Code.

“US Bankruptcy Court” means the U.S. Bankruptcy Court, Southern District of New York.

“Virtual Data Room” has the meaning given in Article 10, Section 10.10.

“Voting Claim” means the amount of the Affected Claim of an Affected Creditor as finally determined for voting purposes in accordance with the Statements of Negative Notice Claims, the Claims Procedure Order and the Meeting Order entitling such Affected Creditor to vote at the Meeting in accordance with the provisions of the Meeting Order, the CCAA Plan and the CCAA.

“Weekly Actual Costs Reports” means the weekly reports that the Claims Administrator and PCC Agent shall provide to the CCAA Plan Administrators setting out the actual costs incurred, including actual time spent and hourly rates applied, and expenditures made by the Claims Administrator and the PCC Agent during the immediately prior week in regard to each of the PCC Claims Administration, QCAP Claims Administration, PCC Agent, PCC Notice Plan and *Blais* Notice Plan, in accordance with the terms of the Claims Administrator Order.

“Weekly Claims Administration Reports” means the weekly reports, in respect of the week upon which the weekly reports are based, that the Claims Administrator and PCC Agent shall provide to the CCAA Plan Administrators setting out for each of the PCC Compensation Plan and the Quebec Administration Plan, the particulars regarding (i) the number of claims received, (ii) the number of claims reviewed, (iii) the number of incomplete claims awaiting submission of further information, (iv) the number of claims approved, (v) the number of claims rejected, (vi) the number of rejected claims that are in the process of being reviewed by the Review Officer, and (vii) the overall status of the claims administration process, in accordance with the terms of the Claims Administrator Order.

“Weekly Events Reports” means the weekly reports, in respect of the week upon which the weekly reports are based, that the Claims Administrator and PCC Agent shall provide to the CCAA Plan Administrators identifying and explaining any unusual, unexpected or inexplicable events that occurred and/or out of the ordinary trends that were observed in the PCC Claims Administration and the QCAP Claims Administration to enable the Claims Administrator and/or the PCC Agent, as applicable, to take prompt steps to correct any issues, problems, errors and/or mistakes in the claims administration processes as soon as possible, in accordance with the terms of the Claims Administrator Order.

1.2 Certain Rules of Interpretation

For the purposes of the CCAA Plan:

- (a) Any reference in the CCAA Plan to an Order or an existing document or exhibit filed or to be filed means such Order, document or exhibit as it may have been or may be amended, modified, or supplemented;
- (b) Unless otherwise specified, all references to currency are in Canadian dollars;
- (c) The division of the CCAA Plan into “articles” and “sections” and the insertion of a table of contents are for convenience of reference only and do not affect the construction or

interpretation of the CCAA Plan, nor are the descriptive headings of “articles” and “sections” intended as complete or accurate descriptions of the content thereof;

- (d) The use of words in the singular or plural, or with a particular gender, including a definition, will not limit the scope or exclude the application of any provision of the CCAA Plan or a schedule hereto to such Person (or Persons) or circumstances as the context otherwise permits;
- (e) The words “includes” and “including” and similar terms of inclusion will not, unless expressly modified by the words “only” or “solely”, be construed as terms of limitation, but rather will mean “includes but is not limited to” and “including but not limited to”, so that references to included matters will be regarded as illustrative without being either characterizing or exhaustive;
- (f) Unless otherwise specified, all references to time herein and in any document issued pursuant hereto mean local time in Toronto, Ontario and any reference to an event occurring on a Business Day means prior to 5:00 p.m. (Eastern Time) on such Business Day;
- (g) Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done will be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next succeeding Business Day if the last day of the period is not a Business Day;
- (h) Unless otherwise provided, any reference to a statute or other enactment of parliament or a legislature includes all regulations made thereunder, all amendments to or re-enactments of such statute or regulations in force from time to time, and, if applicable, any statute or regulation that supplements or supersedes such statute or regulation;
- (i) References to a specified “article” or “section” will, unless something in the subject matter or context is inconsistent therewith, be construed as references to that specified article or section of the CCAA Plan, whereas the terms “the CCAA Plan”, “hereof”, “herein”, “hereto”, “hereunder” and similar expressions will be deemed to refer generally to the CCAA Plan and not to any particular article, section or other portion of the CCAA Plan and includes any documents supplemental hereto; and
- (j) When a capitalized term used in the CCAA Plan references a definition in any other document, the CCAA Plan shall be interpreted as if the definition in that other document is included in the CCAA Plan.

1.3 Governing Law and Jurisdiction

The CCAA Plan and all Definitive Documents shall be governed and construed in accordance with the laws of the Province of Ontario and the Applicable Laws of Canada, save only for the administration of the QCAP Claims Process pursuant to the Quebec Administration Plan which shall be governed by the laws of the Province of Quebec and the Applicable Laws of Canada.

1.4 Schedules

The following are the Schedules to the CCAA Plan, which are incorporated by reference into the CCAA Plan and form an integral part of it:

Schedule “A”:	Negative Notice Claims Package comprised of Statement of Negative Notice Claim (Schedule “B-1”) and the Notice of Dispute of Negative Notice Claim (Schedule “B-2”)
Schedule “B”:	Claims Package comprised of Miscellaneous Claims Instruction Letter (Schedule “A-1”) and the Miscellaneous Claimant Proof of Claim (Schedule “A-2”)
Schedule “C”:	Omnibus Notice
Schedule “D”:	Omnibus Notice Program comprised of condensed version of the Omnibus Notice (Appendix “A”) and the list of the regional newspapers in which the Omnibus Notice will be published (Appendix “B”)
Schedule “E”:	Contribution Security Agreement
Schedule “F”:	Deed of Immovable Hypothec (official French version)
Schedule “G”:	Deed of Immovable Hypothec (unofficial English version)
Schedule “H”:	Deed of Movable Hypothec
Schedule “I”:	Demand Debenture granting mortgage on RBH’s property situated at 1500 Don Mills Road and Acknowledgment and Direction relating to the mortgage
Schedule “J”:	Harrison Report
Schedule “K”:	Curriculum vitae of Dr. Glenn Harrison
Schedule “L”:	Jha Report
Schedule “M”:	Curriculum vitae of Dr. Prabhat Jha
Schedule “N”:	Quebec Class Action Administration Plan dated August 22, 2025
Schedule “O”:	Overview of Epiq’s complex claims administration experience
Schedule “P”:	Curriculum vitae of Daniel Shapiro, K.C
Schedule “Q”:	Pan-Canadian Claimants’ Compensation Plan: Methodology and Analysis dated December 5, 2024
Schedule “R”:	Analysis of Limitations Law applicable to Pan-Canadian Claimants dated September 2, 2020

Schedule “S”:	Pan-Canadian Claimants’ Compensation Plan dated August 22, 2025
Schedule “T”:	Resume of Dr. Robert Bell
Schedule “U”:	Curriculum vitae of Dr. Robert Bell
Schedule “V”:	The Cy-près Fund: Methodology and Analysis dated December 5, 2024
Schedule “W”:	Claimant Contractual Release – RBH
Schedule “X”:	List of Health Care Costs Recovery Actions of the Provinces and HCCR Claims asserted by Territories
Schedule “Y”:	List of Actions commenced under Provincial Class Proceedings Legislation
Schedule “Z”:	List of Actions commenced by Individuals
Schedule “AA”:	Provincial and Territorial Liaison Committee Terms

ARTICLE 2. PURPOSE AND EFFECT OF THE CCAA PLAN

2.1 Purpose

The purposes of the CCAA Plan are to:

- (a) Effect a full and final settlement and irrevocable compromise of all Tobacco Claims;
- (b) Effect a release, discharge and bar of all Released Claims;
- (c) Eliminate liability for all Tobacco Claims for actions up to the Effective Time;
- (d) Effect the distributions of the Global Settlement Amount to the Claimants as set forth in Article 16, Sections 16.1, 16.2 and 16.3 herein;
- (e) Provide for the disposition and resolution of all Pending Litigation;
- (f) Effect the transfer of all of RBH’s assets, Indebtedness, liabilities and business relating to its current and future Alternative Products (“**Alternative Products Business**”) to an unrelated company, a Canadian Affiliate of its Parent, or a Canadian Subsidiary of any other company within its Tobacco Company Group (“**Newco**”); and
- (g) Permit RBH to exit this CCAA Proceeding and continue to carry on its business as a going concern.

2.2 Exclusion of Alternative Products from CCAA Plan

Alternative Products are excluded from the CCAA Plan. The CCAA Plan shall not be applicable to any right or claim against RBH or any member of its Tobacco Company Group relating to its development, manufacture, production, marketing, advertising, distribution, purchase or sale of

Alternative Products, use of or exposure to Alternative Products, representations in respect of Alternative Products or otherwise in connection with Alternative Products. For greater certainty, the CCAA Plan shall not release any such rights or claims relating to Alternative Products against RBH or members of its Tobacco Company Group.

ARTICLE 3. CLAIMS PROCEDURE, CLASSIFICATION OF AFFECTED CREDITORS, VOTING, PROCEDURE FOR SANCTION HEARING AND RELATED MATTERS

3.1 Claims Procedure

3.1.1 CCAA Court Hearing regarding Claims Procedure

The procedure for determining the validity and quantum of the Affected Claims for voting purposes shall be governed by the Statements of Negative Notice Claims, the Claims Procedure Order, the Meeting Order, the CCAA, the CCAA Plan and any other Order of the CCAA Court, as applicable.

The Court-Appointed Mediator and the Monitor will make a motion to the CCAA Court for Orders:

- (a) Approving the filing of the CCAA Plan;
- (b) Approving the Claims Procedure set forth in the Claims Procedure Order;
- (c) Approving the Omnibus Notice and the Omnibus Notice Program which shall include the timetable for the implementation of the Omnibus Notice Program; and
- (d) Approving the Meeting Order, including setting the Meeting Date, approving the classification of the Affected Creditors into one single class for the purpose of considering and voting on the CCAA Plan at the Meeting, and authorizing the Claimants' Representatives to vote on the CCAA Plan in person or by proxy at the Meeting.

3.1.2 Claims Procedure for Negative Notice Claims

The procedure for addressing Negative Notice Claims shall be governed by the terms of the Claims Procedure Order including the schedules thereto. Notwithstanding the foregoing, the Monitor, in consultation with the Court-Appointed Mediator, may make minor non-substantive changes to the Negative Notice Claims Package as they may consider necessary or desirable.

As soon as practicable after the date of the Claims Procedure Order, the Monitor shall cause to be sent to each Claimant's Representative a Negative Notice Claims Package which will contain a Statement of Negative Notice Claim that specifies, for voting purposes, the amount and number of votes ascribed to such Claimant's Negative Notice Claim. Attached to the CCAA Plan as Schedule "A" is the Negative Notice Claims Package comprised of the Statement of Negative Notice Claim (Schedule "B-1") and the Notice of Dispute of Negative Notice Claim (Schedule "B-2"). The Negative Notice Claims Package shall be deemed to have been received by each Claimant's Representative on the Negative Notice Issuance Date.

If a Claimant wishes to dispute the amount of its Affected Claim for voting purposes and the number of votes associated therewith as set forth in the relevant Statement of Negative Notice Claim, the Claimant's Representative shall deliver to the Monitor a Notice of Dispute of Negative Notice Claim by no later than the Negative Notice Bar Date, failing which the Claimant shall be conclusively and irrevocably deemed to have accepted the Statement of Negative Notice Claim and the value and number of votes associated with its Affected Claim solely for the purpose of voting on the CCAA Plan at the Meeting.

The Monitor, in consultation with the Court-Appointed Mediator, shall review any Notice of Dispute of Negative Notice Claim received and shall attempt to resolve such dispute with the relevant Claimant following receipt of the Notice of Dispute of Negative Notice Claim. In the event that the dispute is not settled, the Monitor shall refer the dispute to the CCAA Court, and provide timely notice of such hearing date to the disputing Claimant's Representative.

Unless any dispute of a Statement of Negative Notice Claim results in a revision to the value or number of votes associated with the relevant Affected Claim pursuant to the terms of the Claims Procedure Order, each of the Claimants shall be entitled to vote at the Meeting in accordance with the value and number of votes set forth on the applicable Statements of Negative Notice Claim.

Except as may be required by the Meeting Order, no further steps shall be required to be taken by any of the Claimants in order for them to be able to be present and vote at the Meeting.

3.1.3 Claims Procedure for Persons, other than Claimants or Individual Claimants, to assert a Claim

The Claims Procedure for Persons, other than Claimants or Individual Claimants, to file a Claim and assert the right to attend at the Meeting and vote on the CCAA Plan shall be governed by the terms of the Claims Procedure Order and schedules thereto. Save for establishing the entitlement of certain Persons to vote on the CCAA Plan, the Claims Procedure shall not constitute, nor may it be construed as, an acceptance by the CCAA Court, the Court-Appointed Mediator, the Monitor and/or RBH of the existence, validity or value of any Claim asserted in a Miscellaneous Claimant Proof of Claim filed thereunder, including for distribution purposes under the CCAA Plan which shall be determined in accordance with the Miscellaneous Claims Procedure.

The solicitation of Miscellaneous Claimant Proofs of Claim, and the filing by any Person of any Miscellaneous Claimant Proof of Claim, shall not grant such Person any rights, including without limitation, in respect of the nature, quantum and priority of its Claims or its standing in the CCAA Proceedings, except the rights specifically set out in the Claims Procedure Order.

3.1.3.1 Notification Procedure

Attached to the CCAA Plan are the following schedules relating to the notification procedure for the Claims Procedure:

- (a) Schedule "B" is the Claims Package comprised of the Miscellaneous Claims Instruction Letter (Schedule "A-1") and the Miscellaneous Claimant Proof of Claim (Schedule "A-2");

- (b) Schedule “C” is the Omnibus Notice; and
- (c) Schedule “D” is the Omnibus Notice Program which includes a condensed version of the Omnibus Notice (Appendix “A” to Schedule “D”) and the list of the regional newspapers in which the Omnibus Notice will be published (Appendix “B” to Schedule “D”).

The Monitor shall cause the Claims Procedure Order, the Omnibus Notice and the Claims Package to be posted to the Monitor’s website within five Business Days following the date of the Claims Procedure Order. The Monitor shall also cause the Omnibus Notice, the Claims Package and the Claims Procedure Order to be sent to: (i) each Person that appears on the Common Service List within five Business Days following the date of the Claims Procedure Order; and (ii) any Person that has identified itself in writing to the Monitor prior to the Miscellaneous Claims Bar Date as a Putative Miscellaneous Claimant, as soon as reasonably practicable thereafter.

Reasonable compliance with the notice program set forth in the Omnibus Notice Program, shall constitute good and sufficient service and delivery of notice of the Claims Procedure Order and the Miscellaneous Claims Bar Date on all Persons that may be entitled to receive notice, and no other notice or service need be given or made and no other document or material need be sent to or served upon any Person in respect of the Claims Procedure Order.

3.1.3.2 Miscellaneous Claims Bar Date

In order for a Person, other than a Claimant or an Individual Claimant, to assert a Claim and be permitted to attend the Meeting and vote thereat, such Person must file a Miscellaneous Claimant Proof of Claim with the Monitor by the Miscellaneous Claims Bar Date. Only such Persons who have filed a Miscellaneous Claimant Proof of Claim by the Miscellaneous Claims Bar Date shall be entitled to attend and vote on the CCAA Plan at the Meeting as a Putative Miscellaneous Claimant.

If a Person holding any Pre-Implementation Miscellaneous Claim fails to file a Miscellaneous Claimant Proof of Claim by the Miscellaneous Claims Bar Date, in addition to being barred from attending the Meeting and voting on the CCAA Plan, such Person:

- (a) shall be forever barred, estopped and enjoined from asserting any Pre-Implementation Miscellaneous Claim under the Miscellaneous Claims Procedure;
- (b) shall not be entitled to receive any distribution under the CCAA Plan in respect of any such Pre-Implementation Miscellaneous Claim, including from the Imperial Miscellaneous Claims Fund, RBH Miscellaneous Claims Fund and JTIM Miscellaneous Claims Fund; and
- (c) shall be bound by and subject to the Release and injunctions set forth in Article 18, Section 18.1 of the CCAA Plan in respect of any such Pre-Implementation Miscellaneous Claim.

The filing by any Person of a Miscellaneous Claimant Proof of Claim shall not constitute a determination of the existence, validity or value of such Miscellaneous Claim and shall not entitle such Person to any distribution under the CCAA Plan, or otherwise. For certainty, subject to a Miscellaneous Claimant Proof of Claim being filed by the Miscellaneous Claims Bar Date,

provided that the CCAA Plan is approved by the Affected Creditor Class, sanctioned by the CCAA Court, and implemented, any Person who purports to have a Miscellaneous Claim shall be obliged to follow the procedure set forth in the Miscellaneous Claims Procedure to prove the existence, validity and value of such Miscellaneous Claim.

Any Miscellaneous Claimant Proof of Claim in a foreign currency that is filed with the Monitor shall be converted by the Monitor to Canadian dollars at the applicable Bank of Canada exchange rate at 12:00 pm on March 8, 2019.

3.1.3.3 Monitor's Role for Purposes of the Meeting and the Vote

In addition to its prescribed rights, duties, responsibilities and obligations under the CCAA, the Initial Order and any other Orders of the CCAA Court in the CCAA Proceeding, the Monitor shall administer the Claims Procedure and take such other actions and fulfill such other roles as are authorized by the Claims Procedure Order or incidental thereto. The Monitor shall seek such assistance as may be reasonably required from the Court-Appointed Mediator, RBH and the Claimants, as applicable, to carry out the terms of the Claims Procedure Order.

Subject to the approval of the CCAA Court, the Monitor, in consultation with the Court-Appointed Mediator, will be authorized pursuant to the Claims Procedure Order to use its reasonable discretion as to the adequacy of compliance with respect to the manner and timing in which forms delivered pursuant to the Claims Procedure Order are completed and executed, and may, where it is satisfied that a Miscellaneous Claimant Proof of Claim has been adequately filed, waive strict compliance with the requirements of the Claims Procedure Order as to completion and execution of such forms. Notwithstanding any other provision of the Claims Procedure Order, any Miscellaneous Claimant Proof of Claim filed with the Monitor after the Miscellaneous Claims Bar Date but prior to the Meeting may, in the reasonable discretion of the Monitor or subject to further Order of the Court, be deemed to have been filed before the Miscellaneous Claims Bar Date, and may be treated by the Monitor in accordance with the Claims Procedure.

The Monitor shall receive and keep a record of all Miscellaneous Claimant Proofs of Claim filed in order to prepare a list of Persons, in addition to the Claimants, entitled to attend and vote at the Meeting, but the Monitor shall not be required to make any inquiry or assessment as to the validity or quantification of any such Miscellaneous Claimant Proofs of Claim that it may receive, provided that the Monitor shall be entitled, in its sole discretion, to seek further direction from the CCAA Court with respect to any Miscellaneous Claimant Proof of Claim filed if the Monitor considers such direction necessary, including for the conduct of the Meeting.

Notwithstanding the foregoing, the Monitor shall not take into consideration any Miscellaneous Claimant Proof of Claim filed either by an Individual Claimant or on behalf of any group of Individual Claimants, as all Individual Claimants are represented by either the PCC Representative Counsel or the Quebec Class Counsel, as the case may be. For greater certainty, no Individual Claimant nor any Person purporting to represent any Individual Claimants (other than the PCC Representative Counsel and Quebec Class Counsel) shall be permitted to attend or vote at the Meeting.

At the Meeting, the Monitor shall keep distinct ledgers in order to tally the votes of all Persons that file a Miscellaneous Claimant Proof of Claim separately from the votes of the Claimants, and it shall report to the CCAA Court on the results recorded on each such ledger at the Sanction Hearing. Notwithstanding the foregoing, and without accepting the existence, validity or value of any Miscellaneous Claimant Proof of Claim received, any votes recorded by the Monitor for such Persons shall be deemed to be included in the Affected Creditor Class in accordance with the Meeting Order.

3.2 Classification of Creditors

In accordance with the Meeting Order, the Affected Creditors shall be placed into one single class for the purpose of considering and voting on the CCAA Plan at the Meeting.

3.3 Meeting of Affected Creditors

The Meeting shall be held in accordance with the CCAA Plan, the Meeting Order and any further Order of the CCAA Court. The only Persons entitled to attend and vote on the CCAA Plan at the Meeting are those specified in the Meeting Order and any further Order of the CCAA Court.

3.4 Approval by Creditors

In order to be approved, the CCAA Plan must receive the affirmative vote of the Required Majority of the Affected Creditor Class.

3.5 Voting of the Affected Creditor Class

The Affected Creditors in the Affected Creditor Class who are entitled to vote at the Meeting, pursuant to and in accordance with the Claims Procedure Order, the Meeting Order, the CCAA Plan and the CCAA, shall be entitled to the following number of votes representing the amount equal to their respective Voting Claims:

- (a) The Quebec Class Action Plaintiffs shall be entitled to a total of 99,958 votes;
- (b) The Pan-Canadian Claimants shall be entitled to a total of 186,003 votes;
- (c) Each Province shall be entitled to a total of 1 vote;
- (d) Each Territory shall be entitled to a total of 1 vote; and
- (e) The Ontario Flue-Cured Tobacco Growers' Marketing Board plus the Tobacco Producers shall be entitled to a total of 3,930 votes.

In addition to the foregoing, any Putative Miscellaneous Claimant that files a Miscellaneous Claimant Proof of Claim in conformity with the Claims Procedure shall be entitled to a total of 1 vote.

3.6 Unaffected Creditors

No Unaffected Creditor, in respect of an Unaffected Claim, shall be entitled to:

- (a) vote on the CCAA Plan;
- (b) attend the Meeting; or
- (c) receive any distributions pursuant to the CCAA Plan, other than its right to have its Unaffected Claim addressed in accordance with Article 3, Section 3.7 of the CCAA Plan.

3.7 Treatment of Unaffected Claims

Unaffected Claims are not compromised by the CCAA Plan and shall remain in full force and effect in accordance with their terms. Subject to Article 5, Section 5.15, Unaffected Claims shall be paid by RBH in the Ordinary Course of Business as and when they become due, further subject only to RBH's rights and defences, both legal and equitable, with respect to any Unaffected Claim, including any entitlement to set-off, compensation or recoupment.

3.8 Extinguishment of Claims

At the Effective Time, in accordance with the terms of the CCAA Plan and the Sanction Order, the treatment of Affected Claims and Released Claims will be final and binding on RBH, the Affected Creditors, and any Person with an Affected Claim or a Released Claim. Save and except as set out in the CCAA Plan, the Released Parties will have no further obligation whatsoever in respect of the Affected Claims and the Released Claims, as applicable.

3.9 Guarantees and Similar Covenants

No Person who has a Claim under any guarantee, surety, indemnity or similar covenant in respect of any Claim that is compromised and released under the CCAA Plan or who has any right to claim over in respect of, or to be subrogated to, the rights of any Person in respect of a Claim that is compromised under the CCAA Plan will be entitled to any greater rights as against RBH than the Person whose Claim is compromised under the CCAA Plan.

3.10 Procedure for Sanction Hearing

3.10.1 CCAA Court Hearing regarding Procedure for Sanction Hearing

Subsequent to the Meeting, the Court-Appointed Mediator and the Monitor will report to the CCAA Court regarding the results of the vote on the CCAA Plan at the Meeting. If the CCAA Plan received the affirmative vote of the Required Majority of the Affected Creditor Class, then the Monitor will make a motion to the CCAA Court for Orders:

- (a) Setting the date for the Sanction Hearing;
- (b) Approving the Omnibus Sanction Hearing Notice and the Omnibus Sanction Hearing Notice Program, including the timetable for implementation of the Omnibus Sanction Hearing Notice Program;
- (c) Setting the date for the filing of any Sanction Hearing Objection Notices with the Monitor which will be dealt with at the Sanction Hearing;

- (d) Establishing the litigation timetable leading up to the Sanction Hearing, including the dates for the filing of motion records, factums and any reply motion materials; and
- (e) Establishing the agenda and procedure for the Sanction Hearing.

3.10.2 Omnibus Sanction Hearing Notice

The form and content of the Omnibus Sanction Hearing Notice and the manner and extent of publication of such notice are subject to the approval of the CCAA Court. By no later than 5:00 p.m. (Eastern Time) on the 30th calendar day prior to the Sanction Hearing, the Monitor shall cause the Omnibus Sanction Hearing Notice to be sent in accordance with the Omnibus Sanction Hearing Notice Program:

- (a) To each Person that appears on the Common Service List;
- (b) To 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;
- (c) To any Putative Miscellaneous Claimant who has identified itself to RBH and/or the Monitor prior to the publication of the Omnibus Sanction Hearing Notice; and
- (d) By way of general notice to any other Persons in Canada who may potentially be affected by the CCAA Plan as a Putative Miscellaneous Claimant.

The Omnibus Sanction Hearing Notice will:

- (a) Include the CCAA Plan attached as a schedule;
- (b) Specify the date, time and mode of hearing of the Sanction Hearing;
- (c) Advise that at the Sanction Hearing the Court-Appointed Mediator and the Monitor will be seeking the granting of the Sanction Order sanctioning the CCAA Plan under the CCAA and ancillary relief relating to such sanction; and
- (d) Advise that any Putative Miscellaneous Claimant who wishes to oppose the granting of the Sanction Order must serve on all Persons on the Common Service List and file with the CCAA Court a copy of the materials to be used to oppose the Sanction Order by no later than 5:00 p.m. (Eastern Time) 14 calendar days prior to the Sanction Hearing. The materials delivered by any Person desiring to oppose the granting of the Sanction Order shall specify their objection with particularity and the remedies, if any, that are sought.

3.10.3 Omnibus Sanction Hearing Notice Program

The Omnibus Sanction Hearing Notice Program is subject to the approval of the CCAA Court. It will be designed to effectively reach as many Persons across Canada as possible, including any Putative Miscellaneous Claimants, and capture their attention with notice of the Sanction Hearing

communicated in clear, concise, plain language so that such Persons may fully understand their rights and options.

A pan-Canadian notice program will be implemented to widely communicate the Omnibus Sanction Hearing Notice throughout Canada using various mediums and platforms.

3.10.4 Sanction Hearing

If the CCAA Plan receives the affirmative vote of the Required Majority of the Affected Creditor Class at the Meeting in conformity with the Meeting Order and the CCAA, then the Monitor will make a motion to the CCAA Court for Orders:

- (a) Approving and sanctioning the CCAA Plan and ordering the releases and injunctions necessary to implement the CCAA Plan and give effect to the settlement contemplated thereby;
- (b) Authorizing and directing RBH, the Monitor, the Claimants, the Claimants' Representatives and other Persons as applicable to take all steps and actions and to do all things necessary or appropriate to implement and give effect to the transactions contemplated by the CCAA Plan in accordance with and subject to its terms and conditions; and
- (c) Granting such other relief as necessary, appropriate and the CCAA Court may allow to implement and give effect to the transactions contemplated by the CCAA Plan.

ARTICLE 4. RESTRUCTURING STEPS

4.1 Transfer of Alternative Products Business to Newco

On a date to be agreed between RBH and the CCAA Plan Administrators, RBH shall take actions as may be necessary or appropriate to effect the restructuring of its business by transferring its Alternative Products Business to Newco. Such actions may include: (i) the execution and delivery of appropriate articles, agreements or other documents of incorporation, merger, amalgamation, consolidation, arrangement, continuation, restructuring or other transactions containing terms that are consistent with the terms of the CCAA Plan; (ii) the execution and delivery of appropriate instruments of transfer, assignment, assumption including, where applicable, with respect to the assumption of liabilities upon the transfer or assignment of assets on terms consistent with the terms of the CCAA Plan in each case without the need to obtain any consent of any Person; (iii) the filing of appropriate articles, agreements or other documents of incorporation, merger, amalgamation, consolidation, arrangement, continuation, restructuring or other transaction with the appropriate Governmental Authorities under Applicable Laws; and (iv) all other actions that RBH determines are necessary or appropriate to give effect to the transfer of its Alternative Products Business to Newco, including the making of filings or recordings in connection with such transactions.

The organization, incorporating documents, articles, by-laws and other constating documents of Newco (including any shareholders agreement, shareholders rights plan and classes of shares

(voting and non-voting)) shall be in form and substance reasonably satisfactory to the Court-Appointed Mediator, the CCAA Plan Administrator and the Claimants.

All of the steps, terms, transactions and documents relating to the conveyance of the Alternative Products Business to Newco in accordance with the CCAA Plan shall be in form and in substance acceptable to the Court-Appointed Mediator, the CCAA Plan Administrator and the Claimants.

4.2 Restructuring Steps

At the Effective Time, the following will occur and be deemed to have occurred in the order set out below unless otherwise specified in this Article 4 and become effective without any further act or formality:

- (a) RBH shall deposit its Upfront Contribution into the RBH Global Settlement Trust Account;
- (b) **Intentionally deleted;**
- (c) The Contribution Security Agreement and the other Contribution Security contemplated therein, including the Deeds of Hypothec and Demand Debenture, will have become or will become effective;
- (d) The Sales and Excise Tax Charge and Directors' Charge will be terminated, discharged, expunged and released;
- (e) The amount of \$25.0 million shall be paid out of RBH's Upfront Contribution and deposited from the RBH Global Settlement Trust Account into the RBH CCAA Plan Administration Reserve Account to establish the RBH CCAA Plan Administration Reserve;
- (f) The amount of the RBH PCC Compensation Plan Reserve, to be determined pursuant to Article 15, Section 15.2 herein, shall be paid out of RBH'S Upfront Contribution and deposited into the RBH PCC Compensation Plan Reserve Account to establish the RBH PCC Compensation Plan Reserve;
- (g) The amount of the RBH Miscellaneous Claims Fund, to be determined pursuant to Article 18, Section 18.2.1 herein, shall be paid out of RBH's Upfront Contribution and deposited into the RBH Miscellaneous Claims Fund;
- (h) The distributions that are required to be paid to the Claimants on the Plan Implementation Date shall be paid in full as set forth in the CCAA Plan;
- (i) All Affected Claims and Released Claims will be fully, finally, irrevocably and forever released, discharged, barred and enjoined in accordance with Article 3, Section 3.8 and Article 18, Sections 18.1 to 18.1.10, and all notes, certificates and other instruments evidencing Affected Claims and Released Claims (and all guarantees associated with each of the foregoing) will be deemed cancelled and extinguished and be null and void in accordance with Article 17, Section 17.9;

- (j) The Claimant Contractual Release will become effective in accordance with its terms; and
- (k) The Stay Period will terminate,

(collectively, the “**Restructuring Steps**”). The failure of the CCAA Plan to incorporate any provision of a document evidencing a Restructuring Step will not derogate from the enforceability of such provision.

4.3 Corporate Approvals

At the Effective Time, all corporate actions of RBH contemplated by the CCAA Plan, including those required for the transfer of RBH’s Alternative Products Business to Newco, shall be deemed to have been authorized and approved in all respects (subject to the provisions of the CCAA Plan). All matters provided for in the CCAA Plan shall be deemed to have timely occurred, in accordance with Applicable Laws, and shall be effective, without any requirement of further action by the Affected Creditors, directors, officers, or managers of RBH. On the Plan Implementation Date, the appropriate directors and officers of RBH shall be authorized and directed to issue, execute and deliver the agreements, documents, securities and instruments contemplated by the CCAA Plan including with respect to the transfer of RBH’s Alternative Products Business to Newco, in the name of and on behalf thereof.

ARTICLE 5. CCAA PLAN CONSIDERATION

5.1 Global Settlement Amount

The global settlement amount under the CCAA Plan shall be **\$32.5 billion** (the “**Global Settlement Amount**”).

5.2 Intentionally deleted

5.3 Global Settlement Trust Account and Supplemental Trust Account

Pursuant to the Banking Arrangements Order, the CCAA Court approved the engagement of BMO to act as the Trustee of the RBH Global Settlement Trust and the Bare Trustee of the RBH Supplemental Trust. Subject to the approval of the CCAA Court, BMO shall be engaged to act as the Trustee of the RBH CCAA Plan Administration Reserve Trust.

Prior to the Plan Implementation Date, RBH and the Original Trustee shall enter into the RBH Deed pursuant to which legal ownership of the RBH Global Settlement Trust shall be vested in and administered and managed exclusively by the Trustees in accordance with the terms of the RBH Deed.

Prior to the Plan Implementation Date, RBH and the Bare Trustees shall enter into the RBH Supplemental Trust Agreement pursuant to which legal title of the RBH Supplemental Trust Agreement Funds shall be held by the Bare Trustees in accordance with the terms hereof and of the RBH Supplemental Trust Agreement.

RBH shall deposit its Contributions, less applicable Reserved Amounts, into a segregated interest-bearing trust account or trust accounts (“**RBH Global Settlement Trust Account**”) (for greater certainty, a separate Global Settlement Trust Account shall be established in the Bank and held by the Trustees for each Tobacco Company). RBH shall deposit its Reserved Amounts into an interest-bearing account or trust accounts (“**RBH Supplemental Trust Account**”) (for greater certainty, a separate Supplemental Trust Account shall be established in the Bank and held by the Bare Trustees and maintained for each Tobacco Company). The RBH Global Settlement Trust Account and RBH Supplemental Trust Account shall be held in Schedule I Chartered Banks designated by the CCAA Plan Administrators, or in a syndicate of Schedule I Chartered Banks which may include such financial institutions as may be approved and designated by the CCAA Plan Administrators (“**Bank**”).

RBH shall be the beneficial owner of the funds in the RBH Supplemental Trust and the Bare Trustees shall act as agent for RBH pursuant to the terms of the RBH Tobacco Supplemental Trust Agreement. RBH shall not agree to any amendment of the RBH Tobacco Supplemental Trust or otherwise alter its terms except in accordance with an order of the CCAA Court.

RBH shall report all income, gains and losses, if any, derived from the RBH Supplemental Trust Agreement Funds in computing its income for purpose of the ITA and all corresponding provincial or territorial legislation and shall prepare and file any and all tax returns prepared, filed or required to be prepared or filed in accordance with the foregoing.

RBH shall prepare and file prior to the relevant filing due date all tax and information returns required to be prepared in respect of the RBH Supplemental Trust or RBH Supplemental Trust Funds pursuant to the provisions of the ITA and regulations thereunder and any other applicable provincial or territorial tax legislation.

5.4 Upfront Contributions

On or before the Plan Implementation Date, each of Imperial, RBH and JTIM shall make a cash contribution which shall be deposited, respectively, into the Imperial Global Settlement Trust Account, RBH Global Settlement Trust Account and JTIM Global Settlement Trust Account (collectively, the “**Upfront Contributions**”). The Upfront Contributions shall equal the aggregate of each Tobacco Company’s cash and cash equivalents generated from all sources by each Tobacco Company as at the month end prior to the Plan Implementation Date, including all amounts pledged by the Tobacco Companies to cash collateralize any outstanding letters of credit, surety or bonding obligations to the issuers thereof, plus the Cash Security Deposits, less the sum of \$750 million which shall be deducted from the aggregate amount and retained by RBH (the “**RBH Retained Amount**”). RBH shall be free to deal in its sole discretion with the RBH Retained Amount, including being free to transfer or distribute such monies outside of Canada in such manner as RBH may determine. For greater certainty, any such transfers or distributions of the RBH Retained Amount will be deemed to be a Permitted Transfer for the purposes of Article 11. Notwithstanding the foregoing:

- (a) The Cash Security Deposits may be deposited into the Imperial Global Settlement Trust Account and the RBH Global Settlement Trust Account in whole or in part as soon as practicable after the Plan Implementation Date. Any portion of the Cash Security Deposits

that is deposited into the Imperial Global Settlement Trust Account and RBH Global Settlement Trust Account on or before the Plan Implementation Date shall be distributed to the Claimants and the Cy-près Foundation pro rata in accordance with the Claimant Allocation. As and when payments on account of the Cash Security Deposits are deposited by the Minister of Finance of Quebec into the Imperial Global Settlement Trust Account and RBH Global Settlement Trust Account after the Plan Implementation Date, such payments shall be paid and distributed to the Claimants and the Cy-près Foundation pro rata in accordance with the Claimant Allocation;

- (b) Any portion of Imperial's Upfront Contribution (solely because, and to the extent, such funds remain pledged by Imperial to cash collateralize any outstanding letters of credit, surety or bonding obligations), and any applicable insurance proceeds, which are not available for deposit into the Imperial Global Settlement Trust Account on or before the Plan Implementation Date, shall be distributed to the Claimants and the Cy-près Foundation pro rata in accordance with the Claimant Allocation. As and when payments on account of the balance of Imperial's Upfront Contributions are deposited by Imperial into the Imperial Global Settlement Trust Account after the Plan Implementation Date, such payments shall be paid and distributed to the Claimants and the Cy-près Foundation pro rata in accordance with the Claimant Allocation. For the avoidance of doubt, Imperial shall use commercially reasonable efforts to deposit such remaining portion of its Upfront Contribution (and any applicable insurance proceeds) into the Imperial Global Settlement Trust Account as soon as possible after the Plan Implementation Date; and
- (c) Any portion of JTIM's Upfront Contribution which is not available for deposit into the JTIM Global Settlement Trust Account on or before the Plan Implementation Date, solely because, and to the extent, such funds remain pledged by JTIM as cash collateral, shall be distributed to the Claimants and the Cy-près Foundation pro rata in accordance with the Claimant Allocation. As and when payments on account of the balance of JTIM's Upfront Contributions are deposited by JTIM into the JTIM Global Settlement Trust Account after the Plan Implementation Date, such payments shall be paid distributed to the Claimants and the Cy-près Foundation pro rata in accordance with the Claimant Allocation. For the avoidance of doubt, JTIM shall use commercially reasonable efforts to deposit such remaining portion of its Upfront Contribution into the JTIM Global Settlement Trust Account as soon as possible after the Plan Implementation Date.

5.5 Reserved Amounts

RBH shall make a cash payment equal to any Reserved Amounts into the RBH Supplemental Trust Account at the times referred to in this Section 5.5. RBH shall pay its Tax Refund Cash Payment into the RBH Supplemental Trust Account within 30 days after its receipt of the applicable Tax Refund. If RBH receives its Tax Refund Cash Payment in instalments, it shall pay for deposit into the RBH Supplemental Trust Account 100% of each instalment received within 30 days after its receipt of each instalment. RBH shall pay its respective Annual Amount into the RBH Supplemental Trust Account on or before the 30th day following its tax filing due date for the relevant taxation year for which the Annual Contribution is made (or in the case of the final calendar year of the Contribution Period, on or before the 182nd day following the end of the Contribution Period). RBH shall pay its respective Carry Amount into the RBH Supplemental

Trust Account within 30 days after its tax filing due date for the taxation year to which the relevant Tax Attribute is carried forward (or in the case of the final calendar year of the Contribution Period, on or before the 182nd day following the end of the Contribution Period).

For certainty and to avoid duplication, any Tax Refund Cash Payment will not be taken into account in the Metric used to compute the Annual Contributions. Reserved Amounts of RBH shall be released from the RBH Supplemental Trust Account in the following circumstances:

- (a) in respect of Annual Amounts and Carry Amounts (and income reasonably considered to be earned on such amounts while held in the RBH Supplemental Trust Account), consistent with the Annual Contribution percentage in respect of the relevant Annual Contributions (in the case of a Carry Amount, the Annual Contribution percentage in respect of the Annual Contribution for the tax year in which the Tax Attribute is utilized) provided for in this CCAA Plan and in the case of a Tax Refund Cash Payment (and income reasonably considered earned on such Tax Refund Cash Payments while held in the RBH Supplemental Trust Account), 85.0% to the RBH Global Settlement Trust Account and 15.0% to RBH, in each case, 30 days following the expiry of the last applicable Normal Reassessment Period (or, such earlier time as determined by RBH with the concurrence of the CCAA Plan Administrator, acting reasonably) in respect of the relevant taxation year of RBH to which the Reserved Amount relates, being (i) in the case of an Annual Amount, the taxation year in which the relevant Annual Contribution is deducted in computing income for tax purposes, (ii) in the case of a Tax Refund Cash Payment, the taxation year to which the relevant Tax Refund relates and (iii) in the case of a Carry Amount, the taxation year to which the relevant Tax Attribute has been carried forward;
- (b) to a relevant Tax Authority on account of a notice of assessment or reassessment of income taxes (including any related assessed interest or penalties) related to a Tax Matter of RBH by a Tax Authority with the concurrence of the CCAA Plan Administrator (such concurrence not to be unreasonably withheld). Any amounts released to a Tax Authority on behalf of RBH shall be excluded from the Contributions made by RBH at any time. For greater certainty, should there be a dispute regarding a notice of assessment or reassessment of Taxes, interest or penalties, the CCAA Plan Administrator, at the request of RBH, shall transfer the amount requested by RBH (not exceeding 100% of any Taxes, interest and penalties assessed) to the relevant Tax Authority pending final resolution of the dispute; or
- (c) to RBH, following termination of the Contribution Period with the concurrence of the CCAA Plan Administrator (such concurrence not to be unreasonably withheld).

RBH shall only instruct the Bare Trustee to release Supplemental Trust Funds in accordance with the foregoing.

5.6 Annual Contributions

On or before the July 30th following each calendar year during the Contribution Period (or in the case of the final calendar year of the Contribution Period, on or before the 182nd day following the end of the Contribution Period), RBH shall deposit into the RBH Global Settlement Trust Account or the RBH Supplemental Trust Account, as applicable, payments calculated in accordance with

the Metric (collectively, the “**Annual Contributions**”), until such time as the total Contributions, in the aggregate, equal the Global Settlement Amount.

The CCAA Plan provides that net after-tax income is used in the calculation of the Annual Contributions in accordance with a metric (“**Metric**”). The Metric is the method by which, on an annual basis, the profits of the operating business of RBH and any additional realization of assets are calculated, excluding the Alternative Products Business to be carved out in accordance with Section 5.7 (“**Net After-Tax Income**”). For greater certainty, the Metric will:

- (a) Be based on the amount generated from all sources by RBH, excluding Alternative Products;
- (b) Include interest income (other than income earned on the Reserved Amounts held in the RBH Supplemental Trust Account, until and only to the extent such income is released to RBH);
- (c) Include the proceeds of any disposition of any assets, including capital assets and intangible assets;
- (d) Exclude one-time accounting adjustments that are non-operational in nature;
- (e) Exclude one-time restructuring and global settlement related adjustments that are non-operational in nature (for greater certainty, this includes the recognition of any global settlement liability and/or associated expense of that liability). Subparagraph (e) is not intended to exclude cash expenses associated with CCAA Plan implementation including: (i) the Costs for the services of the CCAA Plan Administrators; (ii) the Costs for the services of the Claims Administrator (both as administrator and PCC Agent) in respect of the administration of the PCC Compensation Plan; (iii) the Costs for the services of the Administrative Coordinator; and (iv) the Costs for the services of the PCC Representative Counsel;
- (f) Exclude interest expense to related parties; and
- (g) Exclude any penalties and fines imposed by taxing and/or regulatory authorities.

The Annual Contributions required to be made for deposit into the RBH Global Settlement Trust Account by RBH for each year during the Contribution Period shall be calculated as follows:

- (a) In years 1-5 (adjusted to take into account any stub period as appropriate, including eliminating the portion of the first year that occurs prior to the last day of the month prior to the Plan Implementation Date) following the last day of the month prior to the Plan Implementation Date, **85.0%** of the amount calculated pursuant to the Metric;
- (b) In years 6-10 following the Plan Implementation Date, **80.0%** of the amount calculated pursuant to the Metric;
- (c) In years 11-15 following the Plan Implementation Date, **75.0%** of the amount calculated pursuant to the Metric; and

- (d) In year 16 following the Plan Implementation Date, **70.0%** of the amount calculated pursuant to the Metric, and continuing thereafter until the aggregate of the Contributions totals the Global Settlement Amount.

For greater certainty, the percentage of the Annual Contributions payable by RBH shall commence at 85.0% in years 1-5 (adjusted to take into account any stub period as applicable) following the last day of the month prior to the Plan Implementation Date and, thereafter, shall be reduced in 5.0% increments every five years until the percentage reaches 70.0% in year 16, and shall continue fixed at 70.0% thereafter until such time as the Global Settlement Amount has been paid in full. Notwithstanding the foregoing and without limiting the Claimants' rights in respect of an Event of Default, RBH shall only be permitted to reduce the percentage of the Annual Contributions by the next 5% increment provided that RBH has made all of the payments of Annual Contributions due and owing for all prior periods.

The Annual Contributions to be made by RBH for the first and final calendar years of the Contribution Period shall be pro-rated to ensure that the Global Settlement Amount is not exceeded.

5.7 Exclusion of Alternative Products from Metric

All revenues from Alternative Products and all proceeds from any disposition of any assets related to the Alternative Products shall be excluded from the Metric, and all capital expenditures, fees, costs, disbursements, indebtedness, liabilities, expenses and other expenditures of any kind whatsoever, irrespective of whether they are made in the Ordinary Course of Business, that are made in respect of or relating to any Alternative Products shall be excluded from the Metric and shall not be charged against the revenue from Tobacco Products. Within sixty days before the Plan Implementation Date, RBH shall provide to the CCAA Plan Administrators a list of all its Tobacco Products that shall be included in the Metric and a list of all its Alternative Products that shall be excluded from the Metric.

5.8 Contribution Period

Imperial, RBH and JTIM shall only be required to pay Annual Contributions and Reserved Amounts into, respectively, the Imperial Global Settlement Trust Account and Imperial Supplemental Trust Account, the RBH Global Settlement Trust Account and RBH Supplemental Trust Account, and the JTIM Global Settlement Trust Account and JTIM Supplemental Trust Account during the period from the last day of the month prior to the Plan Implementation Date to the date that the aggregate amount of the Contributions paid into the Imperial Global Settlement Trust Account, RBH Global Settlement Trust Account (including the RBH CCAA Plan Administration Reserve) and JTIM Global Settlement Trust Account equals the Global Settlement Amount (the "**Contribution Period**"), and upon payment of the Global Settlement Amount in full, the Tobacco Companies' obligations in respect of the CCAA Plans shall terminate. For greater certainty, the Contribution Period shall include the period of time during which any debt collection or other enforcement proceedings are pursued by any of the Claimants.

5.9 Several Liability

The obligations of the Tobacco Companies under their CCAA Plans to pay their respective Upfront Contributions, Annual Contributions and Reserved Amounts for deposit into their respective Global Settlement Trust Accounts and Supplemental Trust Accounts, shall be several and not joint and several.

5.10 No Admission of Liability

Nothing in the CCAA Plan or in any other Definitive Document is or shall be deemed to be an admission of fact or liability of any kind by any member of the Tobacco Company Group.

5.11 Retention/Transfer of Cash

During the Contribution Period, in each year until the end of the Contribution Period, RBH shall retain its cash, cash equivalents and investments earned in respect of that year in Canada until such time as the Annual Contribution and Reserved Amounts owing in respect of that fiscal year have been deposited into the RBH Global Settlement Trust Account or RBH Supplemental Trust Account. Each year, after such deposit has been made in respect of that year, and provided that the amounts of the Annual Contribution and Reserved Amounts are not in dispute between the Parties, RBH shall be free to deal in its sole discretion with its respective share of the Net After-Tax Income and any amounts released from the RBH Supplemental Trust Account to RBH that remain with RBH, including being free to transfer or distribute such monies outside of Canada in such manner as RBH may determine. Notwithstanding the foregoing, in the event that there is a dispute regarding the amount of RBH's share of the Annual Contributions and/or the relevant Reserved Amounts:

- (a) RBH shall preserve and retain in Canada the amount that is in dispute out of its share of the Net After-Tax Income and any amounts released from the RBH Supplemental Trust Account to RBH in respect of that year until such time as such dispute is fully and finally resolved and the balance of the Annual Contribution and any relevant Reserved Amounts, if any, determined to be owing by RBH to the Claimants has been deposited in full into the RBH Global Settlement Trust Account and RBH Supplemental Trust Account, as applicable, or as otherwise ordered by the CCAA Court; and
- (b) RBH shall be required to deposit into the RBH Global Settlement Trust Account and the RBH Supplemental Trust Account, as applicable, the amount of the Annual Contribution and/or Reserved Amounts, as applicable, that RBH does not dispute is due and payable by it. After the dispute has been fully and finally resolved, RBH shall be free to deal in its sole discretion with the balance remaining of its respective share of the Net After-Tax Income and any amounts released from the RBH Supplemental Trust Account to RBH, including being free to transfer or distribute such monies outside of Canada in such manner as RBH may determine.

Provided that it is not alleged that Imperial and JTIM are in any way implicated or involved in, or responsible for, the dispute regarding the amount of RBH's share of the Annual Contributions and/or the amount of RBH's Reserved Amounts, Imperial and JTIM shall be free to deal in their sole discretion with their respective shares of the Net After-Tax Income and any amounts released

from the Imperial Supplemental Trust Account to Imperial and/or from the JTIM Supplemental Trust Account to JTIM that remain with Imperial and JTIM, as applicable, including being free to transfer or distribute such monies outside of Canada in such manner as Imperial and JTIM may determine.

5.12 Transparency of Payments by Tobacco Companies

The amounts of all Contributions and Reserved Amounts paid by RBH pursuant to the terms of the CCAA Plan shall be fully disclosed to the Provinces and Territories and counsel for any Impacted Claimants, pursuant to and in accordance with the CCAA Plan Administrator Appointment Order, to enable the Provinces and Territories and any Impacted Claimants to verify that the Contributions and Reserved Amounts have been calculated accurately in accordance with the Metric and all other applicable terms of the Definitive Documents.

5.13 Contribution Security

On or prior to the Plan Implementation Date, RBH and its Material Subsidiaries shall enter into an agreement (“**Contribution Security Agreement**”) granting security, including Deeds of Hypothec and a Demand Debenture, to the Collateral Agent for the exclusive benefit of the Claimants over all of its present and after acquired assets, undertakings and properties and otherwise as may be agreed, to secure the obligations of RBH to make the Annual Contributions and Reserved Amounts (the “**Contribution Security**”). Notwithstanding the foregoing, the Contribution Security Agreement shall not constitute an assignment, transfer, conveyance, mortgage, charge, pledge, hypothecation or grant of a security interest in any and all of the personal property, assets and undertakings of RBH and its Material Subsidiaries relating solely to the Alternative Products Business. Recourse to the Contribution Security shall only be available upon the occurrence of an Event of Default which is not cured pursuant to Article 12, Section 12.3. The Collateral Agent shall have no rights to enforce the Contribution Security in the event of the occurrence of a Breach. The Contribution Security Agreement is attached to the CCAA Plan as Schedule “E”, the Deed of Immovable Hypothec (official French version) as Schedule “F”, the Deed of Immovable Hypothec (unofficial English version) as Schedule “G”, the Deed of Movable Hypothec as Schedule “H”, and the Demand Debenture granting a mortgage on RBH’s property situated at 1500 Don Mills Road, Toronto, Ontario together with the Acknowledgment and Direction relating to the mortgage, as Schedule “I”.

The Collateral Agent, to be engaged in accordance with the terms of the RBH Collateral Agency Agreement and subject to the approval of the CCAA Court, shall agree pursuant to the terms of any required intercreditor agreement on market terms to be agreed, to subordinate the Contribution Security to (i) any statutory deemed trusts; and (ii) any security granted (or to be granted) by RBH to any lender in connection with an operating facility on market terms with a principal amount that does not exceed an amount to be agreed in respect of RBH.

Subject to the terms of an NDA entered into between RBH and the Claimants, RBH shall provide to the Claimants the full particulars regarding the assets, undertakings and properties over which RBH and its Material Subsidiaries shall grant security.

5.14 Parent and Tobacco Company Group Support through Intercompany Transactions

During the Contribution Period, RBH's Parent and the relevant Affiliates within its Tobacco Company Group shall continue to provide to RBH and its Subsidiaries shared services and other operational support ("**Intercompany Services**") pursuant to the Intercompany Transactions that are in place on the Plan Implementation Date, or new Intercompany Services that are part of a broader operational restructuring among RBH's Tobacco Company Group. The provision of such Intercompany Services shall be (a) consistent with existing arrangements or past practice, or as otherwise approved by the CCAA Plan Administrators, and (b) in compliance with Applicable Law and subject to the Tobacco Company Group's transfer pricing policies across global markets, and (c) subject to normal course market adjustments. Any adjustments to Intercompany Services within RBH's Tobacco Company Group shall not affect RBH in a manner that is materially less favourable, as compared to the terms on which similar Intercompany Services are provided to any other members of RBH's Tobacco Company Group. The chief financial officer of RBH shall certify that any adjustments to the Intercompany Services are consistent with the treatment of the other companies within the Tobacco Company Group. Any such certification shall not give rise to any personal liability on the part of the applicable certifying officer.

RBH, its Parent and the relevant Affiliates within its Tobacco Company Group shall:

- (a) maintain and not make any revision to or variation of the terms of any Intercompany Transaction, including the withdrawal, termination or cessation of the Intercompany Transaction; and
- (b) shall maintain and not make any material change to its related party Canadian trademark and other intellectual property licensing arrangements, together with the structure and pricing methodology currently used for carrying on business in Canada,

except in compliance with the requirements set out in this Section 5.14.

In the event that RBH is no longer Financially Viable due to circumstances beyond the control of RBH or its Tobacco Company Group, RBH's Parent may give the CCAA Plan Administrators, the Provinces and Territories, the Impacted Claimants and the other Tobacco Companies one year's notice of its intention to discontinue its Canadian operations. If the CCAA Plan Administrators are satisfied, based on the financial information made available to them by RBH pursuant to the CCAA Plan, that RBH is no longer Financially Viable due to circumstances beyond the control of RBH or its Tobacco Company Group, then they will communicate such position to the Provinces and Territories and the Impacted Claimants. If each of the Provinces and Territories and the Impacted Claimants accept such position, then RBH's Parent may discontinue the provision of shared services and other operational support on the date that the discontinuance takes effect.

The foregoing does not negate the prohibition against RBH's Parent and relevant Affiliates within its Tobacco Company Group entering the market for Tobacco Products in Canada with any other company or entity in place of the discontinued business, or any other provision in the CCAA Plan except for the obligation to provide shared services and other operational support. For greater certainty, except through RBH and its Material Subsidiary, RBH's Parent and the relevant Affiliates within its Tobacco Company Group shall not directly or indirectly, including by (i)

exporting or supplying Tobacco Products to Canada, (ii) licensing technology, trademarks and intellectual property, or (iii) providing services, engage in any business activity or have any direct or indirect involvement or participation in the market for Tobacco Products in Canada.

In the event that the CCAA Plan Administrators, the Provinces and Territories, the Impacted Claimants or other Tobacco Companies do not accept the position of RBH and its Parent regarding the Financial Viability of RBH's Canadian operation, RBH and its Parent may bring the issue before the CCAA Court for determination.

5.15 Payment of Intercompany Claims

Any Intercompany Claim outstanding and due by RBH as at the Effective Time may only be repaid by RBH from its share of the Net After-Tax Income and amounts released from the RBH Supplemental Trust Account, as applicable, that will remain with RBH in each year after its Annual Contribution and any Reserved Amounts have been deposited into the RBH Global Settlement Trust Account or RBH Supplemental Trust Account, as applicable, the whole subject, however, to the terms of Article 5, Section 5.11 that govern the retention of its share of funds in the event that the amount of the Annual Contribution or Reserved Amount is in dispute.

ARTICLE 6. ADMINISTRATION OF THE GLOBAL SETTLEMENT AMOUNT

6.1 Allocation of the Global Settlement Amount

Set forth in Article 16, Sections 16.1, 16.2 and 16.3 herein are the terms that will govern the allocation of the Global Settlement Amount and the timing of the distributions thereof to the:

- (a) Quebec Class Action Plaintiffs;
- (b) Pan-Canadian Claimants;
- (c) Provinces and Territories;
- (d) Cy-près Foundation;
- (e) Tobacco Producers; and
- (f) *Knight* Class Action Plaintiffs.

6.2 Expert Evidence supporting Provincial HCCR Claims and Territorial HCCR Claims and Provincial and Territorial Allocation

Expert evidence informing, in part, and supporting the quantification of the Provincial HCCR Claims and the Territorial HCCR Claims, and the allocation of the Provinces and Territories Settlement Amount among the Provinces and Territories, includes the Harrison Report that is attached to this Plan as Schedule "J". Dr. Harrison's curriculum vitae is attached to the CCAA Plan as Schedule "K". The Provinces and Territories Settlement Amount shall be apportioned among the Provinces and Territories in accordance with the percentages set out in the table in Article 16, Section 16.3.

6.3 Expert Evidence supporting the Pan-Canadian Claimants' Compensation Plan

Expert evidence informing, in part, and supporting the development, formulation and quantification of the PCC Compensation Plan includes the Jha Report that is attached to this Plan as Schedule "L". Dr. Jha's curriculum vitae is attached to the CCAA Plan as Schedule "M".

6.4 Consideration for Settlement of *Knight* Class Action

The consideration for the settlement of the *Knight* Class Action shall be the contribution to the Cy-près Fund and the payment of the *Knight* Class Counsel Fee.

6.5 Investment of Contributions and Reserved Amounts pending Disbursement

The Contributions and Reserved Amounts paid into the RBH Global Settlement Trust Account, RBH PCC Trust Account, RBH QCAP Trust Account and RBH Cy-près Trust Account, as well as the monies deposited into the RBH Miscellaneous Claims Fund, RBH CCAA Plan Administration Reserve Account and RBH PCC Compensation Plan Reserve Account, shall be invested in accordance with Investment Guidelines, pending disbursement to the Claimants and any other applicable payees. RBH shall adhere to the Investment Guidelines at all times when giving instructions to the Bare Trustee in respect of the Reserved Amounts held in the RBH Supplemental Trust Account. RBH shall not terminate any investment agreement with, or otherwise attempt to replace, any investment manager engaged to invest the amounts in the RBH Supplemental Trust Account without the approval of the CCAA Court.

ARTICLE 7. ESTABLISHMENT AND ADMINISTRATION OF QUEBEC CLASS ACTION ADMINISTRATION PLAN

7.1 Purpose of the Quebec Administration Plan

The Quebec Administration Plan will provide direct compensation in the form of monetary payments to QCAPs who meet the criteria to qualify as *Blais* Class Members pursuant to the judgments in the Quebec Class Actions. The Quebec Administration Plan is attached to the CCAA Plan as Schedule "N".

The Court-Appointed Mediator and the Monitors recommend that Epiq be approved by the CCAA Court for appointment as the Claims Administrator to manage the administration of the claims processes for both the Quebec Administration Plan and the PCC Compensation Plan. Attached to the CCAA Plan as Schedule "O" is an overview of Epiq's complex claims administration experience, an eleven page list of Epiq's legal administration projects, a description of Epiq's Tobacco Claims Pre-Settlement Support Program, and the resumes of the key professional management personnel who will be assigned to the administration of the Quebec Administration Plan and the PCC Compensation Plan.

Upon the recommendation of the Court-Appointed Mediator and the Monitors, pursuant to the Sanction Order, the CCAA Court approved the appointment of Daniel Shapiro, K.C. as the Administrative Coordinator in respect of the administration of both the Quebec Administration Plan and the PCC Compensation Plan. Mr. Shapiro's curriculum vitae is attached to the CCAA Plan as Schedule "P".

The following table summarizes the compensation available to Eligible *Blais* Class Members under the Quebec Administration Plan:

Quebec Class Action Administration Plan		
Column 1 Compensable Disease	Compensation Payment (or such lesser amount as may be determined by the Claims Administrator to be available for the subclass of claimants; quantum will vary based upon the actual take-up rate and other factors and shall not exceed the maximum amounts specified in this table)	
	Column 2 Compensation Payment for Eligible <i>Blais</i> Class Members who started to smoke before January 1, 1976	Column 3 Compensation Payment for Eligible <i>Blais</i> Class Members who started to smoke on or after January 1, 1976 (80% of Column 2)
Lung Cancer	\$100,000	\$80,000
Throat Cancer	\$100,000	\$80,000
Emphysema/COPD (GOLD Grade III or IV)	\$30,000	\$24,000

7.2 Quebec Administration Plan is subject to the Approval of the CCAA Court

The CCAA Court shall hear and determine the proceedings relating to the approval of the Quebec Administration Plan, including the approval of the retainer agreement respecting fees and disbursements between the Quebec Class Counsel and the representative plaintiffs in the Quebec Class Actions, and the approval of the Quebec Class Counsel Fee.

Matters relating to the ongoing supervision of the Quebec Administration Plan shall be heard and determined jointly by the CCAA Court and the Quebec Superior Court. In performing this function, the CCAA Court and the Quebec Superior Court may communicate with one another in accordance with a protocol to be worked out and established by them.

After the Plan Implementation Date, no changes, modifications or revisions shall be made to the Quebec Administration Plan without the joint approval of the CCAA Court and the Quebec Superior Court.

7.3 Release of Cash Security Deposits

Pursuant to the Cash Security Deposits Order, the Cash Security Deposits, which form part of the Upfront Contributions, shall be released from suretyship prior to the Plan Implementation Date

and shall be deposited by the Minister of Finance of Quebec into the Imperial Global Settlement Trust Account and the RBH Global Settlement Trust Account, as applicable. Notwithstanding the foregoing, the Minister of Finance of Quebec may deposit the Cash Security Deposits into the Imperial Global Settlement Trust Account and the RBH Global Settlement Trust Account, as applicable, in whole or in part as soon as practicable after the Plan Implementation Date.

7.4 QCAP Trust Accounts

The QCAP Settlement Amount, less the QCAP Cy-près Contribution, shall be paid from the Imperial Global Settlement Trust Account, RBH Global Settlement Trust Account and JTIM Global Settlement Trust Account and deposited, respectively, into the Imperial QCAP Trust Account, RBH QCAP Trust Account and JTIM QCAP Trust Account for the benefit of the *Blais* Class Members. The proportionate shares of the QCAP Settlement Amount which the Trustees shall transfer from each of the Imperial Global Settlement Trust Account, RBH Global Settlement Trust Account and JTIM Global Settlement Trust Account into, respectively, the Imperial QCAP Trust Account, RBH QCAP Trust Account and JTIM QCAP Trust Account shall be equal to: (i) on the Plan Implementation Date, the proportionate shares of the Upfront Contributions made by Imperial, RBH and JTIM; and (ii) in respect of year 1 following the Plan Implementation Date and any subsequent years until the QCAP Settlement Amount has been paid in full, the proportionate shares of the Annual Contributions made by Imperial, RBH and JTIM in that year.

From time to time, upon the submission of a requisition by the Claims Administrator, the CCAA Plan Administrators shall authorize the advancement of instalments of funds from the Imperial QCAP Trust Account, RBH QCAP Trust Account and JTIM QCAP Trust Account to the Claims Administrator's trust account designated for the Quebec Administration Plan, which shall be held in the Bank for the benefit of the *Blais* Class Members, to enable the Claims Administrator to make Compensation Payments to Eligible *Blais* Class Members.

7.5 Payment of QCAP Cy-près Contribution to Cy-près Trust Account

The payment of the QCAP Cy-près Contribution in the amount of \$131 million shall be the consideration for the full and final settlement and satisfaction of the *Létourneau* Judgment constituting the indirect benefit to the *Létourneau* Class Members. The QCAP Cy-près Contribution shall be paid from the Imperial Global Settlement Trust Account, RBH Global Settlement Trust Account and JTIM Global Settlement Trust Account and deposited, respectively, into the Imperial Cy-près Trust Account, RBH Cy-près Trust Account and JTIM Cy-près Trust Account for the benefit of the Cy-près Foundation. The proportionate shares of the Cy-près Fund which the Trustees shall transfer from each of the Imperial Global Settlement Trust Account, RBH Global Settlement Trust Account and JTIM Global Settlement Trust Account into, respectively, the Imperial Cy-près Trust Account, RBH Cy-près Trust Account and JTIM Cy-près Trust Account shall be equal to: (i) on the Plan Implementation Date, the proportionate shares of the Upfront Contributions made by Imperial, RBH and JTIM; and (ii) in years 2, 3, 4 and 5 following the Plan Implementation Date, the proportionate shares of the Annual Contributions made by Imperial, RBH and JTIM in each of those years.

7.6 No Solicitation of *Blais* Class Members

No Persons other than the Quebec Class Counsel, their agent Raymond Chabot, the Claims Administrator, or any Person specifically authorized by any of the foregoing Persons or by the CCAA Court, shall solicit *Blais* Class Members in order to assist them with the preparation or submission of their Proofs of Claim under the Quebec Administration Plan.

ARTICLE 8. ESTABLISHMENT AND ADMINISTRATION OF PAN-CANADIAN CLAIMANTS' COMPENSATION PLAN

8.1 Purpose of the PCC Compensation Plan

The Pan-Canadian Claimants' Compensation Plan ("**PCC Compensation Plan**") will provide direct compensation in the form of monetary payments to PCCs who fulfill all of the following criteria ("**PCC Eligibility Criteria**"):

- (a) On the date that a PCC submits their claim to the PCC Compensation Plan:
 - (i) If the PCC is alive, they must reside in a Province or Territory in Canada, or
 - (ii) If the PCC is deceased, they must have resided in a Province or Territory in Canada on the date of their death;
- (b) The PCC was alive on March 8, 2019;
- (c) Between January 1, 1950 and November 20, 1998, the PCC smoked a minimum of Twelve Pack-Years of cigarettes sold by the Tobacco Companies;
- (d) Between March 8, 2015 and March 8, 2019 ("**PCC Claims Period**"), the PCC was diagnosed with:
 - (i) Primary lung cancer ("**Lung Cancer**"),
 - (ii) Primary cancer (squamous cell carcinoma) of the Larynx, Oropharynx or Hypopharynx ("**Throat Cancer**"), or
 - (iii) Chronic obstructive pulmonary disease (GOLD Grade III or IV only) (collectively, the "**PCC Compensable Diseases**"); and
- (e) On the date of the diagnosis with a PCC Compensable Disease the PCC resided in a Province or Territory in Canada.

The following table summarizes the compensation which will be available under the PCC Compensation Plan:

PCC Compensation Plan		
Column 1 PCC Compensable Disease	Individual Payment (or such lesser amount as may be determined by the Claims Administrator to be available for the subclass of claimants; quantum will vary based upon the actual take-up rate and other factors and shall not exceed the maximum amounts specified in this table)	
	Column 2 Compensation for PCCs who started to smoke before January 1, 1976 (60% of damages awarded to Quebec Class Action Plaintiffs)	Column 3 Compensation for PCCs who started smoking on or after January 1, 1976 (80% of Column 2)
Lung Cancer	\$60,000	\$48,000
Throat Cancer	\$60,000	\$48,000
Emphysema/COPD (GOLD Grade III or IV)	\$18,000	\$14,400

The following documents are attached as Schedules to the CCAA Plan:

- (a) The document entitled “Pan-Canadian Claimants’ Compensation Plan: Methodology and Analysis” dated December 5, 2024 is attached to the CCAA Plan as Schedule “Q”;
- (b) The Jha Report is attached to the CCAA Plan as Schedule “L”; and
- (c) The Analysis of Limitations Law applicable to Pan-Canadian Claimants dated September 2, 2020 is attached to the CCAA Plan as Schedule “R”.

8.2 PCC Compensation Plan

The CCAA Court shall hear and determine the proceedings relating to the approval of the PCC Compensation Plan. The PCC Compensation Plan is attached to the CCAA Plan as Schedule “S”. Upon the recommendation of the Court-Appointed Mediator and the Monitors, pursuant to the Sanction Order, the CCAA Court approved the appointment of Epiq as the Claims Administrator to manage the administration of the claims processes for both the Quebec Administration Plan and the PCC Compensation Plan. The duties and responsibilities of the Claims Administrator in connection with such appointment, as well as the duties and responsibilities of Epiq in its role as PCC Agent, are set out in the Claims Administrator Order, PCC Compensation Plan and Quebec Administration Plan.

Matters relating to the ongoing supervision of the PCC Compensation Plan shall be heard and determined solely by the CCAA Court.

8.3 PCC Trust Accounts

The PCC Compensation Plan Amount shall be paid from the Imperial Global Settlement Trust Account, RBH Global Settlement Trust Account and JTIM Global Settlement Trust Account and deposited into the Imperial PCC Trust Account, RBH PCC Trust Account and JTIM PCC Trust Account for the benefit of the Pan-Canadian Claimants. The proportionate shares of the PCC Compensation Plan Amount which the Trustees shall transfer from each of the Imperial Global Settlement Trust Account, RBH Global Settlement Trust Account and JTIM Global Settlement Trust Account into, respectively, the Imperial PCC Trust Account, RBH PCC Trust Account and JTIM PCC Trust Account shall be equal to: (i) on the Plan Implementation Date, the proportionate shares of the Upfront Contributions made by Imperial, RBH and JTIM; and (ii) in respect of years 1 and 2 following the Plan Implementation Date and any subsequent years until the PCC Compensation Plan Amount has been paid in full, the proportionate shares of the Annual Contributions made by Imperial, RBH and JTIM in each of those years.

From time to time, upon the submission of a requisition by the Claims Administrator, the CCAA Plan Administrators shall authorize the advancement of instalments of funds from the Imperial PCC Trust Account, RBH PCC Trust Account and JTIM PCC Trust Account to the Claims Administrator's trust account designated for the PCC Compensation Plan, which shall be held in the Bank for the benefit of the Pan-Canadian Claimants, to enable the Claims Administrator to make Individual Payments to Eligible Pan-Canadian Claimants.

8.4 No Solicitation of Pan-Canadian Claimants

No Persons other than the PCC Representative Counsel, the PCC Agent, the Claims Administrator, or any Person specifically authorized by any of the foregoing Persons or by the CCAA Court, shall solicit Pan-Canadian Claimants in order to assist them with the preparation or submission of their PCC Claim Packages under the PCC Compensation Plan.

ARTICLE 9. ESTABLISHMENT AND ADMINISTRATION OF THE CY-PRÈS FOUNDATION

9.1 Purpose of the Cy-près Foundation

The Cy-près Fund will be administered by a public charitable foundation ("**Cy-près Foundation**") to be established as part of the implementation of the CCAA Plan. The Cy-près Foundation shall be independent and free from any influence or interference by any of the Claimants, Tobacco Companies, Tobacco Company Groups, or any potential or actual beneficiary of the Cy-près Foundation. Although it is recognized that the governance of the Cy-près Foundation will be independent and free from any influence or interference, the Cy-près Foundation shall remain under the jurisdiction of the CCAA Court.

The Cy-près Fund will provide consideration for the full and final settlement and release of all claims and potential claims of PCCs who are not receiving direct compensation payments from the PCC Compensation Plan, and *Létourneau* Class Members who are not receiving direct

compensation payments from the Quebec Administration Plan, but will be indirectly benefited by falling within the scope of the Cy-près Foundation. This broad group of claimants includes the following Persons and any affected family members or estates:

- (a) Smokers suffering from Lung Cancer or Throat Cancer or Emphysema/COPD (GOLD Grade III or IV) who are outside the claims period or who smoked less than the requisite Twelve Pack-Years or, in the case of Emphysema/COPD, were not classified as GOLD Grade III or IV or the equivalent;
- (b) Smokers who have tobacco-related harms other than Lung Cancer or Throat Cancer and Emphysema/COPD (GOLD Grade III or IV) or the equivalent; and
- (c) Persons who smoke or have smoked Tobacco Products who have not yet or may never develop a tobacco-related harm.

The guiding principle is that the Cy-près Foundation must maintain a rational connection between the varying circumstances of the diverse group of PCCs and *Létourneau* Class Members covered by the Cy-près Fund and the Cy-près Foundation's purpose which is to fund research, programs and initiatives focused on improving outcomes in tobacco-related diseases that will provide indirect benefits to such Persons. This guiding principle will apply throughout the duration of the Cy-près Foundation's existence to the work product generated by the research and the programs and initiatives funded by the Cy-près Foundation.

The payment of the QCAP Cy-près Contribution in the amount of \$131 million shall be the consideration for the full and final settlement and satisfaction of the *Létourneau* Judgment.

Upon the recommendation of the PCC Representative Counsel, the Court-Appointed Mediator and the Monitors and subject to the approval of the CCAA Court, Dr. Robert Bell, MDCM, MSc, FRCSC, FACS, FRCSE (Hon), may be appointed by the CCAA Court to serve as the initial Chair of the Cy-près Foundation. Dr. Bell's resume and curriculum vitae are attached to the CCAA Plan as Schedule "Q" and Schedule "R" respectively. Should Dr. Bell decline to have his name put forward such other designate as the PCC Representative Counsel, the Court-Appointed Mediator and the Monitors may see fit to recommend will be advanced for consideration by the CCAA Court.

The document entitled "Cy-près Fund: Methodology and Analysis" is attached to the CCAA Plan as Schedule "S".

9.2 Funding the Cy-près Foundation

The Cy-près Fund shall be paid in the aggregate amount set out in Article 16 from the Imperial Global Settlement Trust Account, RBH Global Settlement Trust Account and JTIM Global Settlement Trust Account and deposited, respectively, into the Imperial Cy-près Trust Account, RBH Cy-près Trust Account and JTIM Cy-près Trust Account for the benefit of the Cy-près Foundation. The proportionate shares of the Cy-près Fund which the Trustees shall transfer from each of the Imperial Global Settlement Trust Account, RBH Global Settlement Trust Account and JTIM Global Settlement Trust Account into, respectively, the Imperial Cy-près Trust Account, RBH Cy-près Trust Account and JTIM Cy-près Trust Account shall be equal to: (i) on the Plan

Implementation Date, the proportionate shares of the Upfront Contributions made by Imperial, RBH and JTIM; and (ii) in years 2, 3, 4 and 5 following the Plan Implementation Date, the proportionate shares of the Annual Contributions made by Imperial, RBH and JTIM in each of those years. The Cy-près Fund shall not be transferred to the Cy-près Foundation until such time as all aspects of the establishment of the Cy-près Foundation as set out in Section 9.4 herein have been given final approval by the CCAA Court, and the Imperial Cy-près Trust Account, RBH Cy-près Trust Account and JTIM Cy-près Trust Account have been duly established in the Bank. Following such time, the Cy-près Fund, including all amounts held in the Imperial Cy-près Trust Account, RBH Cy-près Trust Account and JTIM Cy-près Trust Account will be transferred to, and held by, the Cy-près Foundation. Following the transfer of such amounts to the Cy-près Foundation, any further payments to the Cy-près Foundation to be made by Imperial, RBH and JTIM shall be paid, respectively, from the Imperial Global Settlement Trust Account, the RBH Global Settlement Trust Account and the JTIM Global Settlement Trust Account and deposited to the Cy-près Foundation. The proportionate shares of the Cy-près Fund which the Trustees shall transfer from each of the Imperial Global Settlement Trust Account, the RBH Global Settlement Trust Account and the JTIM Global Settlement Trust Account to the Cy-près Foundation shall be the proportionate shares of the Annual Contributions made by Imperial, RBH and JTIM in each of those years.

9.3 Cy-près Foundation Terms of Reference

The Terms of Reference of the Cy-près Foundation are set out below:

“The Foundation for Improved Outcomes in Tobacco-Related Disease” (FIORD)

Terms of Reference

Introduction: This document describes the terms of reference for the Cy-près Foundation.

Foundation Name: The name of the Cy-près Foundation must relate clearly to the purpose of the Cy-près. The name **“The Foundation for Improved Outcomes in Tobacco-Related Disease”** will serve as the corporate name along with the acronym “FIORD”. This name will be used on the Cy-près Foundation’s website and other presentation materials.

Purpose of the Cy-près Foundation: The Cy-près Foundation’s purpose is to fund research, programs and initiatives focused on improving outcomes in tobacco-related diseases. The Cy-près Foundation will indirectly benefit users of Tobacco Products and their affected family members or estates who are not directly compensated through the Quebec Administration Plan or PCC Compensation Plan. The smokers who are directly compensated (through the Quebec Administration Plan and PCC Compensation Plan) include individuals suffering from Lung Cancer, Throat Cancer or Emphysema/COPD (GOLD Grade III or IV) as defined in those plans.

The Cy-près Foundation will not make any monetary payments to individuals making claims for tobacco-related harms. Those individuals who are to receive monetary compensation will do so through either the Quebec Administration Plan or PCC Compensation Plan in accordance with the provisions of those plans.

The tobacco users who are not directly compensated but will be indirectly benefited by falling within the scope of the Cy-près include the following Persons and any affected family members or estates:

- i) Smokers suffering from Lung Cancer, Throat Cancer or Emphysema/COPD (GOLD Grade III or IV) who are outside the claims period or who smoked less than the requisite Twelve Pack-Years or, in the case of Emphysema/COPD, were not classified as GOLD Grade III or IV or the equivalent.
- ii) Smokers who have tobacco-related harms other than Lung Cancer, Throat Cancer and Emphysema/COPD (GOLD Grade III or IV) or the equivalent.
- iii) Persons who smoke or have smoked Tobacco Products and have not yet or may never develop a tobacco-related harm.

Vision for the Cy-près Foundation: Canadians will experience improved diagnosis, treatment and outcomes for tobacco-related cancers, Emphysema/COPD and other tobacco-related harms.

Mission of the Cy-près Foundation: The Cy-près Foundation will indirectly benefit current, past and future smokers and their families by funding research, programs and initiatives regarding tobacco-related cancers, Emphysema/COPD and other illnesses and conditions which are reasonably and rationally connected to tobacco-related harms. The research, programs and initiatives that are funded by the Cy-près Foundation will achieve earlier diagnosis, better treatment and improved outcomes for Persons suffering from these diseases.

Values of the Cy-près Foundation: The Cy-près Foundation will focus on: the inherent value of the research, program or initiative from the standpoint of its indirect benefit to Persons covered by the Cy-près and Canadians at large; awareness of the need to maintain a “rational connection” between the work supported by the Cy-près Foundation and the individuals benefitting from the Cy-près; devotion to principles of best evidence and expert peer review; emphasis on collaboration to increase the impact of research funding while limiting Cy-près Foundation overhead costs to maximize the indirect benefit to individuals who fall within the scope of the Cy-près; and, insistence that Cy-près Foundation funded research, programs and initiatives reflect the principles of health equity and opportunity for inclusion of First Nations, Metis and Inuit people.

What Will Be Eligible for Consideration for Support by the Cy-près Foundation: Proposals regarding research, programs and initiatives falling within the scope of the Cy-près will be received by the board of directors of the Cy-près Foundation (“**Foundation Board**”) for consideration for financial or other support from the Cy-près Foundation. Programs and initiatives aimed at reducing or preventing tobacco use in Canada are outside of the scope of the Cy-près because they fall within the purview of the Provinces and Territories, involving policy issues and advocacy. Accordingly, such programs and initiatives will not be considered for funding or other support from the Cy-près Foundation.

The fact that a proposal requesting funding for research or a program or initiative is received by the Cy-près Foundation for consideration does not mean that it will necessarily be awarded a grant of funding or other support. The decision regarding whether to provide funding for a proposal is

within the sole discretion of the Cy-près Foundation and is not reviewable once it has received approval by the CCAA Court.

Early works:

- Establish “**The Foundation for Improved Outcomes in Tobacco-related Disease**” as a tax-exempt charitable public foundation.
- Recruit a neutral and independent board that will provide oversight of the Cy-près Foundation’s strategy for funding research, programs and initiatives supported by the Cy-près Foundation. The Foundation Board will also develop and oversee the financial and investment strategy for the Cy-près Foundation.
- Undertake a process of consultation with interested parties and members of the public across Canada led by the Chair of the Cy-près Foundation to better understand their concerns and gather suggestions for improving the present structure for diagnosis, treatment and palliation of Persons suffering from tobacco-related cancers, Emphysema/COPD and other tobacco-related harms.
- Develop a strategic plan for the implementation of the intended activities of the Cy-près Foundation.

Potential Areas of Cy-près Foundation Financial Support:

- Improving methods for screening and diagnosis of tobacco-related cancers.
- Establishing best practices for diagnosis and treatment of tobacco-related cancers, Emphysema/COPD and other tobacco-related harms and increasing the likelihood that Canadians can achieve access to best practice care of these diseases.
- Researching the treatment of nicotine addiction and dependence, and tobacco use in Canada.
- Researching the effective treatment and palliation of tobacco-related diseases.
- Services and supportive health care to reduce the burden on and enhance the health and quality of life of Canadians living with tobacco-related diseases and their families.

Benefit to all Canadians:

- In addition to benefiting Canadians who have smoked, research funded by the Cy-près Foundation has the potential to determine whether screening of higher risk populations and potentially all Canadians can identify cancers at earlier stages of oncogenesis when treatment is less morbid and potential cure is more likely.
- Expanded learnings from Cy-près Foundation supported research into tobacco-related cancers, Emphysema/COPD and tobacco-related diseases, as well as areas yet to be identified, will provide a collateral benefit to members of the broader Canadian public. In

fulfilling the Cy-près Foundation's mandate, it is anticipated that the broader Canadian population will benefit from the knowledge generated by this work.

9.4 CCAA Court Approval of Establishment of Cy-près Foundation (in the period after the Sanction Hearing and prior to Final Approval of the Cy-près Foundation)

The establishment of the Cy-près Foundation will take place in two phases as set forth herein: the first occurring at the Sanction Hearing, and the second occurring at the hearing for the final approval by the CCAA Court of the Cy-près Foundation, so as to permit the finalization of the administrative aspects of the Cy-près Foundation.

The establishment of the Cy-près Foundation will be subject to the final approval of the CCAA Court after the Cy-près Foundation has been created and the essential requirements have been fulfilled including:

- (a) Drafting the goals, objects and purpose of the Cy-près Foundation;
- (b) Preparing the governing documents which will establish the legal entity that will constitute the Cy-près Foundation in accordance with CRA rules for registered charities;
- (c) Establishing the legal entity of the Cy-près Foundation;
- (d) Drafting the governance structure for the Cy-près Foundation, including matters relating to quorum, voting, frequency of the meetings of the Foundation Board, and other organizational and governance matters including whether and, if so, to what extent the capital can be encroached upon;
- (e) Pursuant to Article 9, Section 9.5, appointing the requisite Persons who will be responsible for the management and operation of the Cy-près Foundation which, for the sake of ease of reference, shall be referred to herein as the directors, including the Chair, of the Cy-près Foundation, who together shall constitute the Foundation Board;
- (f) Applying for and acquiring from the CRA status for the Cy-près Foundation as a registered charity;
- (g) Setting up the requisite management controls and system of books and records; and
- (h) Establishing the Imperial Cy-près Trust Account, RBH Cy-près Trust Account and JTIM Cy-près Trust Account in the Bank.

Once the Sanction Order has been granted, the Cy-près Foundation shall be compliant with all legal, technical and other requirements to enable the establishment of the Cy-près Fund and the registration and operation of the Cy-près Foundation as a charitable public foundation.

It is understood that, after the CCAA Court has rendered the Sanction Order approving the CCAA Plan, the CCAA Plan Administrators may, on an interim basis and consistent with the Terms of Reference of the Cy-près Foundation, proceed to engage in the work of establishing the Cy-près

Foundation, including attending to the completion of the essential requirements set out in subparagraphs (a) to (h) above.

The CCAA Plan Administrators will seek an Interim Maintenance Order pertaining to the operation and financial support of the putative Cy-près Foundation pending fulfillment of the above requirements and approval by the CCAA Court.

The CCAA Plan Administrators will be required to seek final approval by the CCAA Court of the Cy-près Foundation once the requisite steps to establish the Cy-près Foundation have been completed. The CCAA Plan Administrators shall supply reports to the CCAA Court affirming the foregoing.

9.5 Appointment of Board of Directors and Chair of Cy-près Foundation (in the period after the Sanction Hearing and prior to Final Approval of the Cy-près Foundation)

The Foundation Board shall be comprised of ten neutral and independent directors, including the Chair of the Cy-près Foundation. The directors shall be independent of any proposal submitted to the Cy-près Foundation. In order to provide meaningful representation of the PCCs, the PCC Representative Counsel, in consultation with the Court-Appointed Mediator and the CCAA Plan Administrators, shall nominate five directors (and fill any requisite vacancies thereof) to serve on the Foundation Board. The Chair of the Cy-près Foundation, in consultation with the Court-Appointed Mediator and the CCAA Plan Administrators, shall nominate four directors to serve on the Foundation Board. The appointment of the ten directors to the Foundation Board, including the Chair, shall be ratified by the CCAA Plan Administrators and be subject to the approval of the CCAA Court. Foundation Board members shall serve a term of two years as to be further described in the bylaws of the Cy-près Foundation.

9.6 Process for soliciting and selecting proposals for funding by the Cy-près Foundation

The Foundation Board shall establish a secretariat and direct its activities to facilitate the effective and efficient governance, administration and operation of the Cy-près Foundation which will include the solicitation, receipt, review and evaluation of the merits of proposals submitted by individuals and organizations seeking distributions from the Cy-près Fund.

The Foundation Board shall establish the criteria, reflective of the mission of the Cy-près Foundation, for applicants to qualify to receive distributions from the Cy-près Fund. The Foundation Board shall publish requests for proposals soliciting the submission of proposals from interested individuals and organizations seeking financing and support for research, programs and initiatives which fall within the scope of the mission of the Cy-près Foundation. The requests for proposals will specify that a proposal should include, among other things:

- (a) Background information regarding the organization or institution seeking funding, including its history, mission statement, research mandate, strategic plan, goals and objectives;
- (b) The curriculum vitae of the researcher or project manager as applicable to the research, program or initiative to establish that they have the appropriate qualifications and expertise to undertake the research, program or initiative;

- (c) A declaration by the applicant that there is no real or perceived conflict of interest between the applicant's interest in the research, program or initiative and the applicant's private, professional, business and/or public interests;
- (d) A statement of how the research, program or initiative is aligned with the mission of the Cy-près Foundation;
- (e) A scientific abstract or other description of the research, program or initiative, including methodology and analysis and the expected product or result of the work of the research, program or initiative, together with the expected indirect benefit of the work to the individuals falling within the scope of the Cy-près and Canadians at large;
- (f) The term (in months/years) for which funding is sought and the proposed start date and end date of the research, program or initiative;
- (g) The amount of funding requested;
- (h) The budget for the expenditure of the funding; and
- (i) Disclosure of the financial accountability policies, administrative systems, procedures and controls in place to ensure the funds distributed from the Cy-près Fund are used appropriately in accordance with the highest ethical and financial standards.

Once proposals are received by the secretariat, the Foundation Board will submit the proposals which it clears to go forward as having met the preliminary requirements to an independent organization for peer review to enable the Foundation Board to determine whether each proposal is sufficiently meritorious to be further advanced in the process for approval. Once cleared through the peer review process, the Foundation Board will ascertain which proposals it wishes to advance, the priority, timing, amounts to be allocated to each successful proposal, and duration or term of a successful proposal to completion, as well as any other pertinent questions. This will include oversight and reporting requirements as well as other conditions attached to a successful grant of funds. The Cy-près Foundation has no duty to grant, nor shall there be any expectation to receive, any financial or other support for any research, program or initiative which is sought from the Cy-près Foundation.

Once a proposal is accepted by the Foundation Board, it will be submitted together with supporting materials to the CCAA Plan Administrators for review. The Foundation Board will also provide a copy of the proposal together with supporting materials to the PCC Representative Counsel. If accepted by the CCAA Plan Administrators, the proposal will be submitted with or without a recommendation by the CCAA Plan Administrators to the CCAA Court for approval. Until such time as the final CCAA Court approval is finalized, a proposal shall not be deemed to have been approved.

The grants submitted by the Foundation Board through the CCAA Plan Administrators for approval by the CCAA Court will be conducted annually. The list of grants shall be prioritized, supported by a strategic plan, a budget and the peer reviews.

The CCAA Plan Administrators shall be empowered to retain the services of such experts as they deem necessary to advise them in regard to the foregoing and in respect of any and all endeavours in connection with the establishment and operation of the Cy-près Foundation.

9.7 Reporting by approved recipients of distributions from the Cy-près Fund

The approved recipients of distributions from the Cy-près Fund will be required to, among other things:

- (a) Periodically submit financial reports to the Cy-près Foundation regarding the receipts and expenditures on the research, program or initiative;
- (b) Periodically submit written progress reports to the Cy-près Foundation providing details of the progress on the research, program or initiative and future work plans;
- (c) Submit a written final report to the Cy-près Foundation; and
- (d) At the end of the term of the research, program or initiative, will return any unexpended funds to the Cy-près Foundation.

9.8 Reporting by Cy-près Foundation to CCAA Plan Administrators and CCAA Court

Not less frequently than annually, the Chair of the Cy-près Foundation shall prepare a written report for submission to the CCAA Plan Administrators and thereafter for filing with the CCAA Court that includes reports on the financial status of the Cy-près Foundation (including capital, interest earned, distributions made, etc.) and the activities of the Cy-près Foundation for the period covered by the report. A copy of this report shall be provided to PCC Representative Counsel.

9.9 Role of the CCAA Plan Administrators and the CCAA Court

The CCAA Court is responsible for the ultimate supervision of the Cy-près Foundation pursuant to the terms of the CCAA Plan.

The CCAA Plan Administrators are designated in the CCAA Plan to be the overseers of the Cy-près Foundation and will function as the intermediaries relative to the supervisory role of the CCAA Court. In this capacity, the CCAA Plan Administrators will gather the data and information concerning the Cy-près Foundation that will be of significance to the CCAA Court when it approves various functions of the Cy-près Foundation as it will be required to do from time to time.

The CCAA Plan Administrators will report to the CCAA Court regarding the activities of the Cy-près Foundation annually, or more frequently as they deem necessary. Accordingly, the Chair of the Foundation Board shall communicate with the CCAA Plan Administrators when the Cy-près Foundation's reports are put forward for approval by the CCAA Court. Similarly, this process will be adhered to when the Cy-près Foundation seeks the approval of the CCAA Court in advance of proceeding with matters, other than purely administrative matters, which entail financial expenditures or commitments. All reports provided by the Chair of the Foundation Board to the CCAA Plan Administrators and all reports provided by the CCAA Plan Administrators to the

CCAA Court in relation to the Cy-près Foundation shall be provided to the PCC Representative Counsel.

9.10 Term of Operation of Cy-près Foundation

The Cy-près Foundation shall not be dissolved, nor shall its work be terminated until such time as specified by the CCAA Court in the Sanction Order or such further Order of the CCAA Court.

ARTICLE 10. INFORMATION TO BE PROVIDED DURING THE CONTRIBUTION PERIOD

10.1 Annual Business Plans

Notwithstanding any terms or conditions of any Definitive Documents, RBH and any members of its Tobacco Company Group, as applicable, shall comply with all their obligations pursuant to Article 10 herein. On an annual basis during the Contribution Period, RBH shall provide to the CCAA Plan Administrator a rolling five-year operating and capital business plan approved by RBH's Canadian senior management (the "**Business Plan**") that shall be consistent with the Definitive Documents and, without limitation, shall include the following:

- (a) The same schedules and level of detail as RBH has provided to the Claimants during the pendency of the CCAA Proceedings including, for greater certainty, five-year projections for RBH's income statement, balance sheet, cash flow statement, gross margin schedule, total margin schedule, Intercompany Transaction details, taxes and government levies schedule, operating costs schedule, statement of financial position, and summary of assumptions and trends, and, until such time as RBH shall have transferred all of its assets, Indebtedness, liabilities and business relating to its current and future Alternative Products to an unrelated company, a Canadian Affiliate of its Parent, or a Canadian Subsidiary of any other company within its Tobacco Company Group pursuant to Article 4, Section 4.1 herein, the particulars of the determination of the net income attributable to the Alternative Products;
- (b) RBH's plans to make capital expenditures ("**CapEx**") that:
 - (i) Are reasonably necessary for the preservation of its assets, undertakings and properties or its business (including payments on account of insurance, maintenance and security services),
 - (ii) Are reasonably necessary to replace or supplement its assets, undertakings or properties, or
 - (iii) Are otherwise of benefit to the business; and
- (c) The framework, elements and pricing of the intercompany charges for the Intercompany Services which the Parent and relevant Affiliates of RBH shall continue to provide to RBH through Intercompany Transactions, subject to the provisions of the CCAA Plan and in accordance with the Definitive Documents.

The CCAA Plan Administrator shall review the Business Plan for RBH on an annual basis, and may suggest non-binding revisions or amendments to RBH. The CCAA Plan Administrator may advise the Provinces, Territories and any Impacted Claimants of such suggestions. The suggestions of the CCAA Plan Administrator shall be considered in good faith by RBH.

10.2 Quarterly and Annual Information

10.2.1 Annual Financial Information

On or before the 90th day following the end of each fiscal year during the Contribution Period, RBH shall provide the CCAA Plan Administrator with the following financial information:

- (a) An audited financial statement (“**Annual Financial Statement**”);
- (b) A schedule providing the particulars by Affiliate of all receipts and disbursements in respect of all of RBH’s Intercompany Transactions;
- (c) A report that identifies and discusses the differences between RBH’s financial performance forecast in its Business Plan and its actual financial performance in each fiscal year during the Contribution Period; and
- (d) All other relevant assumptions, details and schedules that support the Annual Financial Statement.

10.2.2 Information to be provided by RBH in Annual MD&A

The Business Plan which RBH shall provide annually during the Contribution Period to the CCAA Plan Administrator shall be accompanied by a management discussion and analysis (“**MD&A**”) which includes disclosure of information regarding the following matters that is of a similar level of disclosure as in the CCAA Proceedings to enable the CCAA Plan Administrator and the Claimants to understand and assess the impact on and associated risk to RBH’s performance of its obligations under the Definitive Documents:

- (a) **Transfer Pricing Arrangements** - Any plan to change any of RBH’s existing intercompany transfer pricing arrangements;
- (b) **Intercompany Transaction Changes** - Any plan to enter into a new Intercompany Transaction or amend the terms of an existing Intercompany Transaction which may only be undertaken in compliance with the requirements set out in Article 5, Section 5.14 herein;
- (c) **Intercompany Transaction Terminations** - Any plan to not renew, not extend or otherwise terminate an Intercompany Transaction;
- (d) **Change in Location** - Any plan to move RBH’s head office or other premises and/or terminate any lease of the premises housing such offices;
- (e) **Disposition of Assets** - Any plan to dispose of and/or transfer material assets exceeding \$5 million in any one transaction or \$10 million in the aggregate, including manufacturing

equipment, trademarks, intellectual property and any other intangible assets, that are material to RBH's conduct of its Ordinary Course of Business;

- (f) **Termination of Employees** - Any plan to terminate an operationally significant number of employees of RBH;
- (g) **Change in Executive Management Team** - Any planned or anticipated changes to RBH's executive management team in regard to both complement and personnel;
- (h) **CapEx** - RBH's CapEx budget, including any plans to make material capital expenditures and dispose of and/or transfer assets;
- (i) **Cash Security Arrangements** - Any planned new cash security arrangements or other treasury arrangements, or planned amendments to cash security arrangements or treasury arrangements including: the use of concentration accounts, cash sweeps, increased or new escrow, and deposit or pledged asset requirements;
- (j) **Cash Commitments** - Any planned new or amended cash commitments or deposits required that are in excess of \$10 million in the aggregate, whether occurring in any one situation, or series of related situations, or series of related transactions;
- (k) **Financing Arrangements** - Any planned new or amended financing arrangements into which RBH proposes to enter, that are in excess of \$10 million in the aggregate, whether occurring in any one situation, or series of related situations, or series of related transactions, including full particulars regarding the anticipated security and financing costs;
- (l) **Material Change in Business Operations** - Any plans to permanently or temporarily cease, downsize or shutdown any businesses or operations carried on by RBH, or make any other material changes in RBH's business or operations (other than in respect of Alternative Products);
- (m) **Taxes** – All notices of assessment or reassessment in respect of any taxation year ending during the Contribution Period. Any rulings and any other written communications issued by a Tax Authority relating to the deductibility of the Upfront Contributions, Annual Contributions or Reserved Amounts for income tax purposes, the receipt of Reserved Amounts, or the availability, deductibility, carryforward or carryback of a Tax Attribute (any of which, a “**Tax Matter**”);
- (n) **Claims and Litigation** – All notices received by RBH regarding claims or potential claims that may be brought against it, and copies of all originating processes commenced against RBH;
- (o) **Settlements** – All amounts paid to settle claims made and actions commenced against RBH and whether such payments were made in whole or in part by RBH's insurer(s); and
- (p) **Penalties and Fines** – All penalties and fines, and any interest charged thereon, levied against RBH by a Governmental Authority.

10.2.3 Information to be provided by RBH in Quarterly MD&A

Quarterly during the Contribution Period, RBH shall provide to the CCAA Plan Administrator:

- (a) Financial statements which include the same schedules and level of detail as RBH has provided to the Claimants during the pendency of the CCAA Proceedings including, for greater certainty, income statement, balance sheet, statement of profit and loss, cash flow statement, statement of Tobacco Product shipment volumes by brand, gross margin schedule, total margin schedule, Intercompany Transaction details, Taxes and government levies schedule, operating costs schedule, statement of financial position, and summary of assumptions and trends, and the particulars of the determination of the net income attributable to the Alternative Products; and
- (b) An accompanying MD&A which includes disclosure of any new information or updates relating to the matters enumerated in Article 10, Section 10.2.2(a) through Article 10, Section 10.2.2(p) herein that is sufficiently detailed to enable the CCAA Plan Administrator and the Claimants to understand and assess the impact on and associated risk to RBH's performance of its obligations under the Definitive Documents.

10.3 Other Information to be provided by RBH

During the Contribution Period, within ten days of receipt of any communication from a Tax Authority relating to a Tax Matter, RBH shall provide copies of same to the CCAA Plan Administrators. During the Contribution Period, RBH shall also provide sufficiently detailed information and supporting data to the CCAA Plan Administrator in response to *ad hoc* requests which may be made from time to time in connection with the information produced by RBH pursuant to Article 10, Sections 10.1, 10.2.1, 10.2.2, 10.2.3 and 10.8 herein. RBH shall provide the CCAA Plan Administrators with ongoing internet access to view the holdings comprising the RBH Supplemental Trust Account and the related performance thereof.

10.4 Access to RBH's Management

During the Contribution Period, RBH shall provide the CCAA Plan Administrators with reasonable access to its key management personnel to answer any reasonable questions they may have arising from or in connection with the financial records and information produced to the CCAA Plan Administrators pursuant to Article 10, Sections 10.1, 10.2.1, 10.2.2, 10.2.3, 10.3 and 10.8 herein. The key management personnel of RBH shall attend quarterly meetings and any meetings scheduled *ad hoc* with the CCAA Plan Administrators.

10.5 Procedure for Provinces and Territories to request Information from RBH

If, in connection with the interpretation, implementation, application, compliance with, enforcement of, or alleged breach or violation of any terms of any of the Definitive Documents, a Province or Territory wishes to make a request for financial records or other data and information ("**Information Request**") to RBH, the following procedure shall be followed:

- (a) An Information Request from any public servant of, or financial, legal or other advisor to, a Province or Territory shall be delivered to the PTLC Member for the requesting Province or Territory. The Information Request shall be in writing and sufficiently particularized;
- (b) The PTLC Member for the requesting Province or Territory shall submit the written Information Request to the PTLC Chair;
- (c) The PTLC Chair shall review each Information Request received and, if necessary, confer with the requesting PTLC Member to clarify the particulars of the information sought, remove any duplication with other Information Requests received from other PTLC Members, and then prepare a final written Information Request (“**Final Information Request**”). Notwithstanding the foregoing responsibility, the PTLC Chair may, in their discretion, decline to send to the CCAA Plan Administrator an Information Request which, in the reasonable view of the PTLC Chair, is unreasonable, unnecessary, overly broad or imprecise. If the PTLC Chair declines to send an Information Request to the CCAA Plan Administrator, the PTLC Chair shall advise the requesting PTLC Member in writing of the reason for such decision;
- (d) If the Information Request has not been declined, the PTLC Chair shall submit the Final Information Request to the CCAA Plan Administrator, and provide all PTLC Members and any Impacted Claimants with a copy of the Final Information Request;
- (e) The CCAA Plan Administrator shall review and then may submit the Final Information Request to RBH. Notwithstanding the foregoing responsibility, the CCAA Plan Administrator may, in its discretion, suggest revisions, add comments or decline to send to RBH a Final Information Request which, in the reasonable view of the CCAA Plan Administrator, is unreasonable, unnecessary, overly broad or imprecise. If the CCAA Plan Administrator declines to send a Final Information Request to RBH, the CCAA Plan Administrator shall advise the PTLC Chair in writing of the reason for such decision. In that event:
 - (i) The PTLC Chair may reconsider whether to revise or withdraw the Final Information Request; or
 - (ii) The PTLC Chair may require the CCAA Plan Administrator to provide RBH with a copy of the Final Information Request, in which case the written reasons for the CCAA Plan Administrator’s view that the Final Information Request is improper or irrelevant shall also be submitted to RBH.

All Final Information Requests that are submitted to RBH and any written comments or written reasons of the CCAA Plan Administrator shall be admissible in evidence in any arbitration or proceeding in the CCAA Court;

- (f) RBH shall provide to the CCAA Plan Administrator data, information and any documents responsive to the Final Information Request which the CCAA Plan Administrators shall use to prepare a written response to the Final Information Request. The CCAA Plan Administrator shall deposit the written response and any documents received from RBH in

the Virtual Data Room for RBH, and then notify the PTLC Chair and any Impacted Claimants of such deposit;

- (g) The PTLC Chair shall notify the PTLC Members that the written response and any documents responsive to the Final Information Request have been deposited into RBH's Virtual Data Room; and
- (h) The PTLC Chair, any Impacted Claimants or the CCAA Plan Administrator may request an *ad hoc* Interface Meeting to discuss RBH's response to the Final Information Request.

Under no circumstances shall a PTLC Member, other public servant of, or a financial, legal or other advisor to, any Province or Territory contact RBH or a member of RBH's Tobacco Company Group directly to make an Information Request and thereby bypass the PTLC Chair or the CCAA Plan Administrator.

10.6 Procedure for Impacted Claimants to request Information from RBH

If an Impacted Claimant wishes to make an Information Request to RBH, the following procedure shall be followed:

- (a) An Information Request from an Impacted Claimant, or its financial, legal or other advisor, shall be in writing, sufficiently particularized and not duplicate any Final Information Requests from the Provinces and Territories which have been provided to the Impacted Claimant by the PTLC Chair;
- (b) The Impacted Claimant shall submit its Information Request to the CCAA Plan Administrator with a copy to the PTLC Chair;
- (c) The PTLC Chair shall provide a copy of the Impacted Claimant's Information Request to all PTLC Members;
- (d) The CCAA Plan Administrator shall review and then may submit the Impacted Claimant's Information Request to RBH. Notwithstanding the foregoing responsibility, the CCAA Plan Administrator may, in its discretion, suggest revisions, add comments or decline to send to RBH an Information Request which, in the reasonable view of the CCAA Plan Administrator, is unreasonable, unnecessary, overly broad or imprecise. If the CCAA Plan Administrator declines to send an Information Request to RBH, the CCAA Plan Administrator shall advise the Impacted Claimant of the reason for such decision. In that event:
 - (i) The Impacted Claimant may reconsider whether to revise or withdraw its Information Request; or
 - (ii) The Impacted Claimant may require the CCAA Plan Administrator to provide RBH with a copy of its Information Request, in which case the written reasons for the CCAA Plan Administrator's view that the Information Request is unreasonable, unnecessary, overly broad or imprecise shall also be submitted to RBH.

All Information Requests of an Impacted Claimant that are submitted to RBH and any written comments or written reasons of the CCAA Plan Administrator shall be admissible in evidence in any arbitration or proceeding in the CCAA Court;

- (e) RBH shall provide to the CCAA Plan Administrator data, information and any documents responsive to the Impacted Claimant's Information Request which the CCAA Plan Administrator shall use to prepare a written response to the Information Request. The CCAA Plan Administrator shall deposit the written response and any documents received from RBH in the Virtual Data Room for RBH, and then notify the Impacted Claimant and the PTLC Chair of such deposit;
- (f) The PTLC Chair shall notify the PTLC Members that the written response and any documents responsive to the Impacted Claimant's Information Request have been deposited into RBH's Virtual Data Room; and
- (g) The Impacted Claimant, PTLC Chair or CCAA Plan Administrator may request an *ad hoc* Interface Meeting to discuss RBH's response to the Impacted Claimant's Information Request.

Under no circumstances shall an Impacted Claimant, or any of its financial, legal or other advisors, contact RBH or any member of RBH's Tobacco Company Group directly to make an Information Request and thereby bypass the CCAA Plan Administrator.

10.7 Confidentiality of Information

In addition to their obligations pursuant to the NDAs and any confidentiality order, the PTLC Members and the Impacted Claimants shall maintain the strict confidentiality of all communications made, all information shared and all agendas, reports, records and other documents exchanged during the Interface Meetings and the Deliberation Meetings and in response to Information Requests, which shall not be disclosed in or used for any proceeding or any other purposes, other than as provided for in Article 10, Sections 10.5(e) and 10.6(d).

10.8 Information and Certification to be provided by RBH regarding Annual Contributions and Reserved Amounts

During the Contribution Period, RBH shall provide to the CCAA Plan Administrator sufficiently detailed information and supporting data regarding the quantum of the Annual Contributions and Reserved Amounts to be made by RBH in respect of each calendar year, including a certification provided by RBH's chief financial officer that the quantum of the Annual Contributions and Reserved Amounts to be made by RBH in respect of each calendar year has been calculated accurately in accordance with the Metric and all other applicable terms of the Definitive Documents. Such certification shall be delivered to the CCAA Plan Administrator at the same time as the aforesaid information and supporting data and shall not give rise to any personal liability on the part of the certifying officer.

10.9 Timing of RBH's Delivery of Business Plan, Financial Statements and MD&A to CCAA Plan Administrators

By no later than the applicable dates specified in the Table below, RBH shall deliver to the CCAA Plan Administrator the Business Plans and financial records and information that it is required to produce pursuant to Article 10, Sections 10.1, 10.2.1, 10.2.2, 10.2.3, 10.3 and 10.8 herein:

Financial Documents	Dates by which RBH shall deliver Financial Documents to CCAA Plan Administrator
Q1 Financial Statements	May 15
Q2 Financial Statements	August 15
Q3 Financial Statements	November 15
Q4 Financial Statements	March 15
Annual Financial Statements	March 31
5 year Business Plan provided annually	May 15
Calculation of Metric	June 30

10.10 Virtual Data Rooms and NDAs

As provided in Article 11, Section 11.1(b) herein, during the Contribution Period, RBH shall provide to its CCAA Plan Administrator for deposit into its virtual data room ("**Virtual Data Room**") all of the financial records and information required to be produced to the CCAA Plan Administrator pursuant to Article 10, Sections 10.1, 10.2.1, 10.2.2, 10.2.3, 10.3 and 10.8 herein. RBH's Virtual Data Room shall only be accessed by the CCAA Plan Administrators, Provinces, Territories and Impacted Claimants and their advisors who have executed an NDA with RBH.

Provided that they have executed an NDA, any Claimant to whom any portion of its share of the Global Settlement Amount remains unpaid shall be entitled to access all of the financial records and information that RBH shall deposit in its Virtual Data Room pursuant to Article 10, Sections 10.1, 10.2.1, 10.2.2, 10.2.3, 10.3 and 10.8 and Article 11, Section 11.1(b) herein.

ARTICLE 11. COVENANTS AND OTHER PAYMENT ASSURANCE

11.1 Covenants

During the Contribution Period, RBH and, as applicable, members of its Tobacco Company Group shall be subject to the following covenants, subject to RBH's right to engage in its Ordinary Course Operational Activities:

- (a) RBH shall use commercially reasonable efforts to operate and carry on business in a manner consistent with its Business Plan, subject to any changes to such operations or business that are not inconsistent with the Definitive Documents, and as may be necessary or required in the Ordinary Course of Business of RBH, or in response to prevailing material market changes affecting RBH, that are not contemplated by its Business Plan;
- (b) In accordance with Article 10, Section 10.10 herein, RBH shall continue on a regular and timely basis to provide to its CCAA Plan Administrator for deposit into its Virtual Data Room all financial records and information required to be produced to the CCAA Plan Administrators pursuant to Article 10, Sections 10.1, 10.2.1, 10.2.2, 10.2.3, 10.3 and 10.8 herein, and to which the CCAA Plan Administrators, Provinces, Territories and any Impacted Claimants shall be permitted continued access during the Contribution Period provided that they have executed an NDA. The CCAA Plan Administrators may request and, upon receipt of such request, RBH shall produce to the CCAA Plan Administrators and, through the Virtual Data Rooms, to the Provinces, Territories and any Impacted Claimants all financial records and information necessary to, among other things:
 - (i) Assess the financial performance of RBH;
 - (ii) Determine whether the Annual Contributions and Reserved Amounts have been calculated and paid in compliance with the Definitive Documents;
 - (iii) Assess the rates, prices and any adjustments to such rates and prices as may be made in respect of any Intercompany Transaction by RBH's Parent and the relevant Affiliates within its Tobacco Company Group in compliance with the requirements set out in Article 5, Section 5.14 herein; and
 - (iv) Assess whether RBH is operating in accordance with the Definitive Documents.

Any Province, Territory or Impacted Claimant may request additional financial records and information from RBH by submitting a request for same to the CCAA Plan Administrators, and the CCAA Plan Administrators shall make that request to RBH. Notwithstanding the foregoing responsibility, the CCAA Plan Administrators may, in their discretion, decline to send to RBH an Information Request which, in the reasonable view of the CCAA Plan Administrators, is improper or irrelevant;

- (c) RBH shall fulfill its obligations to provide to the CCAA Plan Administrator regular quarterly, annual and, if requested by the CCAA Plan Administrator, *ad hoc* reporting of all information enumerated in Article 10, Sections 10.1, 10.2.1, 10.2.2, 10.2.3, 10.3 and 10.8 herein at the specified times including information regarding:
 - (i) Any non-compliance with any of the Definitive Documents or non-compliance with its Business Plan, including any issue, event or condition which caused or would reasonably be expected to cause a Material Adverse Effect on RBH or that constitutes a Breach or an Event of Default;
 - (ii) Confirmation of the amounts of the Annual Contributions to be made by it; and

- (iii) Confirmation of the Reserved Amounts received or realized by it;
- (d) RBH shall apply any available Tax Attribute to its earliest taxation year permitted by Applicable Law to reduce taxable income in such taxation year, provided for greater certainty, that there shall be no requirement to reduce taxable income to an amount that is less than \$100 in a taxation year;
- (e) RBH shall diligently pursue any Tax Matter raised by a Tax Authority to establish a positive outcome for RBH, keep the CCAA Plan Administrators reasonably informed of the progress of any Tax Matter with the relevant Tax Authority, and provide the CCAA Plan Administrators with reasonable opportunity to review and comment upon any submissions, objections or appeals lodged by RBH in respect of any Tax Matter, provided that following any receipt of any such submissions, objections or appeals, the CCAA Plan Administrators shall not knowingly waive any applicable privilege in respect of such submissions, objections or appeals;
- (f) The chief financial officer of RBH shall certify that the information provided to the CCAA Plan Administrator by RBH pursuant to Article 10, Sections 10.1, 10.2.1, 10.2.2, 10.2.3, 10.3 and 10.8 herein is true and correct to the best of their knowledge, information and belief, and consistent with the information and data provided by RBH to its Tobacco Company Group. Any such certification shall not give rise to any personal liability on the part of the applicable certifying officer;
- (g) RBH and its Material Subsidiaries shall conduct their businesses in good faith with a view to fulfilling their obligations pursuant to the Definitive Documents, and shall not conduct their businesses and operations, divest assets, rearrange ownership, and/or alter their corporate structures, and/or operational practices, in any manner that circumvents or is adverse to the ability of RBH to satisfy its obligations under the CCAA Plan including, the ability of RBH to pay the Upfront Contributions, Tax Refund Cash Payments and/or Annual Contributions within the Contribution Period;
- (h) Except: (i) for the transfer of all of RBH's Alternative Products Business to Newco pursuant to Article 4, Section 4.1 herein, (ii) for an Ordinary Course Divestiture made in accordance with Article 11, Section 11.4 herein, or (iii) with the consent of the Provinces and Territories and any Impacted Claimants, which consent shall not be unreasonably withheld (collectively, "**Permitted Transfers**"), in the event that RBH or its Material Subsidiary seeks to transfer any or all of its assets and business to any other entity including an unrelated company, a Canadian Affiliate of its Parent, or a Canadian Subsidiary of any other company within its Tobacco Company Group ("**Canada Newco**"), pursuant to its CCAA Plan or otherwise (except, for greater certainty, its assets, Indebtedness, liabilities and business relating to its Alternative Products), then upon the effective date of any such transfer, the balance then remaining owing by RBH in respect of its share of the Annual Contributions and Reserved Amounts shall accelerate and become due and payable in full upon such effective date without any further action being required to be taken by the Claimants. In the event that an Impacted Claimant seeks to invoke the acceleration clause and any other Impacted Claimant or any Tobacco Company, including the defaulting Tobacco Company, take exception to such action, then the Impacted Claimant seeking to

invoke the acceleration clause or the Tobacco Company may bring the issue before the CCAA Court for determination;

- (i) Neither RBH nor any of its Material Subsidiaries shall create, incur, assume or suffer to exist or otherwise become liable for any Indebtedness, otherwise than in the Ordinary Course of Business;
- (j) Neither RBH nor any of its Material Subsidiaries shall create, incur, assume, suffer to exist or otherwise become bound by or subject to any Encumbrance upon any of its properties and assets other than a Permitted Encumbrance;
- (k) RBH shall not, and shall not permit any of its Material Subsidiaries to, merge into or amalgamate or consolidate or reorganize with any other Person, or permit any other Person to merge into or amalgamate or consolidate with it, or wind up, liquidate or dissolve;
- (l) RBH shall not, and shall not permit any of its Material Subsidiaries to, change its name, type of organization, jurisdiction of organization or incorporation, chief executive office or registered office;
- (m) RBH shall not, and shall not permit any of its Material Subsidiaries to, Dispose of (including pursuant to a dissolution) any of their respective property or assets, except for Permitted Transfers and Dispositions consisting of:
 - (i) Inventory sold in the Ordinary Course of Business upon customary credit terms;
 - (ii) Sales of worn-out, scrap or obsolete material or equipment which are not material in the aggregate; and
 - (iii) Licenses granted to third parties in the Ordinary Course of Business;
- (n) RBH shall not, and shall not permit any of its Material Subsidiaries to, assign any of its income to any other Person, and RBH's Parent and any member of its Tobacco Company Group shall not cause RBH to assign any of its income to any other Person; and
- (o) RBH shall not withdraw funds or otherwise transfer or instruct the withdrawal or transfer of funds from the RBH Supplemental Trust except in accordance with the terms hereof.

11.2 Ordinary Course Operational Activities

Decisions made by RBH's directors, officers and management, as applicable, pertaining to operational matters, including the matters enumerated in subparagraphs (a) through (n) herein ("**Ordinary Course Operational Activities**"), shall be considered to be within the reasonable exercise of RBH's directors' and officers' business judgment, provided that such decisions are made in the Ordinary Course of Business, are consistent with RBH's covenants and the terms of the CCAA Plan, and are in compliance with all Applicable Laws:

- (a) Product mix, pricing, volume and distribution of Tobacco Products;

- (b) Brands of Tobacco Products, provided that RBH does not directly or indirectly:
 - (i) Transfer a Tobacco Product brand with a profitable gross margin out of Canada to another company within its Tobacco Company Group, or
 - (ii) Exit a Tobacco Product brand with a profitable gross margin such that RBH is arbitrarily affected in a negative manner, as compared to other members of its Tobacco Company Group;
- (c) Customer rebates and trade allowances in regard to the sale of Tobacco Products;
- (d) Tobacco Products sales and promotional activities;
- (e) Sustaining capital expenditures to maintain RBH's cash flows, operating capacity and earning capacity and maintain and preserve its assets in good working order. For greater certainty, activities undertaken and decisions made pertaining to investment CapEx are not Ordinary Course Operational Activities and are subject to the terms of Article 11, Section 11.3 herein;
- (f) Payment of expenses reasonably necessary for the preservation of RBH's assets and business including payments on account of insurance (including directors and officers insurance), maintenance and security services;
- (g) Administration of RBH's payroll including the payment of wages, salaries, commissions, compensation, vacation pay, bonuses, incentive and share compensation plan payments, reimbursement expenses (including amounts charged to corporate credit cards) and severance pay;
- (h) Administration of RBH's benefit programs including expenses related to the employee and retiree medical insurance, dental insurance, disability insurance, life insurance and similar benefit plans or arrangements, and employee assistance programs;
- (i) Administration of RBH's pension and retirement programs;
- (j) Remittance of statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province or Territory or any other taxation authority which RBH is required to deduct from employees' wages, including amounts in respect of employment insurance, Canada Pension Plan, Quebec Pension Plan and income taxes;
- (k) Payment, withholding, or remittance of all Taxes required to be paid, withheld, or remitted by RBH to a Governmental Authority under Applicable Law;
- (l) Posting of bonding collateral to satisfy regulatory or administrative requirements imposed on RBH to provide security in relation to the collection and remittance of federal excise taxes and customs and import duties and federal, provincial and territorial tobacco taxes; and

- (m) Cash management, cash investment and treasury transactions including, payment of accounts payable, collection of accounts receivable, management of cash and liquidity, purchase of short term investment vehicles, issuing of letters of credit, funding of payroll, and management of foreign exchange positions.

11.3 CapEx Thresholds

During the Contribution Period, RBH may make capital expenditures, in addition to those reasonably necessary for the preservation of its assets, undertakings and properties or its business (including payments on account of insurance, maintenance and security services), to replace or supplement its assets, undertakings or properties, or that are otherwise of benefit to the business, provided that any single such expenditure is less than \$1 million, or the aggregate of such expenditures in a calendar year is less than \$10 million (“**CapEx Thresholds**”). The CapEx Thresholds shall be adjusted for inflation as appropriate. In the event that RBH wishes to exceed the CapEx Thresholds for a valid business reason, it shall make a request in writing to the CCAA Plan Administrator in that regard and the CCAA Plan Administrator shall determine whether any increase is permitted.

11.4 Ordinary Course Divestitures Thresholds

During the Contribution Period, RBH may permanently or temporarily cease, downsize or shut down any of its business or operations that is redundant and non-material, or dispose of redundant or non-material assets (collectively, “**Ordinary Course Divestitures**”) not exceeding \$5 million in any one transaction or \$10 million in any calendar year in the aggregate (“**Ordinary Course Divestitures Thresholds**”). The Ordinary Course Divestitures Thresholds may be adjusted for inflation as appropriate. In the event that RBH wishes to exceed the Ordinary Course Divestitures Thresholds for a valid business reason, it shall make a request in writing to the CCAA Plan Administrator in that regard and the CCAA Plan Administrator shall determine whether any increase is permitted.

ARTICLE 12. EVENTS OF DEFAULT, BREACHES AND REMEDIES

12.1 Aggrieved Parties in Dispute Resolution

For the purpose of the dispute resolution processes set forth in Articles 12 and 13 of the CCAA Plan, the following Persons only may be “**Aggrieved Parties**”:

- (a) the Provinces and Territories collectively, the collective interests of which will be advanced in the dispute resolution processes in a coordinated manner through the PTLC. Notwithstanding the foregoing, each Province and Territory retains its right to pursue a claim individually should it decide to do so and, if any Province or Territory elects to do so, it shall be designated as an Aggrieved Party hereunder. However, such right shall not extend to any assignee of an Affected Claim of a Province or Territory;
- (b) the Pan-Canadian Claimants whose collective interests will be represented in the dispute resolution processes by the PCC Representative Counsel;

- (c) the QCAPs whose collective interests will be represented in the dispute resolution processes by the Quebec Class Counsel;
- (d) any other Impacted Claimant who has not yet been paid their full share of the Global Settlement Amount; and/or
- (e) the Cy-près Foundation solely for the purpose of enforcing any non-payment of any portion of the Cy-près Fund.

Upon the occurrence of an event that may constitute an Event of Default or a Breach, any Aggrieved Party may exercise their rights and pursue any remedies available pursuant to the terms of the CCAA Plan, any other Definitive Documents and Applicable Law. For greater certainty, no Aggrieved Party shall have any rights to enforce the Contribution Security in the event of the occurrence and continuance of a Breach. In so doing, such Aggrieved Party shall consult with and communicate relevant information to all other Impacted Claimants regarding the steps to be taken, remedies sought, outcome and other significant matters relating to the resolution or determination of the Event of Default or Breach.

12.2 Events of Default

The occurrence during the Contribution Period of any of the following events (“**Events of Default**”) shall constitute an Event of Default subject, where applicable, to the Monetary Cure Period, Non-Monetary Cure Period or Extended Cure Period:

- (a) RBH fails to pay or cause its Upfront Contribution or any portion thereof to be paid when due in accordance with the terms of the Definitive Documents;
- (b) RBH fails to pay or cause any Annual Contribution or any portion thereof to be paid when due in accordance with the terms of the Definitive Documents;
- (c) RBH fails to pay or cause a Reserved Amount or any portion thereof to be paid when due in accordance with the terms of the Definitive Documents;
- (d) RBH fails to provide any annual Business Plan and MD&A at all to the CCAA Plan Administrator in accordance with Article 10, Section 10.1 and Article 10, Section 10.2.2 herein;
- (e) RBH fails to provide any quarterly financial statements and MD&A at all to the CCAA Plan Administrator in accordance with Article 10, Section 10.2.3 herein;
- (f) RBH fails to provide any Annual Financial Statements at all to the CCAA Plan Administrator in accordance with Article 10, Section 10.2.1 herein;
- (g) RBH fails to provide any information to the CCAA Plan Administrator at all regarding the calculation of the Annual Contributions and Reserved Amounts to be made by RBH in respect of each calendar year in accordance with Article 10, Section 10.8 herein;

- (h) RBH fails to respond to an *ad hoc* request from the CCAA Plan Administrator for information in connection with any of RBH's Business Plan, annual MD&A, quarterly MD&A and Annual Financial Statements in accordance with Article 10, Section 10.3 herein;
- (i) RBH's key management personnel fail to attend a quarterly meeting or any meeting scheduled *ad hoc* with the CCAA Plan Administrators in accordance with Article 10, Section 10.4 herein;
- (j) RBH fails to provide the Contribution Security in accordance with Article 5, Section 5.13;
- (k) Any material provision in the CCAA Plan or in the Contribution Security Agreement or other Definitive Documents for any reason ceases to be valid, binding and enforceable against RBH in accordance with its terms, or RBH so asserts in writing;
- (l) Any representation or warranty made by RBH in the CCAA Plan or in any other Definitive Document or in any report, certificate, financial statement or other instrument, agreement or document furnished pursuant hereto or thereto is false, incorrect, incomplete or misleading in any material respect as of the date that the representation or warranty was made or deemed to be made;
- (m) RBH or its Material Subsidiary transfers any or all of its assets and business to any other entity including an unrelated company, a Canadian Affiliate of its Parent, or a Canada Newco, pursuant to its CCAA Plan or otherwise (except, for greater certainty, Permitted Transfers), or sells or otherwise disposes of its respective assets, including the disposition of manufacturing equipment and the transfer of trademarks, intellectual property and any other intangible assets, that are material to the conduct of the Ordinary Course of Business of RBH or its Material Subsidiary, other than Permitted Transfers;
- (n) RBH or its Material Subsidiary ceases or threatens to cease to carry on its business or admits its inability to pay its Indebtedness generally, or is insolvent or admits that it is insolvent;
- (o) Expressly excepting RBH's CCAA Proceeding, a Bankruptcy Action exists in respect of RBH or its Material Subsidiary;
- (p) Any arrangement not permitted by the Definitive Documents is proposed involving a reclassification, reorganization, change or conversion of RBH's shares or its consolidation with or into another entity;
- (q) A judgment, writ of execution, garnishment, sequestration, distress, attachment or similar process is issued or levied for the payment of money in a sum which exceeds \$1 million against RBH or its Material Subsidiary, and the same is not released, bonded, satisfied, discharged, vacated, accepted for payment by an insurer or otherwise stayed within 30 days from the date of notice of entry thereof;

- (r) Any remedial order that causes or would reasonably be expected to cause a Material Adverse Effect is issued by any Governmental Authority in respect of RBH or its Material Subsidiary pursuant to any environmental law;
- (s) RBH or its Material Subsidiary violates any legal requirement which results in the issuance of an order or the cancellation of any license or certificate or approval by a Governmental Authority that causes or would reasonably be expected to cause a Material Adverse Effect;
- (t) RBH conducts its business and operations, divests assets, rearranges ownership, alters its corporate structure and/or operational practices either directly or indirectly, in any manner that circumvents or is adverse to the intention underlying the CCAA Plan, including the ability of RBH to pay the Global Settlement Amount in full;
- (u) Any Encumbrance for the benefit of one or more of the Claimants created upon any properties or assets of RBH or its Material Subsidiary, or intended so to be, pursuant to any Definitive Document ceases to be a valid and perfected Encumbrance, having the priority contemplated in the Definitive Documents;
- (v) RBH or its Material Subsidiary creates, incurs, assumes, suffers to exist or otherwise becomes bound by or subject to any Encumbrance upon any of its properties and assets other than a Permitted Encumbrance;
- (w) An encumbrancer pursuant to an Encumbrance takes possession of, or forecloses or retains, or sells or otherwise disposes of, or otherwise proceeds to enforce an Encumbrance over any of the property or assets of RBH or its Material Subsidiary;
- (x) RBH or its Material Subsidiary fails to comply with an order, decision or award made by the Arbitrator or the CCAA Court;
- (y) The Parent fails to comply with its obligations pursuant to Article 5, Section 5.14, or an Order of the CCAA Court issued pursuant to Article 5, Section 5.14; or
- (z) RBH withdraws or otherwise transfers or instructs the withdrawal or transfer of funds from the RBH Supplemental Trust except in accordance with the terms hereof.

12.3 Cure of Events of Default

Upon the occurrence of an Event of Default, an Aggrieved Party may deliver written notice to RBH of such default (“**Notice of Default**”) and:

- (a) If the Event of Default is one referred to in Article 12, Sections 12.2(j), 12.2(k) and 12.2(m) to 12.2(o) herein, no cure period (defined in subsections (b) or (c) as applicable below) shall apply;
- (b) If the Event of Default is one referred to in Article 12, Sections 12.2(a), 12.2(b) and 12.2(c) herein, and is capable of being remedied, RBH shall have 10 days following receipt of the Notice of Default to remedy such default (“**Monetary Cure Period**”);

- (c) If the Event of Default is one referred to in Articles 12, Sections 12.2(d) to 12.2(i), 12.2(l) and 12.2(p) to 12.2(x) herein and is capable of being remedied, RBH shall have 15 days following receipt of the Notice of Default to remedy such default (“**Non-Monetary Cure Period**”) or, if the nature of such Event of Default is such that it is capable of being remedied, but is not capable of being remedied within the Non-Monetary Cure Period, then the Non-Monetary Cure Period shall be extended for a period not to exceed 45 days from the date that RBH receives the Notice of Default (the “**Extended Cure Period**”) as may be required to permit RBH to remedy the Event of Default, provided that RBH makes best efforts to remedy the Event of Default during the Extended Cure Period; or
- (d) If the Event of Default is the one referred to in Article 12, Section 12.2(y) herein and is capable of being remedied, the Parent shall have the Non-Monetary Cure Period to remedy such default or, if the nature of such Event of Default is such that it is capable of being remedied, but is not capable of being remedied within the Non-Monetary Cure Period, then the Non-Monetary Cure Period shall be extended for a period not to exceed the Extended Cure Period as may be required to permit the Parent to remedy the Event of Default, provided that the Parent makes best efforts to remedy the Event of Default during the Extended Cure Period.

The discontinuance or correction of an Event of Default shall constitute a cure thereof.

12.4 Breach of CCAA Plan

The occurrence during the Contribution Period of any of the following events constitutes a breach (“**Breach**”) of RBH’s obligations pursuant to the CCAA Plan and other Definitive Documents:

- (a) On the part of RBH:
 - (i) The provision of an annual Business Plan and MD&A to the CCAA Plan Administrators the contents of which are deficient as they do not fulfill the requirements of Article 10, Section 10.1 and Article 10, Section 10.2.2 herein;
 - (ii) The provision of quarterly financial statements and MD&A to the CCAA Plan Administrators the contents of which are deficient as they do not fulfill the requirements of Article 10, Section 10.2.3 herein;
 - (iii) The provision of Annual Financial Statements to the CCAA Plan Administrators the contents of which are deficient as they do not fulfill the requirements of Article 10, Section 10.2.1 herein;
 - (iv) The provision to the CCAA Plan Administrators of information regarding the quantum of the Contributions and Reserved Amounts to be made by RBH in respect of each calendar year, the contents of which are deficient as they do not fulfill the requirements of Article 10, Section 10.8 herein;
 - (v) The provision of an unsatisfactory, incomplete or deficient response to an *ad hoc* request from the CCAA Plan Administrators for information in connection with any

of RBH's Business Plan, annual MD&A, quarterly MD&A and Annual Financial Statements in accordance with Article 10, Section 10.3 herein;

- (vi) The making of a capital expenditure that exceeds the applicable CapEx Threshold contrary to Article 11, Section 11.3 herein;
 - (vii) The making of an Ordinary Course Divestiture that exceeds the applicable Ordinary Course Divestitures Threshold contrary to Article 11, Section 11.4 herein;
 - (viii) The application of the Metric to calculate the Annual Contributions in a manner which is contrary to the applicable provisions of the Definitive Documents;
 - (ix) The calculation of the Reserved Amounts in a manner which is contrary to the applicable provisions of the Definitive Documents; and
 - (x) The withdrawal or other transfer or instruction to the Bare Trustee to transfer or withdraw funds from the RBH Supplemental Trust or RBH Supplemental Trust Account except in accordance with the terms hereof; and
- (b) Any failure on the part of RBH and/or its Material Subsidiary to perform its obligations in any material respect under any of the Definitive Documents that is not expressly enumerated in Article 12, Sections 12.2 or 12.4 of the CCAA Plan will constitute a Breach that shall be resolved in accordance with the Dispute Resolution Procedure set out in Section 13.1.

12.5 Recourse against Parent

Notwithstanding anything to the contrary in this CCAA Plan or any other Definitive Document, recourse against any Parent and its Affiliates other than RBH and its Subsidiaries under or in respect of this CCAA Plan and the other Definitive Documents shall be limited solely to circumstances involving a default by such Person of its obligations under Section 5.14, as determined by the CCAA Court.

12.6 Waiver of Events of Default and Breaches

Any Event of Default or Breach, other than a failure to make a Contribution, may be waived in writing by the CCAA Plan Administrators, with the consent of the Provinces and Territories and any Impacted Claimants, subject to the approval of the CCAA Court.

ARTICLE 13. DISPUTE RESOLUTION PROCEDURE

13.1 Procedure for Dispute Resolution

Any question, issue, difference of opinion, disagreement, claim, complaint or dispute arising from or out of, or in any way in connection with the interpretation, implementation, application, compliance with, enforcement of, or alleged breach or violation of any terms of any of the Definitive Documents ("**Dispute**") shall be addressed and determined in accordance with Articles 12 and 13 herein which set out the procedure for the resolution of all Disputes ("**Dispute**")

Resolution Procedure”). Only the Aggrieved Parties, RBH, its Tobacco Company Group and the CCAA Plan Administrators, as applicable, shall be entitled to participate in any arbitration or CCAA Court proceeding conducted in accordance with the Dispute Resolution Procedure.

13.2 Investigation of Events causing a Material Adverse Effect

Without limiting the rights of the Provinces, Territories and any other Impacted Claimants as Aggrieved Parties, if the CCAA Plan Administrators are made aware of an issue, event or condition regarding RBH which caused or would reasonably be expected to cause a Material Adverse Effect, or may constitute a Breach or Event of Default, they will convene an *ad hoc* meeting with the PTLC Chair and any other Impacted Claimants to provide a preliminary report regarding the issue.

If further information is required, the PTLC and any other Impacted Claimants may consult and prepare a written request for particulars (“**Request for Particulars**”) which includes a statement of the Breach or Event of Default which RBH is alleged to have committed. The PTLC Chair will provide the Request for Particulars to the CCAA Plan Administrators who shall send the Request for Particulars to RBH. Notwithstanding the foregoing responsibility, the CCAA Plan Administrators may, in their discretion, decline to send to RBH a Request for Particulars or other information request received from the PTLC Chair which, in the reasonable view of the CCAA Plan Administrators, is improper or irrelevant.

Within ten days of receipt of a Request for Particulars, RBH shall be required to provide a written response to the Request for Particulars and advise why the circumstances at issue do not constitute a Breach or an Event of Default. The deadline specified for RBH’s response may be extended on a case by case basis by the CCAA Plan Administrators, in consultation with the PTLC Chair, and will take into account the nature and complexity of the issue under review in order to set a reasonable and realistic time frame for the response.

The CCAA Plan Administrators will provide to the PTLC Chair RBH’s written response to the Request for Particulars and their explanation regarding the alleged Breach or Event of Default. The PTLC Chair shall provide RBH’s written response to the PTLC and any other Impacted Claimants.

The PTLC and any other Impacted Claimants will then consult and decide whether their position is that the issue:

- (a) Falls within RBH’s Ordinary Course Operational Activities such that it is not a Breach or an Event of Default;
- (b) Is a Breach; or
- (c) Is an Event of Default.

13.3 Resolution of Breaches by Parties

If an Aggrieved Party is of the view that RBH has committed a Breach and it wishes to resolve such Breach, the Aggrieved Party shall deliver a written notice (“**Notice of Breach**”) to RBH

providing particulars regarding the Breach to the extent they are known to the Aggrieved Party, including specifying all Sections of the Definitive Documents that are relevant to the Breach.

After receiving a Notice of Breach RBH may, within 10 days of such receipt, deliver to the Aggrieved Party a written request for further written particulars regarding the Breach. The Aggrieved Party shall have 10 days to respond to such request in writing. The deadline specified for RBH's response may be extended on a case by case basis by the CCAA Plan Administrator, in consultation with the Aggrieved Party, and will take into account the nature and complexity of the issue under review in order to set a reasonable and realistic time frame for the response.

Within 10 days after the later of the receipt of the Notice of Breach or the receipt of further particulars if any are known to the Aggrieved Party, RBH shall deliver to the Aggrieved Party a written response to the Notice of Breach ("**Response**") which provides the full particulars of RBH's position, including whether RBH disputes the position of the Aggrieved Party in whole or in part, and the grounds for the disagreement with or denial of the position of the Aggrieved Party.

The Aggrieved Party and RBH shall have a period of time not exceeding 30 days following the delivery of the Response to consider and, if they believe appropriate to do so, discuss or address the Breach. If the matter is addressed to the reasonable satisfaction of the Aggrieved Party and RBH within such 30 day period, then the issue in dispute shall be deemed to be resolved and shall not be the basis for further remedies pursuant to the Definitive Documents.

13.4 Resolution of Breaches by Arbitrator

13.4.1 Notice of Arbitration

If the Aggrieved Party and RBH fail to resolve a Breach within 30 days following RBH's delivery of the Response, and the Aggrieved Party has decided to seek a resolution of the Breach by way of arbitration pursuant to Article 13, Section 13.2(b), they shall deliver a notice of arbitration to RBH within a further thirty day period. Such notice of arbitration shall include the following information:

- (a) The specific terms of the Definitive Documents that are relevant to the Breach and the relief sought;
- (b) A concise summary of the material facts relevant to the issues raised in the Breach that are relied upon by the Aggrieved Party; and
- (c) A statement of the material facts that RBH accepts as correct, and a concise summary of the additional material facts upon which RBH relies.

Notwithstanding the foregoing, on the CCAA Court's own motion or upon application by any of the Aggrieved Party, RBH, its Tobacco Company Group or the CCAA Plan Administrator as applicable, in exceptional circumstances the CCAA Court may, in its discretion, decide that it shall hear and determine a Breach in lieu of the Arbitrator doing so.

All Breaches referred to the Arbitrator shall be arbitrated in accordance with the provisions of the *Arbitration Act, 1991*, S.O. 1991, c. 17, except to the extent that those statutory provisions are expressly varied by the terms hereof or the terms of the other Definitive Documents.

13.4.2 Appointment of an Arbitrator

The Aggrieved Party and RBH shall agree upon an Arbitrator to appoint who:

- (a) Is independent of the Parties and the CCAA Plan Administrators;
- (b) Is not and has never been in the employ of or under contract with any Party or any CCAA Plan Administrator at any time; and
- (c) Is qualified by education, experience and training to determine the subject matter of the Breach.

If the Aggrieved Party and RBH are unable to reach an agreement regarding the choice of Arbitrator, the CCAA Court shall appoint the Arbitrator from a list of five prospective Arbitrators provided by the Aggrieved Party and RBH. The five prospective Arbitrators shall fulfill the criteria set forth in subsections (a) to (c) immediately above and shall have not been rejected by the Aggrieved Party or RBH. If the Aggrieved Party and RBH are unable to agree upon the list of five prospective Arbitrators, then the CCAA Court may appoint an Arbitrator in its discretion.

The Arbitrator shall be empowered and shall have the discretion to conduct a mediation of the Breach and, in doing so, shall not be disqualified from conducting an arbitration hearing to resolve the Breach if the mediation is unsuccessful.

The Aggrieved Party shall advise the Arbitrator of the position of the CCAA Plan Administrator and provide to the Arbitrator any report prepared by the CCAA Plan Administrator in regard to the issue to be arbitrated.

13.5 Jurisdiction of Arbitrator

The Arbitrator has exclusive jurisdiction to determine:

- (a) All Disputes pertaining to a Breach unless, pursuant to Article 13, Section 13.4.1, the CCAA Court, in its discretion, decides that exceptional circumstances exist which warrant the CCAA Court hearing and determining a Breach in lieu of the Arbitrator doing so;
- (b) All questions pertaining to the interpretation of the terms of the Definitive Documents; and
- (c) All questions of fact, law and mixed fact and law that arise in any Dispute referred to the Arbitrator for determination pursuant to Article 13, Section 13.4 herein.

In deciding a Dispute, the Arbitrator shall apply the laws of the Province of Ontario and the Applicable Laws of Canada.

The Arbitrator may receive evidence, rely upon it and determine what, if any, weight to give to the evidence, whether or not such evidence is admissible in a court of law.

All decisions of the Arbitrator shall be final and conclusive for all purposes, and shall bind the parties to the arbitration.

No appeal shall lie to the CCAA Court or any other Court in Canada from a decision of the Arbitrator on questions of fact, law or mixed fact and law.

13.6 Arbitration Remedies

The Arbitrator shall decide a Dispute regarding a Breach in accordance with Applicable Law, including equity, and may order specific performance, injunctions and other equitable remedies.

If the Arbitrator makes a finding against RBH in regard to (i) the application of the Metric to calculate the Annual Contributions [Article 12, Section 12.4(viii)], or (ii) the calculation of the Reserved Amounts [Article 12, Section 12.4(ix)], the Arbitrator may:

- (a) Fix the amount of the Annual Contributions or Reserved Amounts, as applicable, that the Arbitrator shall order RBH to pay;
- (b) Remit the matter back to RBH with the direction that it recalculate the Annual Contributions or Reserved Amounts in accordance with the Arbitrator's findings, and make a finding as to the amount of the adjustment RBH owes to the Aggrieved Parties. The Arbitrator shall retain jurisdiction over the matter pending its final disposition; or
- (c) Make any other order which the Arbitrator determines is appropriate.

The Arbitrator has the jurisdiction to make an order as to interest or any additional sum in respect of any amount found to be due and owing by RBH. If RBH withholds payment of all or a portion of the Annual Contributions, or Reserved Amounts, then:

- (a) Interest shall accrue on the sum that is ultimately found to be owing to the Aggrieved Parties at the rate of interest payable pursuant to sections 127 and 129 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43 as amended, such interest to accrue daily until the arbitral award, inclusive of such interest, has been paid in full; and
- (b) Any interest paid by RBH shall not be applied to reduce the balance of the Global Settlement Amount owing.

13.7 Enforcement of Arbitrator's Awards

A Party who is entitled to enforcement of an award made by the Arbitrator may make an application to the CCAA Court on notice to the Party or Person against whom enforcement is sought. The CCAA Court shall give a judgment enforcing the Arbitrator's award and shall have the same powers with respect to the enforcement of the Arbitrator's award as with respect to the enforcement of its own judgments.

13.8 Costs of Arbitration

The Arbitrator may award full indemnity costs of an arbitration which include the parties' legal expenses, the fees and expenses of the Arbitrator and any other expenses related to the arbitration.

13.9 Jurisdiction of CCAA Court

After the Effective Time, the CCAA Court shall retain jurisdiction over the CCAA Proceedings, be seized of the implementation of RBH's CCAA Plan and have exclusive supervisory jurisdiction over the administration of the CCAA Plan, except for the joint supervision of the Quebec Administration Plan by the CCAA Court and the Quebec Superior Court as described in Article 7, Section 7.2, until such time as the CCAA Plans have been fully implemented, including payment of the Global Settlement Amount in full.

The CCAA Court shall, in its discretion, give such directions and make such orders as are necessary to facilitate the Parties completing the implementation of the CCAA Plan, including determining any Disputes that may arise between the Tobacco Companies, any or all members of the Tobacco Company Groups, the Claimants and/or the CCAA Plan Administrators arising out of or relating to the CCAA Plan in accordance with the Dispute Resolution Procedure.

Without exception, the CCAA Court shall have the exclusive jurisdiction to determine:

- (a) Whether a matter falls within the scope of Article 13, Section 13.1 herein such that it shall be determined through the Dispute Resolution Procedure;
- (b) Whether, on the CCAA Court's own motion or upon application by an Aggrieved Party, RBH, a member of its Tobacco Company Group or the CCAA Plan Administrators as applicable, the CCAA Court may, in its discretion, decide to hear and determine a Breach in lieu of the Arbitrator doing so in accordance with Article 13, Section 13.4 herein; and
- (c) All proceedings regarding Events of Default in accordance with Article 13, Section 13.11 herein.

13.10 Appeals from Orders or Decisions of CCAA Court

RBH, any applicable members of its Tobacco Company Group, the CCAA Plan Administrator or any Aggrieved Party who is a party to a proceeding that is determined by the CCAA Court in accordance with the Dispute Resolution Procedure may appeal from the order or decision of the CCAA Court in accordance with Sections 13, 14 and 15 of the CCAA.

13.11 Resolution of Events of Default by CCAA Court

Upon the occurrence of any Event of Default, an Aggrieved Party shall be immediately entitled to exercise all rights and remedies available pursuant to the CCAA Plan and any other Definitive Documents and the laws of Ontario and the laws of Canada, including applying to the CCAA Court for such relief as the CCAA Court finds appropriate.

In addition, upon the occurrence of any of the Events of Default enumerated in Article 12, Sections 12.2(d) to 12.2(i) herein, the CCAA Plan Administrator shall also be entitled to apply to the CCAA Court for such relief as the CCAA Court finds appropriate.

The CCAA Court shall have the exclusive jurisdiction to determine all proceedings regarding Events of Default. The CCAA Court shall have exclusive jurisdiction to determine all matters related to the enforcement of the terms of the Contribution Security Agreement and the exercise of any rights, remedies and powers that the Collateral Agent may have under the Contribution Security Agreement, at law, in equity or under the PPSA.

During the pendency of any proceeding in the CCAA Court relating to the occurrence of an Event of Default, RBH shall continue to comply with its obligations pursuant to the Definitive Documents, including the obligation to pay the Annual Contributions and Reserved Amounts for deposit, respectively, into the RBH Global Settlement Trust Account and RBH Supplemental Trust Account.

Upon the occurrence of:

- (a) An Event of Default referred to in Article 12, Section 12.3(a) herein, or
- (b) An Event of Default referred to in Article 12, Section 12.3(b) or Section 12.3(c) herein, where either RBH fails to cure such Event of Default within the Monetary Cure Period, Non-Monetary Cure Period or Extended Cure Period, as applicable, or such Event of Default is incapable of being cured,

the terms of Article 5, Section 5.11 shall govern, and RBH shall fulfill its obligations thereunder. If RBH fails to deposit into the RBH Global Settlement Trust Account or the RBH Supplemental Trust Account, as applicable, any amount at all on account of its respective share of any of the Upfront Contribution, any Annual Contribution or any Reserved Amounts, then the balance remaining to be paid of RBH's share of the Global Settlement Amount shall accelerate and be deemed to be due and payable in full without any further action being required to be taken by any Aggrieved Party, and any and all amounts owing by RBH under or in respect of the CCAA Plan or Definitive Documents shall bear interest at the rate of interest payable pursuant to sections 127 and 129 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43 as amended. In the event that an Impacted Claimant seeks to invoke the acceleration clause and any other Impacted Claimant or any Tobacco Company, including the defaulting Tobacco Company, take exception to such action, then the Impacted Claimant seeking to invoke the acceleration clause or the Tobacco Company may bring the issue before the CCAA Court for determination.

ARTICLE 14. CCAA PLAN ADMINISTRATORS

14.1 Appointment of CCAA Plan Administrators

Pursuant to the CCAA Plan Administrator Appointment Orders granted in the CCAA Proceedings, the CCAA Court approved the appointment of an Administrator for the CCAA Plan of each Tobacco Company (collectively, the “**CCAA Plan Administrators**”) which shall administer the implementation of the Tobacco Company's CCAA Plan. The CCAA Plan Administrator

Appointment Orders specify that the effective date of the CCAA Plan Administrators' appointment is March 6, 2025.

Pursuant to the CCAA Plan Administrator' Appointment Orders, the following firms were appointed to serve as the CCAA Plan Administrators until such time as such firms may be replaced with the further approval of the CCAA Court:

- (a) For Imperial, FTI Consulting Canada Inc;
- (b) For RBH, Ernst & Young Inc.; and
- (c) For JTIM, Deloitte Restructuring Inc.

14.2 Role of CCAA Plan Administrators

The CCAA Plan Administrators shall 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. From time to time, in their discretion, the CCAA Plan Administrators may seek directions from the CCAA Court regarding any matters relevant to the implementation or administration of the Tobacco Companies' CCAA Plans.

For greater certainty, in no circumstances shall the CCAA Plan Administrators:

- (a) Be or be deemed to be the representatives of the Claimants, Tobacco Companies and/or Tobacco Company Groups for the purposes of the implementation and administration of the CCAA Plan (including, without limitation, in respect of any notice, consent or agreement contemplated herein), or for any other purpose;
- (b) Have the authority to bind any of the Claimants in respect of any matters relating to the CCAA Plan, or any other matter; or
- (c) 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.

The global settlement of all Tobacco Claims in Canada involves the concurrent resolution of the CCAA Proceedings of Imperial, RBH and JTIM in accordance with the terms of the CCAA Plans. As is set forth with more particularity in the CCAA Plan Administrator Appointment Order in each CCAA Proceeding, as appropriate and as necessitated by the circumstances of the matters being addressed, the CCAA Plan Administrators shall consult with each other and act jointly and in concert in fulfilling their duties and responsibilities enumerated in Article 14, Section 14.4 herein. Accordingly, in certain instances in the CCAA Plan, the joint fulfillment of the CCAA Plan Administrators' duties and responsibilities is referenced. The CCAA Plan Administrators shall have access to all documents and information provided by each Tobacco Company during the Contribution Period, including the financial and other information produced by each Tobacco Company pursuant to Article 10 of the CCAA Plan.

14.3 Trustees of the RBH Global Settlement Trust Account, RBH PCC Trust Account, RBH QCAP Trust Account, RBH Cy-près Trust Account, RBH Miscellaneous Claims Fund, RBH CCAA Plan Administration Reserve Account and RBH PCC Compensation Plan Reserve Account, and Bare Trustees of the RBH Supplemental Trust Agreement Funds

The Trustees shall hold and administer the RBH Global Settlement Trust and establish and maintain the RBH Global Settlement Trust Account, RBH PCC Trust Account, RBH QCAP Trust Account, RBH Cy-près Trust Account, RBH Miscellaneous Claims Fund and RBH PCC Compensation Plan Reserve Account in accordance with the terms of the RBH Deed. The Trustees shall hold and administer the RBH CCAA Plan Administration Reserve Account in accordance with the terms of the RBH CCAA Plan Administration Reserve Trust Deed. The Bare Trustees shall hold legal title to the RBH Supplemental Trust Agreement Funds and establish the RBH Supplemental Trust Account in accordance with the terms of the RBH Supplemental Trust Agreement. The details regarding these trust accounts are set forth in greater detail in the RBH Deed, RBH CCAA Plan Administration Reserve Trust Deed, RBH Supplemental Trust Agreement, Flow of Funds Agreement, Banking Arrangements Order and CCAA Plan Administrator Appointment Order, as applicable. For greater certainty, the CCAA Plan Administrators shall not be trustees, contributors or settlors in any capacity in regard to the RBH Global Settlement Trust Account, RBH PCC Trust Account, RBH QCAP Trust Account, RBH Cy-près Trust Account, RBH Miscellaneous Claims Fund, RBH CCAA Plan Administration Reserve Account and RBH PCC Compensation Plan Reserve Account.

14.4 Duties and Responsibilities of CCAA Plan Administrators

In implementing the administration of the CCAA Plans during the Contribution Period, the duties and responsibilities of the CCAA Plan Administrators shall be as set out below provided, however, that the CCAA Plan Administrators shall incur no liability of any kind whatsoever to the Provinces, Territories, any Impacted Claimants or any other Person in respect of their performance of such duties and responsibilities and shall be held harmless in this regard:

- (a) On an annual basis, receiving and reviewing the Business Plan and accompanying MD&A which each Tobacco Company shall provide pursuant to Article 10, Sections 10.1 and Section 10.2.2 of their respective CCAA Plans;
- (b) On a quarterly basis, receiving and reviewing the financial statements and accompanying MD&A which each Tobacco Company shall provide pursuant to Article 10, Section 10.2.3 herein;
- (c) On an annual basis, receiving and reviewing the financial statements with notes that each Tobacco Company shall provide pursuant to Article 10, Section 10.2.1 herein;
- (d) Receiving and reviewing the information that each Tobacco Company shall provide to the CCAA Plan Administrators regarding the calculation of the Annual Contributions and Reserved Amounts to be paid by each Tobacco Company in respect of each calendar year pursuant to Article 10, Section 10.8 herein;

- (e) Receiving and reviewing the information that each Tobacco Company shall provide in response to the *ad hoc* requests made from time to time by the CCAA Plan Administrators in connection with the Tobacco Company's Business Plan, annual MD&A, quarterly MD&A and Annual Financial Statements pursuant to Article 10, Section 10.3 herein;
- (f) Reporting to the Provinces, Territories and any Impacted Claimants regarding any issue, event or condition pertaining to a Tobacco Company which is disclosed to the CCAA Plan Administrators as an event which may constitute a Material Adverse Effect, or may constitute a Breach or an Event of Default;
- (g) **Intentionally deleted;**
- (h) Reporting to the Provinces, Territories and any Impacted Claimants regarding the calculation of the amount of the Annual Contributions and Reserved Amounts payable by the Tobacco Companies in each calendar year;
- (i) Overseeing and concurring with the release of funds from the RBH Supplemental Trust Account pursuant to Article 5, Section 5.5;
- (j) Administering the distribution to the Claimants of amounts from the Global Settlement Trust Account in accordance with Article 16, Sections 16.1, 16.2 and 16.3 until such time as the implementation of all of the CCAA Plans has been completed;
- (k) Overseeing the administration of the PCC Compensation Plan including:
 - (i) **Intentionally deleted;**
 - (ii) **Intentionally deleted;**
 - (iii) Reviewing the Global Claims Administration Costs Framework, the First Annual Global Claims Administration Costs Budget and the Subsequent Annual Global Claims Administration Costs Budget submitted by the Claims Administrator and the PCC Agent for the administration of the claims made to the PCC Compensation Plan;
 - (iv) From time to time, providing a distribution plan to the Trustees for the advancement of instalments of funds from the RBH PCC Trust Account to the Claims Administrator to enable it to make Individual Payments to Eligible Pan-Canadian Claimants; and
 - (v) Receiving and reviewing the Weekly Actual Costs Reports, Weekly Claims Administration Reports, Weekly Events Reports, Monthly Actual Costs Reports, Monthly Claims Administration Reports, Monthly Events Reports, and any other reports prepared by the Claims Administrator and the PCC Agent as circumstances warrant at any other times as requested by the CCAA Plan Administrators in their discretion or as the CCAA Court directs, in accordance with the terms of the Claims Administrator Order;

- (l) Certain oversight activities regarding the Cy-près Foundation;
- (m) Overseeing the administration of the Quebec Administration Plan including:
 - (i) **Intentionally deleted;**
 - (ii) **Intentionally deleted;**
 - (iii) Reviewing the Global Claims Administration Costs Framework, the First Annual Global Claims Administration Costs Budget and the Subsequent Annual Global Claims Administration Costs Budget submitted by the Claims Administrator for the administration of the claims made to the Quebec Administration Plan;
 - (iv) From time to time, providing a distribution plan to the Trustees for the advancement of instalments of funds from the RBH QCAP Trust Account to the Claims Administrator to enable it to make Compensation Payments to Eligible *Blais* Class Members; and
 - (v) Receiving and reviewing the Weekly Actual Costs Reports, Weekly Claims Administration Reports, Weekly Events Reports, Monthly Actual Costs Reports, Monthly Claims Administration Reports, Monthly Events Reports, and any other reports prepared by the Claims Administrator as circumstances warrant at any other times as requested by the CCAA Plan Administrators in their discretion or as the CCAA Court directs, by the Claims Administrator in accordance with the terms of the Claims Administrator Order;
- (n) On an annual basis, and as circumstances warrant at any other times in the discretion of the CCAA Plan Administrators, or as the CCAA Court directs, reporting to the CCAA Court regarding:
 - (i) The annual amounts of the Annual Contributions and Reserved Amounts paid by the Tobacco Companies for deposit into the RBH Global Settlement Trust Account and RBH Supplemental Trust Account, and the progress of the payment of the share of the Global Settlement Amount allocated to the Provinces and Territories;
 - (ii) The progress of the payment of the share of the Global Settlement Amount allocated to the Tobacco Producers;
 - (iii) The progress of the administration of the PCC Compensation Plan including the publication of notices, the PCC Claims Application Deadline to file claims, claims approved, claims rejected, claims under review, any delays in the claims process, disbursements made to Eligible Pan-Canadian Claimants, fees charged and disbursements made;
 - (iv) The progress of the administration of the Cy-près Fund;
 - (v) The progress of the administration of the Quebec Administration Plan including the publication of notices, the *Blais* Claims Application Deadline to file claims, claims

approved, claims rejected, claims under review, any delays in the claims process, disbursements made to Eligible *Blais* Class Members, fees charged and disbursements made; and

- (vi) Any other matter which the CCAA Plan Administrators in their discretion deem to be appropriate.

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 financial information in each Tobacco Company's Business Plan, annual MD&A, quarterly MD&A, Annual Financial Statements and any information produced by a Tobacco Company in response to an *ad hoc* request from the CCAA Plan Administrators.

Also, for greater certainty, the duties and responsibilities of the CCAA Plan Administrators are fully described in the CCAA Plan Administrator Appointment Order for each of Imperial, RBH and JTIM.

14.5 CCAA Plan Administrators' Communications

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 Quebec Class Counsel representing the Quebec Class Action Plaintiffs;
- (c) the Administrative Coordinator in regard to the PCC Compensation Plan, the PCC Agent and the PCC Representative Counsel for the Pan-Canadian Claimants;
- (d) the Claims Administrator;
- (e) the Chair of the Cy-près Foundation;
- (f) *Knight* Class Counsel;
- (g) Counsel for the Tobacco Producers;
- (h) the Tobacco Companies;
- (i) the Trustees;
- (j) the Bare Trustees; and
- (k) the Collateral Agent.

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.

14.6 Distributions to Claimants from Imperial Global Settlement Trust Account, RBH Global Settlement Trust Account and JTIM Global Settlement Trust Account

The Trustees shall administer the Imperial Global Settlement Trust Account, RBH Global Settlement Trust Account and JTIM Global Settlement Trust Account and, subject to the approval of the CCAA Court, from time to time, the CCAA Plan Administrators shall provide distribution plans to the Trustee in respect of payment from the Imperial Global Settlement Trust Account, RBH Global Settlement Trust Account and JTIM Global Settlement Trust Account in accordance with Article 16, Sections 16.1, 16.2 and 16.3 herein, which will be paid to the:

- (a) Quebec Class Action Plaintiffs;
- (b) Pan-Canadian Claimants;
- (c) Provinces and Territories;
- (d) Cy-près Foundation;
- (e) Tobacco Producers; and
- (f) *Knight* Class Action Plaintiffs.

14.7 Advisors to CCAA Plan Administrator

The CCAA Plan Administrator, in its discretion, may retain any 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.

14.8 Role of Court-Appointed Mediator after Sanction Order

In accordance with the terms of the Sanction Order, the CCAA Plan Administrator Appointment Order, the Court-Appointed Mediator's Ongoing Services Direction and the Fee Approval Direction, following the granting of the Sanction Order, the Court-Appointed Mediator is empowered and authorized to provide the Court-Appointed Mediator's Ongoing Services until further Order of the CCAA Court.

14.9 Payment of Costs

The professional fees, other fees, costs, disbursements, expenses, court costs and other expenditures, and all applicable Sales and Excise Taxes thereon (collectively, "**Costs**"), charged and incurred in relation to the settlement of the Tobacco Claims and the implementation and administration of the CCAA Plan shall be paid as follows:

- (a) All Costs incurred in respect of:
 - (i) All services which the CCAA Plan Administrator provides in relation to the implementation and administration of the CCAA Plan, including the fulfillment of its duties and responsibilities enumerated in Article 14, Section 14.4 herein, and

- (ii) All services provided by all legal, financial, investment or other advisors engaged by the CCAA Plan Administrator,

shall be paid biweekly by RBH. Pursuant to the Fee Approval Direction, the Court-Appointed Mediator shall review the fees and disbursements of the Monitors and their counsel incurred since the commencement of the CCAA Proceedings (including any amounts accrued pre-filing but billed after the applicable filing date), and on an ongoing basis and advise the CCAA Court if, in his sole discretion, it is the opinion of the Court-Appointed Mediator, that the fees and disbursements of the Monitors and their counsel are fair and reasonable in the circumstances;
- (b) All Costs for the services of the Court-Appointed Mediator provided after the date of the Sanction Order, including for the services of any of his legal or other advisors, shall be paid equally by the Tobacco Companies;
- (c) All Costs for the services of the Claims Administrator, including for the services of any of its legal or other advisors, incurred in respect of the administration of the PCC Compensation Plan shall be paid equally by the Tobacco Companies;
- (d) All Costs for the services provided by the Administrative Coordinator, including for the services of any legal or other advisors to the Administrative Coordinator, shall be paid equally by the Tobacco Companies;
- (e) All Costs incurred in respect of the administration of the Cy-près Foundation shall be paid from the Cy-près Fund;
- (f) The Quebec Class Counsel Fee shall be paid out of and deducted from the QCAP Settlement Amount. The Quebec Class Counsel Fee and the retainer agreement respecting fees and disbursements between the Quebec Class Counsel and the representative plaintiffs in the Quebec Class Actions are subject to the approval of the CCAA Court and shall be dealt with at the Sanction Hearing;
- (g) All Costs incurred in respect of the services provided by Raymond Chabot (as agent for the Quebec Class Counsel on behalf of the QCAPs) in relation to the Quebec Administration Plan both before and after the Plan Implementation Date shall be paid by the Quebec Class Counsel out of the Quebec Class Counsel Fee;
- (h) All Costs for the services of the Claims Administrator, including for the services of any of its legal or other advisors, incurred in respect of the administration of the Quebec Administration Plan shall be paid from the balance of the QCAP Settlement Amount net of the Quebec Class Counsel Fee;
- (i) All Costs for the services which the PCC Representative Counsel, including their advisors, provide in connection with the performance of their duties under the CCAA Plan, including the PCC Compensation Plan, and in the CCAA Proceeding shall be paid equally by the Tobacco Companies;

- (j) The Counsel for the Tobacco Producers' Fee shall be paid out of and deducted from the Tobacco Producers Settlement Amount. The Counsel for the Tobacco Producers' Fee and the retainer agreement respecting fees and disbursements between the Counsel for the Tobacco Producers and the representative plaintiffs in the Tobacco Producers' Actions are subject to the approval of the CCAA Court;
- (k) All Costs and disbursements of any kind incurred in respect of the administration of the distribution of payments to eligible Tobacco Producers shall be paid from the Tobacco Producers Settlement Amount;
- (l) The *Knight* Class Counsel Fee shall be paid out of and deducted from the *Knight* Class Action Plaintiffs Settlement Amount. The *Knight* Class Counsel Fee and the retainer agreement respecting fees and disbursements between the *Knight* Class Counsel and the representative plaintiff in the *Knight* Class Action are subject to the approval of the CCAA Court; and
- (m) All Costs and disbursements of any kind incurred in respect of the settlement of the *Knight* Class Action shall be paid from the *Knight* Class Action Plaintiffs Settlement Amount.

The Costs enumerated in Article 14, Sections 14.9(a), (b), (c), (d) and (i) are expenses of the business and deducted from income in the calculation of the Metric.

ARTICLE 15. RBH CCAA PLAN ADMINISTRATION RESERVE AND RBH PCC COMPENSATION PLAN RESERVE

15.1 RBH CCAA Plan Administration Reserve

On the Plan Implementation Date, the RBH CCAA Plan Administration Reserve in the amount of \$25.0 million, which sum shall be paid out of the Upfront Contributions, shall be established as security for the RBH CCAA Plan Administration Reserve Costs.

In accordance with the terms of the RBH CCAA Plan Administration Reserve Trust Deed, the Trustees shall hold the RBH CCAA Plan Administration Reserve in trust for those Persons who incur and are entitled to be paid RBH CCAA Plan Administration Reserve Costs pursuant to the CCAA Plan. If the RBH CCAA Plan Administration Reserve is no longer required as security after the administration of the CCAA Plan has been completed, any amount remaining in the RBH CCAA Plan Administration Reserve shall be released in accordance with the terms of the RBH CCAA Plan Administration Reserve Trust Deed and paid to the Provinces and Territories in accordance with the percentages set out in the table in Article 16, Section 16.3.

15.2 RBH PCC Compensation Plan Reserve

On the Plan Implementation Date, the RBH PCC Compensation Plan Reserve to be paid out of the Upfront Contributions in the RBH Global Settlement Trust Account and deposited into the RBH PCC Compensation Plan Reserve Account, shall be established as security for the PCC Compensation Plan Reserve Costs.

The Trustees shall hold the RBH PCC Compensation Plan Reserve in trust for those Persons who incur and are entitled to be paid PCC Compensation Plan Reserve Costs pursuant to the CCAA Plan. In aggregate, the Imperial PCC Compensation Plan Reserve, RBH PCC Compensation Plan Reserve and JTIM PCC Compensation Plan Reserve shall total \$5.0 million. The proportionate shares of the aggregate amount of \$5.0 million which shall be deposited from the Tobacco Companies' respective Upfront Contributions into the Imperial PCC Compensation Plan Reserve Account, RBH PCC Compensation Plan Reserve Account and JTIM PCC Compensation Plan Reserve Account shall be equal to the proportionate shares of the Upfront Contributions made by Imperial, RBH and JTIM. If the RBH PCC Compensation Plan Reserve is no longer required as security after the administration of the RBH PCC Compensation Plan has been completed, any amount remaining in the RBH PCC Compensation Plan Reserve shall be released and paid to the Provinces and Territories in accordance with the percentages set out in the table in Article 16, Section 16.3.

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ARTICLE 16. CLAIMANT ALLOCATION

16.1 Claimant Allocation

The Global Settlement Amount shall be allocated among the Claimants and the Cy-près Foundation (“**Claimant Allocation**”) as follows:

All amounts in CAD, billions

Provinces and Territories Settlement Amount:	24.725
QCAP Settlement Amount (\$4.250 minus \$0.131 allocated to Cy-près Foundation):	4.119
PCC Compensation Plan Amount:	2.521
Cy-près Fund (inclusive of \$0.131 QCAP Cy-près Contribution):	1.000
Tobacco Producers Settlement Amount:	0.015
<i>Knight</i> Class Action Plaintiffs Settlement Amount:	0.015
Miscellaneous Claims Amount (may be increased to \$0.060 if the Tobacco Companies make an election pursuant to Section 18.2.1):	0.025
CCAA Plan Administration Reserves	0.075
PCC Compensation Plan Reserves	<u>0.005</u>
Total:	32.500

[Remainder of page intentionally left blank]

Estimated Upfront Contributions Available: **12.456** See calculation below, 2

Period ⁴	Upfront Contribution	Annual Contributions					Remainder to end of Contribution Period	Total
		Year 1 (2025)	Year 2 ('26)	Year 3 ('27)	Year 4 ('28)	Year 5 ('29)		
Amount Available ³	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 ^{5, 6, 7, 8}	3.869	0.250						4.119
PCCs ^{6, 7, 8}	1.750	0.500	0.271					2.521
Cy-près Foundation ^{5, 6}	0.500		0.125	0.125	0.125	0.125		1.000
Tobacco Producers ⁸	0.015							0.015
<i>Knight</i> Class Action Plaintiffs ⁸	0.015							0.015
Miscellaneous Claims Funds ⁷	0.025							0.025
CCAA Plan Administration Reserves ⁷	0.075							0.075
PCC Compensation Plan Reserves ⁷	0.005							0.005
Total allocated	12.456	1.111	1.078	1.067	1.037	1.037	14.714	32.500

16.2 Explanatory Notes

1. In preparing the Claimant Allocation, the Court-Appointed Mediator and Monitors have been provided with, and have relied upon, unaudited financial information prepared by the Tobacco Companies. The Monitors have reviewed this financial information for reasonableness, internal consistency and use in the context in which it was provided. However, the Monitors have not audited, or otherwise attempted to verify the accuracy or completeness of such information in a manner that would wholly or partially comply with GAAS pursuant to the Chartered Professional Accountants of Canada Handbook and, accordingly, the Monitors express no opinion or other form of assurance contemplated under GAAS in respect of the financial information. For clarity, the Court-Appointed Mediator has not reviewed the aforementioned financial information.

This financial information consists of forecasts and projections. An examination or review of the financial forecast and projections, as outlined in the Chartered Professional

Accountants of Canada Handbook, has not been performed. The financial information was prepared based on the Tobacco Companies' estimates and assumptions.

Readers are cautioned that since projections are based on 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.

2. In the table below, the Upfront Contributions are as estimated as at December 31, 2024 and calculated as estimated in the Spring 2024 5-year forecasts prepared by the Tobacco Companies. The Upfront Contributions will be as noted herein for all Claimants except the Provinces and Territories. The Upfront Contributions for the Provinces and Territories will be equal to the total Upfront Contributions less the Upfront Contributions being paid to the other Claimants, the Miscellaneous Claims Amount, the Imperial CCAA Plan Administration Reserve, the RBH CCAA Plan Administration Reserve, the JTIM CCAA Plan Administration Reserve, the Imperial PCC Compensation Plan Reserve, the RBH PCC Compensation Plan Reserve and the JTIM PCC Compensation Plan Reserve.

All amounts in CAD, billions

Projected Upfront Contributions as at December 31, 2024:

JTIM:	1.581
ITCAN:	4.849
RBH:	5.792
Cash Security Deposits:	0.984
Total:	13.206
Less: RBH Retained Amount	(0.750)
Projected Available Upfront Contributions:	12.456

Pursuant to the Cash Security Deposits Order, the Cash Security Deposits, which form part of the Upfront Contributions, shall be released from suretyship and shall be deposited by the Minister of Finance of Quebec into the Imperial Global Settlement Trust Account and RBH Global Settlement Trust Account, as applicable. Notwithstanding the foregoing, the Minister of Finance of Quebec may deposit the Cash Security Deposits into the Imperial Global Settlement Trust Account and RBH Global Settlement Trust Account, as applicable, in whole or in part as soon as practicable after the Plan Implementation Date. Any portion of the Cash Security Deposits that is deposited into the Imperial Global Settlement Trust Account and RBH Global Settlement Trust Account on or before the Plan Implementation Date shall be distributed to the Claimants and the Cy-près Foundation pro rata in accordance with the Claimant Allocation. As and when payments on account of the Cash Security Deposits are deposited by the Minister of Finance of Quebec into the Imperial Global Settlement Trust Account and RBH Global Settlement Trust Account after the Plan

Implementation Date, such payments shall be distributed to the Claimants and the Cy-près Foundation pro rata in accordance with the Claimant Allocation.

3. The Annual Contribution percentage of Net After-Tax Income is calculated as set out in the CCAA Plan. The Claimant Allocation is based on 85% of estimated Net After-Tax Income received from the Tobacco Companies (the percentage of Net After-Tax Income to be reduced in 5.0% increments every five years pursuant to Article 5, Section 5.6 herein). The “Amount Available” is based on the 5-year financial projections provided by the Tobacco Companies in spring 2024. The projection assumes that the 2028 results are replicated thereafter. The Claimant Allocation does not include any Tax Refunds that may be available during the Contribution Period.
4. Payment is contemplated to be made within 182 days following the end of the period noted. For example, the “Year 1 (2025)” payment would be made in mid 2026.
5. The Cy-près Fund includes \$131 million of the QCAP Settlement Amount funded to the Cy-près Fund (in addition to the \$869 million specifically allocated to the Cy-près Fund).
6. The Year 1 and Year 2 payments to the QCAPs and the PCCs and the Year 2 payment to the Cy-près Foundation will be made in priority to those being made to the Provinces and Territories in the event of a shortfall relative to the estimated Annual Contributions available.
7. If there are any funds remaining in the QCAP Settlement Amount, the PCC Compensation Plan Amount, the Imperial CCAA Plan Administration Reserve, the RBH CCAA Plan Administration Reserve, the JTIM CCAA Plan Administration Reserve, the Imperial PCC Compensation Plan Reserve, the RBH PCC Compensation Plan Reserve, the JTIM PCC Compensation Plan Reserve, the Imperial Miscellaneous Claims Fund, RBH Miscellaneous Claims Fund and/or the JTIM Miscellaneous Claims Fund, such funds shall be paid to the Provinces and Territories (in accordance with the percentages set out in the table in Article 16, Section 16.3), as the foregoing is more particularly defined in paragraph 55 of the Quebec Administration Plan, paragraph 54 of the PCC Compensation Plan, Article 15, Sections 15.1 and 15.2 herein, and Article 18, Section 18.2.5 herein.
8. The Quebec Class Counsel Fee, Counsel for the Tobacco Producers’ Fee and *Knight* Class Counsel Fee are subject to approval by the CCAA Court. Subject to such approval, these fees will be paid in full at the time of plan implementation.

16.3 Provincial and Territorial Allocation

The Provinces and Territories have agreed that the Provinces and Territories Settlement Amount shall be apportioned among the Provinces and Territories in accordance with the percentages set out in the table below:

Province/Territory	Percentage Share of Provinces and Territories Settlement Amount
British Columbia	14.4710%
Alberta	12.6272%
Saskatchewan	2.8787%
Manitoba	4.5252%
Ontario	28.7761%
Québec	26.8248%
New Brunswick	2.4117%
Nova Scotia	3.1740%
Prince Edward Island	0.6605%
Newfoundland and Labrador	2.1471%
Yukon	0.3973%
Northwest Territories	0.7269%
Nunavut	0.3795%
Total:	100.0000%

ARTICLE 17. DISTRIBUTIONS, PAYMENTS AND CURRENCY

17.1 Distributions Generally

All distributions to Affected Creditors and other payments to be effected pursuant to the CCAA Plan will be made pursuant to this Article 17. For greater certainty, all payments and distributions pursuant to this Article 17 will be subject to satisfaction or waiver of the Plan Implementation Conditions set forth in Article 19, Section 19.3 and the occurrence of the Effective Time, and will occur in accordance with the timing set out in Article 4, Section 4.2. Except as otherwise expressly stated herein, EY, whether in its capacity as the Monitor and/or as the CCAA Plan Administrator, shall have the sole discretion to determine the timing for any distributions to be made under the CCAA Plan.

17.2 Payment of Claimants' Claims

All distributions to the Claimants will be made pursuant to this Article 17 and Article 16, Sections 16.1, 16.2 and 16.3 herein.

17.3 Payment of Miscellaneous Claims

All distributions to any Putative Miscellaneous Claimants will be made pursuant to this Article 17 and Article 18, Section 18.2.1 to Section 18.2.5.

17.4 Payment of Claims secured by the Administration Charge

To the extent that such payments have not already been made, forthwith after the Plan Implementation Date, RBH shall pay in full all Claims secured by the Administration Charge as at the Plan Implementation Date.

17.5 Payment of Claims secured by the Court-Appointed Mediator Charge

To the extent that such payments have not already been made, forthwith after the Plan Implementation Date, RBH shall pay in full all Claims secured by the Court-Appointed Mediator Charge as at the Plan Implementation Date.

17.6 Method of Distribution

All distributions or other payments by the CCAA Plan Administrators to any Person entitled to receive a distribution or payment under the CCAA Plan shall be made by wire transfer in accordance with wire transfer instructions, in form satisfactory to the CCAA Plan Administrators, provided by such Person to the CCAA Plan Administrators at least fifteen (15) Business Days prior to the Plan Implementation Date. If any such Person wishes to thereafter change its wire transfer instructions, notice, in form satisfactory to the CCAA Plan Administrators, must be given to the CCAA Plan Administrators at least fifteen (15) Business Days prior to any subsequent distribution or payment date.

For greater certainty, the CCAA Plan Administrators may, prior to initiating any wire transfer, make any verifications, as they deem appropriate in their discretion, to confirm and validate the wire transfer instructions received.

Notwithstanding the foregoing, in circumstances where the CCAA Plan Administrators consider it more practical or efficient to do so, certain payments hereunder may also be made by cheque.

17.7 Addresses for Distribution

Prior to the applicable Distribution Record Date, an Affected Creditor may, in writing to RBH and EY, whether in its capacity as the Monitor and/or as the CCAA Plan Administrator, change its address on file with RBH for distribution purposes. For the avoidance of doubt, EY will not have any responsibility to track such addresses or notices in any capacity.

17.8 Withholding Rights

EY, whether in its capacity as the Monitor and/or as the CCAA Plan Administrator, RBH and any other Person facilitating payments pursuant to the CCAA Plan will be entitled to deduct and withhold from any such payment to any Person such amounts as may be required to be deducted or withheld under any Applicable Law and to remit such amounts to the appropriate Governmental Authority or other Person entitled thereto. To the extent that amounts are so withheld or deducted and remitted to the appropriate Governmental Authority or other Person, such withheld or deducted amounts will be treated for all purposes hereof as having been paid to such Person as the remainder of the payment in respect of which such withholding or deduction was made. Without in any way limiting the generality of the foregoing, EY, on behalf of RBH, shall deduct from any distribution to an Affected Creditor hereunder any amounts as indicated by Employment and Social Development Canada in a Notice of Debt and remit such amounts to Employment and Social Development Canada pursuant to the *Employment Insurance Act* (Canada). Any Affected Creditor whose address on file with RBH on the Distribution Record Date is not a Canadian address will be treated as a non-resident of Canada for purposes of any applicable non-resident withholding tax on all payments hereunder, subject to receipt by EY or RBH of information satisfactory (in their sole discretion) that such Affected Creditor is not a non-resident. No gross-up or additional amount will be paid on any payment hereunder to the extent EY, RBH or any other Person deducts or withholds amounts pursuant to Article 17, Section 17.8. Notwithstanding any withholding or deduction, each Person receiving a payment will have the sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed by any Governmental Authority (including income and other tax obligations on account of such distribution).

17.9 Cancellation of Certificates and Notes, etc.

At the Effective Time, all debentures, notes, certificates, indentures, guarantees, agreements, invoices and other instruments evidencing Affected Claims, Released Claims or Miscellaneous Claims (and all guarantees associated with each of the foregoing), will not entitle any holder thereof to any compensation or participation other than as expressly provided for in the CCAA Plan and will be deemed cancelled and extinguished and be null and void.

17.10 Calculations

All amounts to be paid to the Claimants by RBH pursuant to the CCAA Plan shall be calculated in accordance with Article 5, Section 5.1 to Section 5.15.

17.11 Currency Matters

Distributions to any Persons entitled to distributions under the CCAA Plan will be paid in Canadian dollars and any such Claims that are denominated in a currency other than the lawful money of Canada will be converted to the equivalent thereof in the lawful money of Canada at the noon rate of exchange as quoted by the Bank of Canada on March 8, 2019, in accordance with the Claims Procedure Order.

ARTICLE 18. RELEASES, MISCELLANEOUS CLAIMS, INJUNCTIONS AND DISPOSITION OF PENDING PROCEEDINGS

18.1 CCAA Plan Releases

18.1.1 Consideration for Release

The release (“**Release**”) is given by the Releasors, individually and collectively, in consideration of (a) the Tobacco Companies’ payment of the Upfront Contributions and promise to pay the Annual Contributions to the Imperial Global Settlement Trust Account, RBH Global Settlement Trust Account and JTIM Global Settlement Trust Account, as applicable, and the Reserved Amounts to the Imperial Supplemental Trust Account, RBH Supplemental Trust Account and JTIM Supplemental Trust Account, as applicable, in accordance with the Definitive Documents, (b) the agreement to provide shared services and other operational support to the Tobacco Companies by their respective Parents and relevant Affiliates, and (c) the other promises and commitments made by the Released Parties, or any of them as applicable, in the Definitive Documents.

18.1.2 Release

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 Releasors 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 Releasors.

Nothing herein does release (and the Released Parties agree hereby that they will not assert otherwise), or is intended to release, any Claim of a Released Party (including its Representatives) that has been, could have been or could be advanced, directly or indirectly, against any other Released Party (including its Representatives) other than the Tobacco Companies and their respective Subsidiaries and Representatives (such other Released Parties, not including the Tobacco Companies and their respective Subsidiaries and Representatives, collectively, the “Other Released Parties”), in respect of:

- (a) the development, design, manufacture, production, marketing, advertising, distribution, purchase, sale or disposition of Tobacco Products outside of Canada,
- (b) the use of or exposure (whether directly or indirectly) to Tobacco Products or their emissions outside of Canada,
- (c) the development of any disease related to the use of Tobacco Products outside of Canada,
- (d) any representation or omission in respect of Tobacco Products outside of Canada, or
- (e) conduct of the Other Released Parties not related to Canada;

provided that such Claim is not, in whole or in part, based on or related to the assets, obligations, business or affairs of the Tobacco Companies or conduct of the Other Released Parties related to Canada (and it is agreed that to the extent such Claim is based on or related to the assets, obligations, business or affairs of the Tobacco Companies or conduct of the Other Released Parties related to Canada, then that same extent of the Claim will be hereby released).

18.1.3 Claimant Contractual Release

The Claimant Contractual Release, which is attached to the CCAA Plan as Schedule “W”, shall be executed and delivered by RBH and each of the Claimants, or an authorized Person on their behalf, in favour of the Released Parties, the Monitors, the CCAA Plan Administrators, the Court-Appointed Mediator and the Administrative Coordinator, and their respective Representatives, and 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.

18.1.4 Release of Monitors

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, shall be deemed to fully, finally, irrevocably and unconditionally release and forever discharge the Monitors and the CCAA Plan Administrators, and 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) the actions of the Monitors or the CCAA Plan Administrators and their legal counsel and advisors in connection with the CCAA Proceedings or the Chapter 15 Proceedings; (v) the business and affairs of the Tobacco Companies whenever or however conducted; (vi) the administration and management of the Tobacco Companies whenever or however conducted; (vii) the allocation of the Global Settlement Amount and any distributions, payments, disbursements from the Global Settlement Amount, and/or (viii) any matter or transaction involving any of the Tobacco Companies occurring in or in connection with the CCAA Proceedings or the Chapter 15 Proceedings including the CCAA Plans, the development thereof, and any and all actions, steps or transactions taken by the Monitors 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 aforesaid actions or omissions above shall be forever waived and released (other than the right to enforce the Monitors’ obligations under the CCAA Plans or any related document), all to the fullest extent permitted by Applicable Law.

Nothing in this Release shall derogate from the protections afforded to 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 and any Orders made in the CCAA Proceedings or the Chapter 15 Proceedings. For greater certainty, the Monitors and the CCAA Plan Administrators shall not be responsible or liable for any obligations of the Tobacco Companies. The Monitors and the CCAA Plan Administrators and their respective Affiliates, shareholders, Affiliates' shareholders, employees, advisors, legal counsel, Representatives 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.

18.1.5 Release of Court-Appointed Mediator

At the Effective Time, all Persons including the Released Parties, the Releasors and Affected Creditors (whether or not CCAA proofs of claim have been filed on their behalf), and the Unaffected Creditors, individually and collectively, shall be deemed to fully, finally, irrevocably and unconditionally release and forever discharge the Court-Appointed Mediator, and his Representatives, legal counsel, consultants and advisors, 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, Releasors, 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 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) the actions of the Court-Appointed Mediator 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; (v) the business and affairs of the Tobacco Companies whenever or however conducted; (vi) the administration and management of the Tobacco Companies whenever or however conducted; (vii) the allocation of the Global Settlement Amount and any distributions, payments, disbursements from the Global Settlement Amount, and/or (viii) any matter or transaction involving any of the Tobacco Companies occurring in or in connection with the CCAA Proceedings or the Chapter 15 Proceedings including the CCAA Plans, the development thereof, and any and all actions, steps or transactions taken by the Court-Appointed Mediator to implement the CCAA Plans, and in each case, all Claims arising out of aforesaid actions or omissions above shall be forever waived and released to the fullest extent permitted by Applicable Law.

Nothing in this Release shall derogate from the protections afforded to the Court-Appointed Mediator as an officer of the CCAA Court 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, including the orders appointing the Court-Appointed Mediator. In particular, the Court-Appointed Mediator shall not be liable to any Party or participant in the mediation for any act or omission in connection with the mediation process and shall have the immunity of a Judge of a Superior Court in Canada. For greater certainty, the Court-Appointed Mediator shall not be responsible or liable for any obligations of the Tobacco Companies. The Court-Appointed Mediator's heirs, successors,

assigns, representatives, advisors, legal counsel, 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.

18.1.6 Release of Administrative Coordinator

At the Effective Time, all Persons including the Released Parties, the Releasors and Affected Creditors (whether or not CCAA proofs of claim have been filed on their behalf), and the Unaffected Creditors, individually and collectively, shall be 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, Releasors, 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; (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 aforesaid actions or omissions above shall be forever waived and released to the fullest extent permitted by Applicable Law.

Nothing in this Release 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. For greater certainty, the Administrative Coordinator shall not be responsible or liable for any obligations of the Tobacco Companies. None of the Administrative Coordinator's 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.

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

RBH shall indemnify and save harmless the Court-Appointed Mediator, the Monitors (FTI, EY and Deloitte) in their various capacities (including as the Monitors, the CCAA Plan Administrators, and Foreign Representative (as applicable)), 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 enforcement of Indemnified Parties' obligations under the CCAA Plan and the Definitive Documents). This indemnity 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. To the extent any Indemnified Party is not otherwise compensated by RBH such Indemnified Party may resort to the RBH CCAA Plan Administration Reserve for compensation.

18.1.8 Injunctions

From and after the Effective Time, all Persons will be 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 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.

18.1.9 Released Parties' Fulfillment of Obligations pursuant to Definitive Documents

Notwithstanding any of the provisions herein, the Released Parties are not released from the due performance of their obligations arising from the Definitive Documents, and nothing in this Release shall prevent or restrict any of the Releasers 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.

18.1.10 Releases are Final and Binding

The releases and injunctions in favour of the Released Parties, the Monitors, the CCAA Plan Administrators, the Court-Appointed Mediator and the Administrative Coordinator and their respective Representatives shall be final and binding on all the Releasers, 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. The aforesaid final and binding effect of the CCAA Plan on the Releasers, Released Parties, Affected Creditors and Unaffected Creditors (except to the extent of their Unaffected Claims) shall operate for all legal purposes as and from the Effective Time.

18.1.11 CCAA Meeting Orders and Sanction Orders

To facilitate the provision of the releases and the granting of the injunctions in favour of the Released Parties, Monitors, the CCAA Plan Administrators, the Court-Appointed Mediator and the Administrative Coordinator:

- (a) Pursuant to the Meeting Order governing the conduct of the Meeting of the Affected Creditors to consider and vote on the CCAA Plan:
 - (i) Quebec Class Counsel were appointed to act as proxy and vote on behalf of the Quebec Class Action Plaintiffs in respect of the CCAA Plan;
 - (ii) PCC Representative Counsel were appointed to act as proxy and vote on behalf of the Pan-Canadian Claimants in respect of the CCAA Plan;
 - (iii) *Knight* Class Counsel were appointed to act as proxy and vote on behalf of the *Knight* Class Action Plaintiffs in respect of the CCAA Plan; and
 - (iv) Counsel for the Tobacco Producers were appointed to act as proxy and vote on behalf of the Tobacco Producers in respect of the CCAA Plan; and
- (b) The Sanction Order:

- (i) **Intentionally deleted;**
 - (ii) Confirms that each of (A) the affirmative vote in respect of the CCAA Plan and (B) the signing of the Claimants Contractual Release, by or on behalf of each Claimant, shall be evidence of the consent of the Claimant to the treatment of its Claims for the purposes of Section 5.1(2) and/or Section 19(2) of the CCAA to the extent that they apply; and
 - (iii) Orders that no action, proceeding or enforcement process in any court or tribunal may be commenced or continued against (A) any Released Party, the Monitor, the CCAA Plan Administrator, the Court-Appointed Mediator, the Administrative Coordinator, or (B) any Person who claims or might reasonably be expected to claim in any manner or forum against any Released Party, the Monitor, the CCAA Plan Administrator, the Court-Appointed Mediator, or the Administrative Coordinator, in respect of the Affected Claims and Released Claims without the prior written consent of the Released Party, the Monitor, the CCAA Plan Administrator, the Court-Appointed Mediator, the Administrative Coordinator, as applicable, or leave of the CCAA Court obtained on notice to the Released Party, the Monitor, the CCAA Plan Administrator, the Court-Appointed Mediator and the Administrative Coordinator (as applicable), and the Tobacco Companies, including appropriate injunctive language with respect to same; and
- (c) Pursuant to the Signing Authorization Order:
- (i) Quebec Class Counsel were authorized to execute and deliver on behalf of the Quebec Class Action Plaintiffs any and all documents as they consider advisable to give effect to the implementation of the CCAA Plans, including the Claimant Contractual Release, Plan Implementation Certificate, RBH Collateral Agency Agreement and Flow of Funds Agreement;
 - (ii) PCC Representative Counsel were authorized to execute and deliver on behalf of the Pan-Canadian Claimants any and all documents as they consider advisable to give effect to the implementation of the CCAA Plans, including the Claimant Contractual Release, Plan Implementation Certificate, RBH Collateral Agency Agreement and Flow of Funds Agreement;
 - (iii) *Knight* Class Counsel were authorized to execute and deliver on behalf of the *Knight* Class Action Plaintiffs any and all documents as they consider advisable to give effect to the implementation of the CCAA Plans, including the Claimant Contractual Release, Plan Implementation Certificate, RBH Collateral Agency Agreement and Flow of Funds Agreement; and
 - (iv) Counsel for the Tobacco Producers were authorized to execute and deliver on behalf of the Tobacco Producers any and all documents as they consider advisable to give effect to the implementation of the CCAA Plans, including the Claimant Contractual Release, Plan Implementation Certificate, RBH Collateral Agency Agreement and Flow of Funds Agreement.

18.1.12 Future Legislation

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 Effective Time, the Released Parties and the Provinces and Territories are *ad idem* that the enactment of such future legislation shall not render unenforceable or otherwise make ineffective any of the terms of the Claimants Contractual Release or of this Article 18.

18.2 Treatment of Miscellaneous Claims

18.2.1 Miscellaneous Claims Fund

On the Plan Implementation Date, the RBH Miscellaneous Claims Fund shall be established. The Trustees shall hold the RBH Miscellaneous Claims Fund in trust for those Persons who are found by the CCAA Court to be entitled to be paid their Miscellaneous Claim pursuant to the CCAA Plan. In aggregate, the Imperial Miscellaneous Claims Fund, RBH Miscellaneous Claims Fund and JTIM Miscellaneous Claims Fund shall total **\$25.0 million** ("**Miscellaneous Claims Amount**"). The proportionate shares of the aggregate amount of \$25.0 million which shall be deposited into the Imperial Miscellaneous Claims Fund, RBH Miscellaneous Claims Fund and JTIM Miscellaneous Claims Fund from their respective Upfront Contributions shall be equal to the proportionate shares of the Upfront Contributions made by Imperial, RBH and JTIM.

The Miscellaneous Claims Amount, and interest accrued thereon, shall be held in the Imperial Miscellaneous Claims Fund, RBH Miscellaneous Claims Fund and JTIM Miscellaneous Claims Fund for a period of three years from the Effective Time, or for such other period of time as the CCAA Plan Administrators are of the view is necessary and appropriate to permit the completion of the adjudication of any Miscellaneous Claims ("**Miscellaneous Claims Fund Period**").

The Tobacco Companies may unanimously elect to increase the Miscellaneous Claims Amount from \$25.0 million to \$60.0 million provided that:

- (a) The \$35.0 million top-up of the Miscellaneous Claims Amount shall be paid by the Tobacco Companies and shall be on top of the \$32.5 billion Global Settlement Amount;
- (b) The Tobacco Companies are in unanimous agreement regarding how they shall apportion payment of the \$35.0 million among themselves and the source of the top-up funds; and
- (c) The sourcing of the additional sum of \$35.0 million shall not affect the amount nor the timing of the payments of the Upfront Contributions and the Global Settlement Amount.

If the Tobacco Companies make such election as aforesaid, this Section 18.2.1 shall be deemed to stipulate that the Miscellaneous Claims Amount is \$60.0 million.

18.2.2 Determination of Miscellaneous Claims

The determination of all Miscellaneous Claims shall be governed by this Section 18.2 and the Claims Procedure Order, the Meeting Order and any other further Order of the CCAA Court, as applicable. A Putative Miscellaneous Claimant shall not be permitted to commence a proceeding in any other forum except the CCAA Court with leave and, if any such proceeding is commenced, it shall be a nullity.

18.2.3 Leave required from CCAA Court to bring a Miscellaneous Claim Proceeding

Except for (i) an application for leave to commence a proceeding brought in the CCAA Court pursuant to this Section, and (ii) any subsequent proceeding commenced with leave of the CCAA Court, any proceeding commenced in any court relating to a Miscellaneous Claim shall be a nullity.

A Putative Miscellaneous Claimant shall bring an application to the CCAA Court seeking leave to commence a proceeding relating to the Miscellaneous Claim.

On the application for leave, the Putative Miscellaneous Claimant shall serve on RBH and file with the CCAA Court:

- (a) An affidavit setting out a concise statement of the material facts upon which the Putative Miscellaneous Claimant intends to rely; and
- (b) An affidavit of documents disclosing, to the full extent of the Putative Miscellaneous Claimant's knowledge, information and belief, all documents relevant to any matter in issue in the proceeding relating to the Miscellaneous Claim that are or have been in the Putative Miscellaneous Claimant's possession, control or power.

On the application for leave, RBH may serve on the Putative Miscellaneous Claimant and file an affidavit setting out a concise statement of the material facts on which RBH intends to rely for the defence of the Miscellaneous Claim, but is not required to do so.

The CCAA Court shall not grant leave unless it finds that:

- (a) The application for leave has been brought before the CCAA Court either prior to or no later than two years after the issuance of the Sanction Order;
- (b) The Miscellaneous Claim was not fully, finally, irrevocably and unconditionally released and forever discharged, and permanently barred and enjoined pursuant to the terms of the CCAA Plan, Claims Procedure Order, Sanction Order, the Claimant Contractual Release and/or any other orders made in the CCAA Proceeding;
- (c) The Miscellaneous Claim is being brought in good faith; and
- (d) There is a reasonable possibility that the Miscellaneous Claim will be resolved in the Putative Miscellaneous Claimant's favour.

The Putative Miscellaneous Claimant shall bear the onus of establishing that leave should be granted.

If leave is granted, the CCAA Court shall have exclusive jurisdiction to adjudicate and determine the proceeding relating to the Miscellaneous Claim on its merits. Notwithstanding the foregoing, the CCAA Court in its discretion may decide how the Miscellaneous Claim will be heard and determined.

Either the Putative Miscellaneous Claimant or RBH may appeal from the decision of the CCAA Court on the application for leave or, if leave is granted, from any order or decision of the CCAA Court made in the proceeding relating to the Miscellaneous Claim, in accordance with Sections 13, 14 and 15 of the CCAA.

Both the Putative Miscellaneous Claimant and RBH shall bear their own costs of the application for leave and any appeal from the decision of the CCAA Court on the application for leave.

If by final decision of the CCAA Court leave is not granted, and any appeal from such decision is dismissed, the Putative Miscellaneous Claimant shall be permanently and forever barred, estopped, stayed and enjoined from commencing any proceeding in any court relating to or arising from the Miscellaneous Claim.

18.2.4 Payment from Miscellaneous Claims Fund

Any judgments or awards made, or other amounts ordered to be paid in regard to Miscellaneous Claims shall be paid solely from the Imperial Miscellaneous Claims Fund, RBH Miscellaneous Claims Fund and JTIM Miscellaneous Claims Fund..

18.2.5 Distribution of any Residual Monies from Miscellaneous Claims Fund

After the expiry of the Miscellaneous Claims Fund Period, to the extent that there remain any residual funds in the Imperial Miscellaneous Claims Fund, RBH Miscellaneous Claims Fund and JTIM Miscellaneous Claims Fund. after the payment of all judgments, awards and any other amounts ordered to be paid in regard to proven Miscellaneous Claims, any such residual funds shall be apportioned among the Provinces and Territories in accordance with the percentages set out in the table in Article 16, Section 16.3.

18.2.6 Sole Recourse for Miscellaneous Claims

All Putative Miscellaneous Claimants shall only have recourse to the Imperial Miscellaneous Claims Fund, RBH Miscellaneous Claims Fund and JTIM Miscellaneous Claims Fund in regard to any Miscellaneous Claims and shall have no recourse in relation to any Miscellaneous Claims as against the Released Parties, the Claimants or their Representatives, or any other funds paid, held or administered pursuant to the CCAA Plan and all other Definitive Documents.

18.3 Disposition of Pending Proceedings

18.3.1 Termination of Pending Litigation other than Quebec Class Actions

As soon as possible after the Plan Implementation Date and by no later than a date to be set by the Court-Appointed Mediator and the Monitors, the Parties shall take all steps and actions that are necessary and appropriate to dismiss with prejudice and without costs to any party or counsel the following proceedings pending in courts in the Provinces and Territories against the Tobacco Companies, certain members of their respective Tobacco Company Groups and the Canadian Tobacco Manufacturers' Council ("**Pending Litigation**"):

- (a) The actions which the Provinces commenced pursuant to the HCCR Legislation claiming the recovery of expenditures for Health Care Benefits provided for Insured Persons resulting from Tobacco-related Disease or the risk of Tobacco-related Disease caused by the Tobacco Companies' tobacco-related wrongs, including any related motions, applications, leave applications or appeals, that are listed in Schedule "X" to the CCAA Plan;
- (b) The *Knight* Class Action;
- (c) The actions commenced by Individuals under the class proceedings legislation in British Columbia (other than the *Knight* Class Action), Alberta, Saskatchewan, Manitoba, Ontario, Nova Scotia, and Newfoundland and Labrador, that are listed in Schedule "Y" to the CCAA Plan;
- (d) The Tobacco Producers' Actions; and
- (e) Any action, other than the Quebec Class Actions, regardless of whether the statement of claim was served, commenced by Individuals in Ontario, Quebec and Nova Scotia, or any other Province or Territory relating to Tobacco Claims or the subject matter of the CCAA Plan, that are listed in Schedule "Z" to the CCAA Plan.

RBH and the Claimants consented to the inclusion of orders in the Sanction Order providing that:

- (a) Effective from Plan Implementation Date, 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,
- (b) The Sanction Order shall have full force and effect in all Provinces and Territories, the United States and elsewhere, and as against all Persons against whom it may apply; and
- (c) Each applicable court in the Provinces and Territories in which the Pending Litigation was commenced is requested to:
 - (i) Aid, recognize and assist the CCAA Court to confirm that, effective as and from the Plan Implementation Date, the CCAA Plan has fully and finally resolved and definitively settled the Pending Litigation,

- (ii) Provide such assistance to RBH and its CCAA Plan Administrator, as an officer of the CCAA Court, as may be necessary or desirable to give effect to the Sanction Order or to assist RBH and its CCAA Plan Administrator in carrying out the terms of the Sanction Order and CCAA Plan, and
- (iii) Issue such orders as may be necessary to terminate all of the Pending Litigation by a with prejudice dismissal without costs. Such dismissals shall be effected by the filing of the appropriate documents with each applicable court in each jurisdiction.

18.3.2 Disposition of Quebec Class Actions

As soon as possible after the Plan Implementation Date, RBH and the QCAPs shall take all steps and actions that are necessary and appropriate to, if applicable, dismiss with prejudice and without costs to any party or counsel any leave applications or appeals from the judgments in the Quebec Class Actions or any related motions pending in the Quebec Superior Court, the Court of Appeal of Quebec and/or the Supreme Court of Canada.

After the QCAP Claims Process has ended and the Eligible *Blais* Class Members have been paid their Compensation Payments, RBH and the QCAPs shall consent to motions seeking the Closing Judgment to be brought in the Quebec Superior Court by the Quebec Class Counsel in the *Blais* Class Action and the *Létourneau* Class Action.

RBH and the QCAPs consented to the inclusion in the Sanction Order of orders providing that:

- (a) The *Blais* Judgment and the *Létourneau* Judgment are fully and finally satisfied, resolved, compromised and settled;
- (b) The Sanction Order shall have full force and effect in Quebec as against all Persons against whom it may apply; and
- (c) The Quebec Superior Court is requested to:
 - (i) Aid, recognize and assist the CCAA Court to confirm that, effective as and from the Plan Implementation Date, the CCAA Plan has fully and finally resolved and definitively settled the Quebec Class Actions;
 - (ii) Provide such assistance to RBH and the CCAA Plan Administrator, as an officer of the CCAA Court, as may be necessary or desirable to give effect to the Sanction Order or to assist RBH and its CCAA Plan Administrator in carrying out the terms of the CCAA Plan Sanction Order and the CCAA Plan; and
 - (iii) Upon the completion of the QCAP Claims Process and the payment of Compensation Payments thereunder, issue such orders, including the Closing Judgment, as may be necessary to terminate with prejudice and without costs the Quebec Class Actions.

ARTICLE 19. COURT SANCTION, CONDITIONS PRECEDENT AND CCAA PLAN IMPLEMENTATION

19.1 Application for Sanction Order

After the CCAA Plan was approved by the Required Majority of the Affected Creditor Class at the Meeting, the Court-Appointed Mediator and the Monitor applied for the Sanction Order in a hearing that was conducted by the CCAA Court on January 29, 30 and 31 and March 3, 2025.

19.2 Sanction Order

On March 6, 2025, the CCAA Court granted the Sanction Order that, among other things:

- (a) Ordered that: (i) the CCAA Plan has been approved by the Required Majority of the Affected Creditor Class in conformity with the CCAA; (ii) the activities of RBH and the Monitor have been in compliance with the provisions of the CCAA and the Orders of the CCAA Court made in this CCAA Proceeding in all respects; (iii) neither RBH nor the Monitor has done or purported to do anything that is not authorized by the CCAA; and (iv) the CCAA Plan and the transactions contemplated thereby are fair and reasonable;
- (b) Ordered that the CCAA Plan and all associated steps, compromises, transactions, arrangements, releases and reorganizations effected thereby are sanctioned and approved, and at the Effective Time will be binding and effective upon and with respect to RBH, all Affected Creditors, the Released Parties and all other Persons named or referred to in, or subject to, the CCAA Plan or the Sanction Order;
- (c) Confirmed that the CCAA Court is satisfied that: (i) the hearing regarding 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 (ii) all of the Affected Creditors and all other Persons on the Common Service List were given adequate notice thereof;
- (d) Approved and authorized the Restructuring Steps;
- (e) Approved the Quebec Administration Plan;
- (f) Approved the PCC Compensation Plan;
- (g) Approved the appointment of the Monitor as the CCAA Plan Administrator as set out in the CCAA Plan Administrator Appointment Order;
- (h) Approved the appointment of the Court-Appointed Mediator to provide services with respect to the implementation of the CCAA Plan and perform such other functions as may be requested by the CCAA Plan Administrator or the CCAA Court;
- (i) Approved the appointment of Epiq as the Claims Administrator;

- (j) Approved the appointment of Daniel Shapiro, K.C. as the Administrative Coordinator;
- (k) **Intentionally deleted;**
- (l) Ordered that any Affected Claim for which a Miscellaneous Claimant Proof of Claim or Notice of Dispute of Negative Notice Claim has not been filed by the Miscellaneous Claims Bar Date or the Negative Notice Bar Date, as applicable, in accordance with the Claims Procedure Order is forever barred and extinguished, and all such Affected Claims are released and discharged;
- (m) Ordered that, on a date to be agreed between RBH and the CCAA Plan Administrators, the Alternative Products Business transferred by RBH to Newco vests absolutely in Newco in accordance with Article 4, Section 4.1 of the CCAA Plan;
- (n) Ordered that, as of the Effective Time, any and all Released Claims are and are deemed to be fully, finally, irrevocably and forever compromised, released, discharged and barred, and the ability of any Person to proceed against any of the Released Parties in respect of or relating to any Released Claims, whether directly, indirectly, derivatively or otherwise is forever barred, estopped, stayed and enjoined, and all proceedings with respect to, in connection with or relating to such Released Claims are permanently stayed, subject only to the right of the Affected Creditors to receive distributions pursuant to the CCAA Plan in respect of their Affected Claims and to exercise their rights under the CCAA Plan;
- (o) Ordered that, as of the Effective Time, no action, proceeding or enforcement process in any court or tribunal may be commenced or continued against any Released Party, or any Person who claims or might reasonably be expected to claim in any manner or forum against any Released Party, in respect of the Released Claims without the prior written consent of the Released Party or leave of the CCAA Court obtained on notice to the Released Party and the Tobacco Companies, including appropriate injunctive language with respect to same;
- (p) Authorized and approved the releases and injunctions set forth in Article 18, Sections 18.1.1 to 18.1.10 herein and order that such releases and injunctions shall become effective at the Effective Time;
- (q) **Intentionally deleted;**
- (r) Confirmed that each of (i) the affirmative vote in respect of the CCAA Plan and (ii) the signing of the Claimant Contractual Release, by or on behalf of each Claimant, shall be evidence of the consent of the Claimant to the treatment of its Claims for the purposes of Section 5.1(2) and/or Section 19(2) of the CCAA to the extent that they apply;
- (s) Granted the Monitor, in addition to its rights and obligation under the CCAA, the powers, duties and protections contemplated by and required under the CCAA Plan and authorize and direct the Monitor to perform its duties and fulfil its obligations under the CCAA Plan as the CCAA Plan Administrator for RBH to facilitate the implementation of the CCAA Plan;

- (t) Authorized RBH and EY, either in its capacity as the Monitor or the CCAA Plan Administrator, 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 terms and conditions, and to enter into, execute, deliver, complete, implement and consummate all of the steps, transactions, distributions, payments, deliveries, allocation, instruments and agreements contemplated by, and subject to the terms and conditions of, the CCAA Plan;
- (u) Ordered that in no circumstance will the Monitor have any liability for any of RBH's tax or other liabilities regardless of how or when such liability may have arisen;
- (v) Approved the form of the Monitor's Plan Implementation Date Certificate, and ordered that the Monitor, in its capacity as Monitor, following the fulfilment or waiver of the conditions precedent to implementation of the CCAA Plan as set out in Article 19, Sections 19.3 and 19.4 of the CCAA Plan, shall deliver the Monitor's Plan Implementation Date Certificate to RBH and serve a copy thereof on the Common Service List;
- (w) Ordered that upon completion by EY of its duties as the Monitor and the CCAA Plan Administrator in respect of RBH pursuant to the CCAA and any Order of the CCAA Court made in connection with the CCAA Proceeding or the CCAA Plan, EY may file with the CCAA Court a certificate ("**Certificate of Plan Completion**") stating that all of its duties in respect of RBH pursuant to the CCAA, the CCAA Plan and any Orders of the CCAA Court in respect thereof, have been completed and thereupon, EY 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;
- (x) Approved the form of the Certificate of Plan Completion, and ordered that EY, in its capacities as the Monitor and the CCAA Plan Administrator has completed its duties to fully and finally effect all distributions, disbursements and payments in accordance with the CCAA Plan, shall file the Certificate of Plan Completion with the CCAA Court;
- (y) Ordered that, in carrying out the terms of the Sanction Order and the CCAA Plan, (i) EY, in its capacities as the Monitor and the CCAA Plan Administrator, shall benefit from all the protections given to it by the CCAA, the Initial Order and any other Order in the CCAA Proceeding, and as an officer of the CCAA Court, (ii) EY shall incur no liability or obligation as a result of carrying out the provisions of the Sanction Order and/or CCAA Plan, and (iii) EY shall be entitled to rely on the books and records of RBH and any information provided by RBH without independent investigation and shall not be liable for any claims or damages resulting from any errors or omissions in such books, records or information;
- (z) Ordered that each Putative Miscellaneous Claimant will be limited to recovering from the Imperial Miscellaneous Claims Fund, RBH Miscellaneous Claims Fund and JTIM Miscellaneous Claims Fund in respect of all Miscellaneous Claims in accordance with the CCAA Plan and any other Definitive Documents, and such Putative Miscellaneous Claimant will have no right to and shall not make any claim against or seek any recovery from any Released Party in respect of such Miscellaneous Claim;

- (aa) Ordered that each of the Sales and Excise Tax Charge and Directors' Charge will be terminated, discharged, expunged and released at the applicable time set out in the Sanction Order upon receipt by RBH of an acknowledgement of payment in full and in the appropriate currency of the claims secured thereby;
- (bb) Approved the RBH CCAA Plan Administration Reserve;
- (cc) Approved the RBH PCC Compensation Plan Reserve;
- (dd) Ordered that, notwithstanding: (i) the pendency of the CCAA Proceeding or the Chapter 15 Proceedings; (ii) any applications for a bankruptcy, receivership or other order now or hereafter issued pursuant to the BIA, the CCAA, the US Bankruptcy Code or otherwise in respect of RBH 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 RBH, the transactions contemplated by the CCAA Plan shall be binding on any trustee in bankruptcy or receiver that may be appointed in respect RBH or its assets and shall not be void or voidable by creditors of RBH, 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 shall the CCAA Plan constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation;
- (ee) Ordered that, subject to the performance by RBH of its obligations under the CCAA Plan, all obligations, contracts, leases, agreements and other arrangements to which (i) RBH is a party at the Effective Time or (ii) Newco becomes a party on a date to be agreed between RBH and the CCAA Plan Administrators as a result of the transfer of the Alternative Products Business to Newco in accordance with the terms of Article 4, Section 4.1, and that have not been terminated or disclaimed pursuant to the applicable paragraph of the Initial Order and related provision of the CCAA will be and remain in full force and effect, 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:
 - (i) 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 or default arising as a result of the insolvency of RBH);
 - (ii) the insolvency of RBH or the fact that RBH sought or obtained relief under the CCAA;

- (iii) any compromises or arrangements effected pursuant to the CCAA Plan, or any action taken or transaction effected pursuant to the CCAA Plan; or
 - (iv) the fact that RBH has sought or obtained relief or taken steps as part of the CCAA Proceedings.
- (ff) Approved all conduct of the Directors of RBH during the CCAA Proceeding;
- (gg) Approved all conduct of the Monitor and the Monitor's Representatives in relation to RBH and its Tobacco Company Group and barred all claims against them arising from or relating to the services provided to RBH and its Tobacco Company Group up to and including the date of the Sanction Order;
- (hh) Ordered that, in regard to the services that it provides after the date of the Sanction Order, EY, whether in its capacity as the Monitor and/or the CCAA Plan Administrator, shall have the benefit of all the protections afforded to the Monitors as officers of the CCAA Court and by the CCAA Plans, the CCAA, any other applicable legislation and any Orders made in the CCAA Proceedings. For greater certainty, EY, whether in its capacity as the Monitor, and/or the CCAA Plan Administrator, shall not be responsible or liable for any obligations of the Tobacco Companies. None of the Monitor or its respective Affiliates, shareholders, Affiliates' shareholders, employees, advisors, legal counsel, representatives 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;
- (ii) Approved all conduct of the Court-Appointed Mediator and the Court-Appointed Mediator's Representatives in relation to RBH and its Tobacco Company Group and barred all claims against them arising from or relating to the services provided during the pendency of the Court-supervised mediation up to and including the date of the Sanction Order;
- (jj) Ordered that in the event that the Court-Appointed Mediator provides any services after the date of the Sanction Order, as requested by either the CCAA Plan Administrators or the CCAA Court, and approved by the CCAA Court, the Court-Appointed Mediator shall have the benefit of all the protections afforded to the Court-Appointed Mediator as an officer of the CCAA Court 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, including the orders appointing the Court-Appointed Mediator. In particular, the Court-Appointed Mediator shall not be liable to any Party, participant in the mediation, or any other Person, for any act or omission in connection with the mediation process and/or in connection with any services provided after date of the Sanction Order, and shall have the immunity of a Judge of a Superior Court in Canada. For greater certainty, the Court-Appointed Mediator shall not be responsible or liable for any obligations of the Tobacco Companies. None of the Court-Appointed Mediator's 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;

- (kk) Ordered that, in regard to the services that the Administrative Coordinator provides after the date of the Sanction Order, the Administrative Coordinator shall have the benefit of all the protections afforded to him as an officer of the CCAA Court and by the CCAA Plans, the CCAA, any other applicable legislation and any Orders made in the CCAA Proceedings. For greater certainty, the Administrative Coordinator shall not be responsible or liable for any obligations of the Tobacco Companies. None of the Administrative Coordinator's 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;
- (ll) Authorized RBH 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, including in the Chapter 15 Proceedings;
- (mm) Ordered that any obligation of RBH to provide financial reporting pursuant to any Order or agreement shall cease at the Effective Time and be replaced with the obligations set forth in Article 10, Section 10.1 to Section 10.10 of the CCAA Plan;
- (nn) Ordered that the CCAA stay of proceedings provided for in the Initial Order shall be extended until the Effective Time; and
- (oo) Ordered that RBH, the Court-Appointed Mediator or EY, whether in its capacity as the Monitor and/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.

19.3 Conditions Precedent to Implementation of CCAA Plan

The implementation of the CCAA Plan shall be conditional upon the satisfaction, prior to or at the Effective Time, of the following conditions precedent ("**Plan Implementation Conditions**"):

- (a) The CCAA Plan will have been approved by the Required Majority of the Affected Creditors at the Meeting;
- (b) The CCAA Plans of Imperial and JTIM will have been approved by the Required Majority of the Affected Creditors of Imperial and JTIM at the Meetings in respect of the CCAA Plans of Imperial and JTIM;
- (c) The Sanction Order will have been granted by the CCAA Court, consistent with the terms of Article 19, Section 19.2 herein, and will have become a final Order;
- (d) The Sanction Orders in respect of the CCAA Plans of Imperial and JTIM will have been granted by the CCAA Court and will have become final Orders;

- (e) All applicable appeal periods in respect of the Sanction Order will have expired and any appeals or motions for leave to appeal therefrom will have been finally disposed of by the applicable appellate court;
- (f) The Plan Implementation Date will have occurred by no later than a date to be set by the Court-Appointed Mediator and the Monitors, unless otherwise ordered by the CCAA Court;
- (g) The Effective Time of the CCAA Plans of Imperial and JTIM shall become effective at the same time or immediately prior or immediately subsequent to the Effective Time of the CCAA Plan;
- (h) **Intentionally deleted;**
- (i) RBH will have established the RBH Global Settlement Trust Account, the RBH PCC Trust Account, the RBH Cy-près Trust Account, the RBH QCAP Trust Account, RBH PCC Compensation Plan Reserve Account, RBH Miscellaneous Claims Fund and the RBH CCAA Plan Administration Reserve Account;
- (j) RBH will have established the RBH Supplemental Trust Account;
- (k) RBH shall have deposited its share of the Upfront Contributions into the RBH Global Settlement Trust Account;
- (l) The amount of \$25.0 million in respect of the CCAA Plan of each Tobacco Company, in aggregate totalling \$75.0 million, shall have been paid out of the Upfront Contributions and deposited into the Imperial CCAA Plan Administration Reserve Account, RBH CCAA Plan Administration Reserve Account and JTIM CCAA Plan Administration Reserve Account to establish, respectively, the Imperial CCAA Plan Administration Reserve, RBH CCAA Plan Administration Reserve and JTIM CCAA Plan Administration Reserve;
- (m) The aggregate amount of \$5.0 million shall have been paid out of the Upfront Contributions and deposited into the Imperial PCC Compensation Plan Reserve Account, RBH PCC Compensation Plan Reserve Account and JTIM PCC Compensation Plan Reserve Account to establish, respectively, the Imperial PCC Compensation Plan Reserve, RBH PCC Compensation Plan Reserve and JTIM PCC Compensation Plan Reserve;
- (n) The aggregate amount of \$25.0 million shall have been paid out of the Upfront Contributions and deposited into the Imperial Miscellaneous Claims Fund, the RBH Miscellaneous Claims Fund and the JTIM Miscellaneous Claims Fund;
- (o) Imperial's and RBH's Cash Security Deposits will have been ordered by the Court of Appeal of Quebec to be released from suretyship and deposited into the Imperial Global Settlement Trust Account, and RBH Global Settlement Trust Account, provided that the Minister of Finance of Quebec may make such deposits of the Cash Security Deposits in whole or in part as soon as practicable after the Plan Implementation Date;

- (p) All relevant Persons will have executed, delivered and filed all documents and other instruments that, in the opinion of the Court-Appointed Mediator and the Monitor, acting reasonably, are necessary to implement the provisions of the CCAA Plan and the Sanction Order, including the Contribution Security Agreement, Deeds of Hypothec and the Demand Debenture;
- (q) The Claimant Contractual Release will have been executed, delivered and become effective in accordance with its terms, subject only to the occurrence of the Plan Implementation Date, on terms satisfactory to each Claimant, to the extent that RBH and such Claimant are parties receiving or giving the applicable releases;
- (r) No action or proceeding will be pending by any third party to enjoin or prohibit the implementation of the CCAA Plan and the transactions contemplated by the CCAA Plan;
- (s) There shall not exist or have occurred any Material Adverse Effect upon RBH;
- (t) Except as expressly set out in the CCAA Plan, RBH shall not have (i) issued or authorized the issuance of any shares, notes, options, warrants or other securities of any kind, (ii) become subject to any Encumbrance with respect to its assets or property, (iii) acquired any assets or become liable to pay any Indebtedness or liability of any kind (other than as expressly set out in the CCAA Plan), or (iv) entered into any agreement for any of the foregoing; and
- (u) All applicable approvals and orders of, and all applicable submissions and filings with, Governmental Authorities having jurisdiction for the completion of the steps and transactions contemplated by the CCAA Plan (including the steps and transactions which are Plan Implementation Conditions) will have been obtained or made, as the case may be, in each case to the extent deemed necessary or advisable by the Court-Appointed Mediator and the Monitor, in form and substance satisfactory to the Court-Appointed Mediator and the Monitor.

Except in the case of Article 19, Sections 19.3 (a), (b), (c), (d), (f) and (g) which may not be waived, the Plan Implementation Conditions may be waived in whole or in part only with the consent, in writing, of the Court-Appointed Mediator and the Monitor provided that the waiver relates to matters of a non-material nature. In the event that the Court-Appointed Mediator and the Monitor seek to waive any material Plan Implementation Conditions, they shall provide notice to the Provinces and Territories, the Impacted Claimants and the Tobacco Company and will bring the issue before the CCAA Court for determination. In respect of Article 19, Section 19.3(q), the obligation of the Claimants to execute the Claimant Contractual Release cannot be waived without RBH's consent.

19.4 Monitor's Certificate – Plan Implementation

As soon as practicable following fulfilment of the Plan Implementation Conditions, the Monitor shall deliver to RBH, serve on the Common Service List, post on the Monitor's website and file with the CCAA Court a certificate confirming that the Plan Implementation Date has occurred ("**Plan Implementation Date Certificate**").

ARTICLE 20. GENERAL

20.1 Binding Effect

At the Effective Time, the CCAA Plan will become effective and binding on and enure to the benefit of the Released Parties and any other Person named or referred to in or subject to the CCAA Plan and their Representatives. Without limiting the generality of the foregoing, at the Effective Time:

- (a) The treatment of Affected Claims, Released Claims and Miscellaneous Claims under the CCAA Plan will be final and binding for all purposes and enure to the benefit of the Released Parties, the Affected Creditors and all other Persons named or referred to in or subject to the CCAA Plan and their Representatives;
- (b) All Affected Claims shall be and shall be deemed to be forever compromised, released, discharged and barred, excepting only the obligations to make distributions in respect of such Affected Claims in the manner and to the extent provided for in the CCAA Plan;
- (c) All Released Claims will be forever discharged, released, enjoined and barred;
- (d) 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 will be deemed to have:
 - (i) Consented and agreed to all of the provisions of the CCAA Plan in its entirety,
 - (ii) Executed and delivered to RBH and to the other Released Parties, as applicable, all consents, releases, directions, assignments and waivers, statutory or otherwise, required to implement and carry out the CCAA Plan in its entirety,
 - (iii) Waived any default by or rescinded any demand for payment against RBH that has occurred on or prior to the Effective Time pursuant to, based on, or as a result of any provision, express or implied, in any agreement or other arrangement, written or oral, existing between such Affected Creditor, Person or Putative Miscellaneous Claimant and RBH with respect to an Affected Claim, Released Claim or Miscellaneous Claim (as the case may be), and
 - (iv) Agreed that, if there is any conflict between the provisions, express or implied, of any agreement or other arrangement, written or oral, existing as at the moment before the Effective Time between an Affected Creditor or a Person holding a Released Claim or Miscellaneous Claim and RBH with respect to an Affected Claim, Released Claim or Miscellaneous Claim (as the case may be) and the provisions of the CCAA Plan, then the provisions of the CCAA Plan take precedence and priority and the provisions of such agreement or other arrangement are amended accordingly; and

- (e) Each Person named or referred to in, or subject to, the CCAA Plan shall be deemed to have received from the Released Parties, all statements, notices, declarations and notifications, statutory or otherwise, required to implement and carry out the CCAA Plan in its entirety.

20.2 Deeming Provisions

In the CCAA Plan, the deeming provisions are not rebuttable and are conclusive and irrevocable.

20.3 Interest and Fees

Interest shall not accrue or be paid on Affected Claims after the Filing Date, and no holder of an Affected Claim, Released Claim or Miscellaneous Claim shall be entitled to interest accruing nor to fees and expenses incurred in respect of an Affected Claim, Released Claim or Miscellaneous Claim on or after the Filing Date, and any Claim in respect of interest accruing or fees and expenses incurred on or after the Filing Date shall be deemed to be forever extinguished and released.

All investment income earned from time to time with respect to and on account of the monies held in the RBH Global Settlement Trust Account, RBH PCC Trust Account, RBH QCAP Trust Account, RBH Cy-près Trust Account, RBH Miscellaneous Claims Fund, RBH CCAA Plan Administration Reserve Account and RBH PCC Compensation Plan Reserve Account shall enure to the exclusive benefit of the beneficiaries of the aforesaid trust accounts or be accumulated or capitalized therein and shall not in any circumstances be applied to reduce the aggregate amount of the Global Settlement Amount that the Tobacco Companies are obligated to pay pursuant to the terms of their respective CCAA Plans.

Any and all investment income accrued on the Reserved Amounts in the Imperial Supplemental Trust Account, RBH Supplemental Trust Account and JTIM Supplemental Trust Account shall be applied to reduce the aggregate amount of the Global Settlement Amount that the Tobacco Companies are obligated to pay pursuant to the terms of their respective CCAA Plan when and to the extent that such investment income is transferred to the Imperial Global Settlement Trust Account, JTIM Global Settlement Trust Account and RBH Global Settlement Trust Account.

20.4 Modification of the CCAA Plan

- (a) The Court-Appointed Mediator and the Monitor reserve the right, at any time and from time to time (including prior to, at or following the Meeting), to amend, restate, modify and/or supplement the CCAA Plan, provided that any such amendment, restatement, modification or supplement is contained in a notice which is filed with the CCAA Court and posted on the Monitor's website and,
 - (i) If made prior to the Meeting Order, such amendment, restatement, modification or supplement is communicated to the Affected Creditors and RBH ; or
 - (ii) If made following the Meeting Order, such amendment, restatement, modification or supplement shall be subject to approval by the CCAA Court following notice to the Affected Creditors and RBH.

- (b) Notwithstanding Article 20, Section 20.4(a), any amendment, restatement, modification or supplement to the CCAA Plan may be made by the Court-Appointed Mediator and the Monitor, at any time and from time to time, provided that it: (i) concerns a matter which is of an administrative nature required to better give effect to the implementation of the CCAA Plan; or (ii) is to cure any errors, omissions or ambiguities, and in either case is not materially adverse to the financial or economic interests of the Affected Creditors or the Unaffected Creditors.
- (c) Any amended, restated, modified or supplementary CCAA Plan filed with the CCAA Court and, if required by this Section, approved by the CCAA Court, will for all purposes be and be deemed to be a part of and incorporated in the CCAA Plan.

20.5 Paramountcy

From and after the Effective Time, any conflict between any of:

- (a) The CCAA Plan;
- (b) The Sanction Order; and/or
- (c) The covenants, warranties, representations, terms, conditions, provisions or obligations, express or implied, of any contract, mortgage, security agreement, indenture, trust indenture, note, loan agreement, commitment letter, agreement for sale, lease or other agreement, written or oral and any and all amendments or supplements thereto existing between one or more of the Affected Creditors and RBH as at the moment before the Effective Time,

will be deemed to be governed by the terms, conditions and provisions of the Sanction Order, which will take precedence and priority.

20.6 Severability of CCAA Plan Provisions

If, prior to the Plan Implementation Date, any term or provision of the CCAA Plan is held by the CCAA Court to be invalid, void or unenforceable, the CCAA Court, at the request of the Court-Appointed Mediator, the Monitor or RBH, will have the power to either: (a) sever such term or provision from the balance of the CCAA Plan and provide the Court-Appointed Mediator and the Monitor with the option to proceed with the implementation of the balance of the CCAA Plan, or (b) alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision will then be applicable as so altered or interpreted. Notwithstanding any such holding, alteration or interpretation, and provided that the Court-Appointed Mediator and the Monitor are authorized by the CCAA Court to proceed with implementation of the CCAA Plan, the remainder of the terms and provisions of the CCAA Plan will remain in full force and effect and will in no way be affected, impaired or invalidated by such holding, alteration or interpretation.

20.7 Transition Period - Responsibilities and Protections of EY as Monitor and CCAA Plan Administrator

EY is acting and will continue to act in all respects in its capacity as Monitor in the CCAA Proceedings with respect to RBH (and not in its personal capacity). In accordance with the approval by the CCAA Court of EY's appointment as the CCAA Plan Administrator pursuant to Article 14, Section 14.1 and the CCAA Plan Administrator Appointment Order, subsequent to the Effective Time EY will transform from the Monitor into the CCAA Plan Administrator and will fulfill the duties and responsibilities of the CCAA Plan Administrator set forth in the CCAA Plan, any other Definitive Documents and any Order made in the CCAA Proceeding. Notwithstanding the foregoing, during the period of time subsequent to the Effective Time during which EY transitions from its capacity as Monitor to its capacity as CCAA Plan Administrator, from time to time as required and applicable, EY may act in both its capacities as the Monitor and the CCAA Plan Administrator depending upon the duties and responsibilities that it is fulfilling.

In both its capacities as the Monitor and the CCAA Plan Administrator, EY shall not be responsible or liable for any obligations of RBH and its Tobacco Company Group. EY will have the powers and protections granted to it by the Initial Order, the CCAA Plan, the CCAA, the Sanction Order and any other Order made in the CCAA Proceeding, including the protections expressly set forth in Article 18, Sections 18.1.1 to 18.1.10 of the CCAA Plan. EY and its Affiliates, shareholders, Affiliates' shareholders, employees, legal counsel, advisors, representatives and agents will incur no personal liability whatsoever whether on their own part or in respect of any failure on the part of RBH and its Tobacco Company Group to observe, perform or comply with any of their obligations under the CCAA Plan. Any release, discharge or other benefit conferred upon EY pursuant to the CCAA Plan will enure to the benefit of EY and its Affiliates, shareholders, Affiliates' shareholders, employees, legal counsel, advisors, representatives and agents. EY in its personal capacity, and each of its Affiliates, shareholders, Affiliates' shareholders, employees, legal counsel, advisors, representatives and agents, will be third party beneficiaries to the CCAA Plan entitled to enforce such releases, discharges and other benefits in accordance with the terms of the CCAA Plan.

20.8 Transition Period - Responsibilities and Protections of the Court-Appointed Mediator

The Court-Appointed Mediator is acting and will continue to act in all respects in his capacity as the Court-Appointed Mediator in the CCAA Proceeding with respect to RBH (and not in his personal capacity). Subsequent to the Effective Time, if (i) requested by EY in its capacity as the Monitor or the CCAA Plan Administrator, or (ii) directed by the CCAA Court, the Court-Appointed Mediator will perform such duties and provide such services as may arise from or relate to the fulfillment of his mandate to mediate and give effect to the global settlement of all Tobacco Claims.

The Court-Appointed Mediator shall not be responsible or liable for any obligations of RBH and its Tobacco Company Group. The Court-Appointed Mediator will have the powers and protections granted to him by the Initial Order, the CCAA Plan, the CCAA, the Sanction Order, the CCAA Plan Administrator Appointment Order, the Court-Appointed Mediator's Ongoing Services Direction, the Fee Approval Direction and any other Order made in the CCAA Proceeding, including the protections expressly set forth in Article 18, Sections 18.1.1 to 18.1.10 of the CCAA

Plan. The Court-Appointed Mediator and his heirs, successors, assigns, representatives, advisors, legal counsel, consultants and agents will incur no personal liability whatsoever whether on their own part or in respect of any failure on the part of RBH and its Tobacco Company Group to observe, perform or comply with any of their obligations under the CCAA Plan. Any release, discharge or other benefit conferred upon the Court-Appointed Mediator pursuant to the CCAA Plan will enure to the benefit of the Court-Appointed Mediator and his heirs, successors, assigns, representatives, advisors, legal counsel, consultants and agents. The Court-Appointed Mediator and his heirs, successors, assigns, representatives, advisors, legal counsel, consultants or agents, will be third party beneficiaries to the CCAA Plan entitled to enforce such releases, discharges and other benefits in accordance with the terms of the CCAA Plan.

20.9 Miscellaneous Claims Bar Date

Nothing in the CCAA Plan extends or shall be interpreted as extending or amending the Miscellaneous Claims Bar Date or gives or shall be interpreted as giving any rights to any Person in respect of Claims that have been barred or extinguished pursuant to the Claims Procedure Order and the Meeting Order.

20.10 Different Capacities

Persons who are impacted by the CCAA Plan may be impacted in more than one capacity. Unless expressly provided herein to the contrary, a Person will be entitled to participate hereunder in each such capacity. Any action taken by a Person in one capacity will not impact such Person in any other capacity, unless otherwise provided in the Meeting Order expressly agreed by the Court-Appointed Mediator, the Monitor and the Person in writing, or unless its Claims overlap or are otherwise duplicative.

20.11 Notices

Any notice or other communication to be delivered hereunder must be in writing and reference the CCAA Plan and may, subject as hereinafter provided, be made or given by personal delivery, ordinary mail or by email addressed to the respective parties as follows:

(a) If to RBH:

Rothmans, Benson & Hedges Inc.
1500 Don Mills Road
Toronto ON M3B 3L1

Attention: Gwenno Lloyd
Email: gwenno.lloyd@rbhinc.ca

With a copy to (which will not constitute notice):

McCarthy Tétrault LLP
Suite 5300, Toronto Dominion Tower
Toronto ON M5K 1E6

Attention: James D. Gage
Email: jgage@mccarthy.ca

- (b) If to an Affected Creditor: to the mailing address or email address provided on such Affected Creditor's Statement of Negative Notice Claim or other proof of claim, or such more recent address particulars of an Affected Creditor as noted in the files of RBH or the Monitor.
- (c) If to the Monitor:

Ernst & Young Inc.
100 Adelaide Street West
Toronto ON M5H 0B3

Email: rbh@ca.ey.com

With a copy to (which will not constitute notice):

Cassels Brock & Blackwell LLP
Suite 3200, Bay Adelaide Centre – North Tower
40 Temperance Street
Toronto ON M5H 0B4

Email: rbh@cassels.com

or to such other address as any party may from time to time notify the others in accordance with this Section, or, in the case of an address change for RBH or the Monitor or CCAA Plan Administrator, by posting notice of such address change on the Monitor's website (www.ey.com/ca/rbh). Any such communication so given or made shall be deemed to have been given or made and to have been received on the day of delivery if delivered, or on the day of sending by means of recorded electronic communication, provided that such day in either event is a Business Day and the communication is so delivered or sent before 5:00 p.m. (Eastern Time) on such day. Otherwise, such communication shall be deemed to have been given and made and to have been received on the next following Business Day.

20.12 Further Assurances

Each of the Persons named or referred to in, or subject to, the CCAA Plan will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of the CCAA Plan and to give effect to the transactions contemplated by the CCAA Plan and the Definitive Documents notwithstanding any provision of the CCAA Plan that deems any event or transaction to occur without further formality.

20.13 Language

The CCAA Plan, as well as any notices, schedules or other documents related thereto have been and will be prepared in the English and French languages. To the extent a French language or other translation is prepared, any such translation will be for informational purposes only, it being intended that the English language version will govern and prevail in all respects.

20.14 Acts to Occur on Next Business Day

If any distribution, payment or act under the CCAA Plan is required to be made or performed on a date that is not a Business Day, then the making of such distribution, payment or the performance of such act may be completed on the next succeeding Business Day, but will be deemed to have been completed as of the required date.

20.15 Non-Consummation of the CCAA Plan

The Court-Appointed Mediator and the Monitor reserve the right to revoke or withdraw the CCAA Plan at any time prior to the date on which the CCAA Court grants the Sanction Order. If the Court-Appointed Mediator and the Monitor revoke or withdraw the CCAA Plan, or if the Sanction Order is not issued or if the Plan Implementation Date does not occur, (a) the CCAA Plan and all transactions contemplated in the CCAA Plan shall be null and void in all respects, (b) any settlement or compromise embodied in the CCAA Plan, or any document or agreement executed pursuant to or in connection with the CCAA Plan shall be deemed to be null and void, and (c) nothing contained in the CCAA Plan, and no acts taken in preparation for consummation of the CCAA Plan, shall (i) constitute or be deemed to constitute a waiver or release of any Claims by or against RBH or any member of its Tobacco Company Group or any other Person, (ii) prejudice in any manner the rights of RBH or any member of its Tobacco Company Group or any other Person in any further proceedings involving any of RBH or any member of its Tobacco Company Group, or (iii) constitute an admission of any sort by RBH or any member of its Tobacco Company Group or any other Person.

20.16 Deemed Waiver of Defaults from Plan Implementation Date

From and after the Plan Implementation Date, all Persons shall be deemed to have waived any and all defaults of RBH then existing or previously committed by RBH, or caused directly or indirectly by RBH, the commencement of the CCAA Proceeding or the Chapter 15 Proceedings, any matter pertaining to the CCAA Proceeding or the Chapter 15 Proceedings, any of the provisions in the CCAA Plan or the Definitive Documents or steps or transactions contemplated in the CCAA Plan or the Definitive Documents, or any non-compliance with any covenant, warranty, representation, undertaking, positive or negative pledge, term, provision, condition or obligation, expressed or implied, in any contract, instrument, credit document, lease, guarantee, agreement for sale, deed, licence, permit or other agreement, written or oral, and any and all amendments or supplements thereto, existing between such Person and RBH and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith under any such agreement shall be deemed to have been rescinded and of no further force or effect; provided that, nothing herein shall be deemed to limit or excuse RBH from performing their obligations

thereunder and under the CCAA Plan or be a waiver of any defaults by RBH under the CCAA Plan or the other Definitive Documents.

DATED as of the 22nd day of August, 2025.

SCHEDULE “A”

**NEGATIVE NOTICE CLAIMS PACKAGE
COMPRISED OF STATEMENT OF NEGATIVE NOTICE CLAIM (SCHEDULE “A-1”)
AND NOTICE OF DISPUTE OF NEGATIVE NOTICE CLAIM (SCHEDULE “A-2”)**

SCHEDULE “B”
NEGATIVE NOTICE CLAIMS PACKAGE

B-1 - STATEMENT OF NEGATIVE NOTICE CLAIM

For Negative Notice Claims against Rothmans, Benson & Hedges Inc. (“RBH”)

Issuance Date: [●], 2024

In accordance with the Claims Procedure Order,² the present Statement sets forth the value and number of votes associated with the Claimant’s Affected Claim, for the sole purpose of establishing the Claimant’s right to vote at the Meeting of Affected Creditors (the “**Meeting**”), the whole as set forth in the CCAA Plan:³

Name of Claimant:	_____
Number of Votes:	_____
Value of Claim:	_____

The above determinations do not affect any other right or entitlement accruing to the Claimant in respect of the CCAA Plan.

In accordance with the Claims Procedure Order, the Claimant shall have twenty-one (21) days from the Issuance Date hereof (referenced above) to file a Notice of Dispute of Negative Notice Claim, failing which the Claimant shall be conclusively and irrevocably deemed to have accepted, solely for voting purposes at the Meeting, the value and number of votes associated with its Affected Claim.

UNLESS THE MONITOR RECEIVES A NOTICE OF DISPUTE OF NEGATIVE NOTICE CLAIM WITHIN THE PRESCRIBED TIME-PERIOD, THE CLAIMANT WILL HAVE NO FURTHER RIGHT TO DISPUTE THE DETERMINATIONS MADE HEREIN FOR VOTING PURPOSES.

Ernst & Young Inc., in its capacity as
Monitor to RBH

² Capitalized terms used but not defined in this Statement of Negative Notice Claim (the “**Statement**”) shall have the meanings ascribed to them in the Order of the Ontario Superior Court of Justice (Commercial List) in the CCAA proceedings of RBH dated October 31, 2024 (the “**Claims Procedure Order**”).

³ The Court-Appointed Mediator and Monitor’s Plan of Compromise and Arrangement in respect of RBH dated October 17, 2024.

B-2 - NOTICE OF DISPUTE OF NEGATIVE NOTICE CLAIM

For Negative Notice Claims against Rothmans, Benson & Hedges Inc.

Capitalized terms used but not defined in this Notice of Dispute of Negative Notice Claim shall have the meanings ascribed to them in the Order of the Ontario Superior Court of Justice (Commercial List) in the CCAA proceedings of Rothmans, Benson & Hedges Inc. dated October 31, 2024 (the “**Claims Procedure Order**”).

You can obtain a copy of the Claims Procedure Order on the Monitor’s website at www.ey.com/ca/rbh.

1. Particulars of the Claimant:

Name of Claimant: _____

Representative: _____

Telephone Number: _____

Email Address: _____

2. Dispute of Negative Notice Claim:

The Claimant refers to the Statement of Negative Notice Claim issued to it by the Monitor on _____ (the “**Statement**”).

The Claimant disagrees with the Statement, in respect of the:

☐ Value of the Claim stipulated in the Statement, which the Claimant asserts should be \$_____.

☐ Number of votes attributed to the Claim stipulated in the Statement, which the Claimant asserts should be _____.

[Check the box or boxes that apply to your dispute, and fill in the blank space indicated with the value and/or number of votes the Claimant is asserting, as applicable]

3. Reasons for Dispute:

Describe the reasons and basis for your dispute of the Statement. You may attach a separate schedule if more space is required.

Provide any applicable documentation supporting your dispute. Any particulars provided should support the number of votes and/or value of the Claim as asserted by you in section 2, above.

DATED in _____ (city) this _____ (date) day of _____ (month), 2024

I hereby certify that:

1. I am a duly authorized representative of the Claimant;
2. I have knowledge of the circumstances connected with the Claim; and
3. All information and/or documents submitted by the Claimant in support of its Notice of Dispute of Negative Notice Claim are true, accurate and complete.

Name of Claimant:

Signature: _____

Name: _____

Title: _____

Witness:

(Signature)

(Print Name)

This Notice of Dispute of Negative Notice Claim MUST be received by the Monitor no later than 5:00 p.m. (Eastern Time) on the Negative Notice Bar Date, being twenty-one (21) days following the Issuance Date of the Statement.

The Notice of Dispute of Negative Notice Claim must be delivered to the Monitor by registered mail, personal delivery, courier or email (in PDF format) at the address below:

Ernst & Young Inc., as Monitor of RBH
100 Adelaide Street West
Toronto, ON M5H 0B3
Attention: Matt Kaplan
Email: rbh@ca.ey.com

IF A NOTICE OF DISPUTE OF NEGATIVE NOTICE CLAIM IS NOT RECEIVED BY THE MONITOR WITHIN THE PRESCRIBED TIME PERIOD, THE CLAIMANT SHALL BE CONCLUSIVELY AND IRREVOCABLY DEEMED TO HAVE ACCEPTED THE STATEMENT OF NEGATIVE NOTICE AND THE VALUE AND NUMBER OF VOTES ASSOCIATED WITH ITS AFFECTED CLAIM SOLELY FOR THE PURPOSE OF VOTING AT THE MEETING.

SCHEDULE “B”

**CLAIMS PACKAGE COMPRISED OF MISCELLANEOUS CLAIMS
INSTRUCTION LETTER (SCHEDULE “B-1”) AND
MISCELLANEOUS CLAIMANT PROOF OF CLAIM (SCHEDULE “B-2”)**

SCHEDULE “A”
CLAIMS PACKAGE

A-1 - MISCELLANEOUS CLAIMS INSTRUCTION LETTER

IN THE MATTER OF THE CCAA PROCEEDINGS OF ROTHMANS, BENSON & HEDGES INC. (the “APPLICANT”)

PLEASE TAKE NOTICE that this Instruction Letter is being provided pursuant to an order of the Honourable Chief Justice Morawetz of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated October 31, 2024 (the “**Claims Procedure Order**”). All capitalized terms not otherwise defined in this Instruction Letter shall bear the meaning given to them in the Claims Procedure Order, which is posted on the website of the Monitor at www.ey.com/ca/rbh (the “**Monitor’s Website**”).

Claims Procedure

This Claims Procedure only applies to Persons, other than a Claimant or an Individual Claimant, who asserts a Miscellaneous Claim to be able to attend and vote on the Applicant’s CCAA Plan.

“**Miscellaneous Claims**” means collectively:

- (a) any Pre-Implementation Miscellaneous Claim;
- (b) any Section 5.1(2) Claim, in respect of which the Person holding such Claim, or an authorized Person on their behalf, has not executed and delivered, or will not execute and deliver, a Claimant Contractual Release;
- (c) any Section 19(2) Claim in regard to which the compromise or arrangement in respect of RBH explicitly provides for the Section 19(2) Claim’s compromise, and the Person holding such Claim, or an authorized Person on their behalf, has not voted, or will not vote, for the acceptance of the compromise or arrangement, or otherwise execute and deliver a Claimant Contractual Release; and
- (d) any other Claim in respect of RBH (excluding any Unaffected Claim) which is received by the Monitor and asserted against any Released Party 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) by a Person who asserts that such Claim will not be or, if asserted after the Effective Time, has not been compromised and fully, finally and irrevocably and unconditionally released and forever discharged, and permanently barred and enjoined pursuant to the terms of the CCAA Plan, the Claims Procedure Order, the Sanction Order or any other Order made in the CCAA Proceeding, and in accordance with Article 18, Section 18.2.3 of the CCAA Plan, the CCAA Court grants leave for such Person to bring such Claim for determination on its merits by the CCAA Court.

The existence of any such Miscellaneous Claims is not admitted but is expressly denied by RBH, its Tobacco Company Group and the Claimants. For greater certainty, no Claimant or Individual Claimant may assert a Miscellaneous Claim.

“Claimants” means the Provinces and Territories, Quebec Class Action Plaintiffs, Pan-Canadian Claimants and Tobacco Producers.

“Individual Claimants” means all individuals who have asserted or may be entitled to assert a Tobacco Claim, which individuals are either Pan-Canadian Claimants or Quebec Class Action Plaintiffs and are represented in this CCAA Proceeding by either the PCC Representative Counsel or the Quebec Class Counsel respectively.

If you wish to assert a Miscellaneous Claim to be entitled to vote on the Applicant’s CCAA Plan at the Meeting, you must file a Miscellaneous Claimant Proof of Claim by 5:00 p.m. (Eastern Time) on the Miscellaneous Claims Bar Date, being December 5, 2024.

Any Person that does not file a Miscellaneous Claimant Proof of Claim by the Miscellaneous Claims Bar Date as provided in the Claims Procedure Order shall not be entitled to attend or vote on the CCAA Plan at the Meeting.

Please note that the filing by any Person of a Miscellaneous Claimant Proof of Claim shall not constitute a determination of the existence, validity or value of such Miscellaneous Claim and shall not entitle such Person to any distribution under the CCAA Plan, or otherwise. For certainty, provided that the CCAA Plan is approved by the Affected Creditor Class, sanctioned by the Court, and implemented, any Person who purports to have a Miscellaneous Claim shall be entitled to assert a Miscellaneous Claim for a period of two years following the issuance of the Sanction Order and to do so shall be obliged to follow the Miscellaneous Claims Procedure set forth in the CCAA Plan to prove the existence, validity and value of such Miscellaneous Claim.

If you have any questions regarding the Claims Procedure, please contact the Monitor at the following address:

Ernst & Young Inc., as Monitor of RBH
100 Adelaide Street West
Toronto, ON M5H 0B3
Attention: Matt Kaplan
Email: rbh@ca.ey.com

Additional Miscellaneous Claimant Proof of Claim forms can be found on the Monitor’s Website or obtained by contacting the Monitor at the address indicated above and providing particulars as to your name, address, and e-mail address. Once the Monitor has this information, you will receive, as soon as practicable, a Miscellaneous Claimant Proof of Claim form.

The Miscellaneous Claimant Proof of Claim form must include a written summary of the asserted Miscellaneous Claim, including a description of the claim and the basis therefor, the nature of the claim (as it relates to the definition of Miscellaneous Claims), and support for the amount of the Miscellaneous Claim asserted.

If you are submitting your Miscellaneous Claimant Proof of Claim electronically, please submit it to the email address provided above in PDF format and ensure the name of the file is **[legal name of Putative Miscellaneous Claimant]poc.pdf**.

A-2 - MISCELLANEOUS CLAIMANT PROOF OF CLAIM

(See Miscellaneous Claims Instruction Letter for instructions)

IN THE MATTER OF THE CCAA PROCEEDINGS OF ROTHMANS, BENSON & HEDGES INC. (the “APPLICANT”)

Regarding the Miscellaneous Claim of _____
(referred to in this form as the “**Putative Miscellaneous Claimant**”).

All notices or correspondence regarding this claim to be forwarded to the Putative Miscellaneous Claimant at the following address:

Representative: _____

Telephone Number: _____

Email Address: _____

(All future correspondence will be delivered to the designated email address unless the Putative Miscellaneous Claimant specifically requests that hardcopies be provided by checking the box below)

☐ Please provide hardcopies of materials to the address above.

I, _____ (name of the representative of the Putative Miscellaneous Claimant), of _____ (City, Province) do hereby certify that:

1. I am _____ *(state position/title)* of the Putative Miscellaneous Claimant.
2. I have knowledge of the circumstances connected with the Miscellaneous Claim referred to in this form.

3. The Putative Miscellaneous Claimant asserts that it holds a Miscellaneous Claim (as defined in the Claims Procedure Order) in the amount of CDN\$_____ (*insert CDN \$ value of claim*).¹
4. Provide a written summary of the asserted Miscellaneous Claim, including a description of the claim and the basis therefor, the nature of the claim (as it relates to the definition of Miscellaneous Claim), and support for the amount of the Miscellaneous Claim asserted:

Please attach any documentation supporting your Miscellaneous Claim. You may also attach a separate schedule if more space is required to describe your claim. Please clearly mark all attachments as schedules to your Miscellaneous Claimant Proof of Claim.

DATED in _____ (*city*) this _____ (*date*) day of _____ (*month*), 2024

I hereby certify that:

1. I am a duly authorized representative of the Putative Miscellaneous Claimant;
2. I have knowledge of the circumstances connected with the Miscellaneous Claim; and
3. All information and/or documents submitted herewith are true, accurate and complete.

Name of Putative Miscellaneous Claimant:

Witness:

Signature: _____

(Signature)

Name: _____

(Print Name)

Title: _____

¹ Amounts in foreign currency will be converted to Canadian Dollars by the Monitor at the rate set out in the Claims Procedure Order.

SCHEDULE “C”

OMNIBUS NOTICE

SCHEDULE “C”

OMNIBUS NOTICE FOR NON-INDIVIDUAL CLAIMANTS

**IN THE MATTER OF THE COMPANIES’ CREDITORS
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF THE PLANS OF COMPROMISE OR ARRANGEMENT
OF:**

**IMPERIAL TOBACCO CANADA LIMITED AND IMPERIAL TOBACCO COMPANY
LIMITED**

ROTHMANS, BENSON AND HEDGES INC.

JTI-MACDONALD CORP.

**NOTICE FOR NON-INDIVIDUAL CLAIMANTS OF CLAIMS PROCEDURE AND
CREDITORS’ MEETINGS**

IMPORTANT NOTE FOR INDIVIDUALS: Individuals who have suffered damages resulting from the use or consumption of Tobacco Products, including cigarettes, do not need to do anything at this time to preserve their rights. If the CCAA Plans are approved, separate claims processes will commence at a later date for individuals to file claims for compensation. Accordingly, this notice is solely for non-Individual Claimant.

PLEASE TAKE NOTICE that on October 17, 2024, the Honourable Warren K. Winkler, K.C., in his capacity as the Court-appointed mediator (the “**Court-Appointed Mediator**”) in the CCAA Proceedings of Imperial Tobacco Canada Limited and Imperial Tobacco Company Limited (collectively, “**Imperial**”), Rothmans, Benson and Hedges, Inc. (“**RBH**”) and JTI-Macdonald Corp. (“**JTIM**” and collectively with Imperial and RBH, the “**Tobacco Companies**” or “**Applicants**”) and FTI Consulting Canada Inc. (“**FTI**”), Ernst & Young Inc. (“**EY**”), and Deloitte Restructuring Inc. (“**Deloitte**”), in their respective capacities as Court-appointed monitors to Imperial, RBH and JTIM (FTI, EY and Deloitte, collectively, the “**Monitors**”), filed plans of compromise and arrangement in respect of each of the Tobacco Companies (the “**CCAA Plans**”) under the *Companies’ Creditors Arrangement Act* (Canada) (the “**CCAA**”).

PLEASE ALSO TAKE NOTICE that on October 31, 2024, the Court-Appointed Mediator and the Monitors obtained the following orders from the Ontario Superior Court of Justice (Commercial List) (the “**CCAA Court**”):

- A claims procedure order (the “**Claims Procedure Order**”) which, *inter alia*, establishes the procedure pursuant to which Claimants, as well as any other purported creditors of the

Tobacco Companies can assert a Claim in order to obtain the right to attend the meetings of Affected Creditors (the “**Meetings**”) and vote on the CCAA Plans; and

- A meeting order that, *inter alia*, accepts the filing of the CCAA Plans, approves the meeting materials, and directs the Monitors as to the conduct of the Meetings (the “**Meeting Order**”).

The CCAA Plans, Claims Procedure Order and Meeting Order are available for review on the Monitors’ websites, at the links referenced at the end of this Notice in section (v) hereof: *Questions and Contact Information* (the “**Monitors’ Websites**”).

All capitalized terms used in this Notice that are not defined herein have the meanings given to them in the CCAA Plans (available on the Monitors’ Websites).

(i) **Key information**

a. Dates

In accordance with the Claims Procedure Order, the Miscellaneous Claims Bar Date, being the date on which Persons other than Claimants and Individual Claimants, must file their Miscellaneous Claimant Proof of Claim in order to be able to attend and vote at the Meetings, is December 5, 2024.

Claimants who receive a Statement of Negative Notice Claim and wish to dispute same must file a Notice of Dispute of Negative Notice Claim by the Negative Notice Bar Date, which is twenty-one (21) days following the Issuance Date of the Statement of Negative Notice Claim.

In accordance with the Meeting Order, the Meetings shall be held on December 12, 2024.

Only Claimants, as well as Persons who file a Miscellaneous Claimant Proof of Claim before the Miscellaneous Claims Bar Date, shall be entitled to attend the Meetings and vote on the CCAA Plans.

b. Information for Individuals

All individuals with a Tobacco Claim against one or more Applicants (collectively, the “**Individual Claimants**”) are already represented in this matter either by the Quebec Class Counsel, in the case of the Quebec Class Action Plaintiffs (the “**QCAPs**”), or by the PCC Representative Counsel, in the case of the Pan-Canadian Claimants (the “**PCCs**”). If you are an Individual Claimant, such counsel will attend the Meetings and vote on the CCAA Plans on your behalf. **Accordingly, Individual Claimants cannot file proofs of claim, attend the Meetings, nor vote on the CCAA Plans.**

Please note that Individual Claimants are not required to take any actions at this time to preserve their rights.

If the CCAA Plans are approved at the Meetings and sanctioned by the CCAA Court, there will be separate administrative processes for QCAPs and PCCs to file claims for the purpose of receiving the distributions provided for in the CCAA Plans. New notices will be issued and publicized in the future before these claims processes for Individual Claimants will commence.

(ii) Background and Overview of the CCAA Plans

In March 2019, the Tobacco Companies each sought and obtained protection from their creditors pursuant to Initial Orders rendered by the CCAA Court.

Following a lengthy mediation process involving the Tobacco-Companies and the Claimants (the “**Mediation**”), and in accordance with an Order of the CCAA Court, the Court-Appointed Mediator and the Monitors developed CCAA Plans in respect of each Tobacco Company.

The CCAA Plans provide for the payment by the Tobacco Companies of a global amount of \$32.5 billion over time (the “**Global Settlement Amount**”).

Subject to the aforementioned approvals, and in accordance with the terms of the CCAA Plans, the Global Settlement Amount will be allocated to and among eligible Individual Claimants (comprising QCAPs and PCCs), Provinces and Territories, a public charitable foundation (Cy-près Foundation) and certain Tobacco Producers.

In respect of Individual Claimants, there will be two separate claims processes established pursuant to the CCAA Plans; namely, the Quebec Class Action Administration Plan and the PCC Compensation Plan (each schedules to the CCAA Plans).

A Miscellaneous Claims Fund will also be established pursuant to the CCAA Plans to provide potential distributions to any other Persons who may purport to have a Miscellaneous Claim (the “**Putative Miscellaneous Claimants**”).

(iii) The Claims Procedure

The Claims Procedure sets forth the process pursuant to which (i) Claimants and (ii) Putative Miscellaneous Claimants, if any, may attend and vote at the Meetings.

For greater certainty, no Individual Claimants or Unaffected Creditors in respect of Unaffected Claims shall be entitled to attend the Meetings or vote on the CCAA Plans.

a. Claimants

The Claimants consist of the (i) QCAPs, (ii) PCCs, (iii) Provinces and Territories, (iv) Tobacco Producers, and, in the case of Imperial only, (v) *Knight Class Action Plaintiffs*.

In accordance with the Claims Procedure Order, the Monitors will send to each of the Claimants a Statement of Negative Notice Claim, and the Claimants will have until the Negative Notice Bar Date to dispute the determinations set forth therein by filing a Notice of Dispute of Negative Notice

Claim. Failing receipt of a Notice of Dispute of Negative Notice Claim by the Negative Notice Bar Date, a Claimant will be conclusively and irrevocably deemed to have accepted the Statement of Negative Notice Claim and the value and number of votes associated with its Affected Claim solely for voting at the Meetings.

Please note that these determinations in respect of the Claimants are for voting purposes only. All entitlements to distributions from the Global Settlement Amount are governed by the CCAA Plans.

b. *Putative Miscellaneous Claimants*

In order to give Putative Miscellaneous Claimants, if any, the opportunity to vote on the CCAA Plans, the Claims Procedure Order also sets forth the process by which any Person (excluding any Individual Claimant or group of Individual Claimants), may file a Miscellaneous Claimant Proof of Claim. A copy of the Claims Package (including an Instruction Letter and the form of Miscellaneous Claimant Proof of Claim) is available on the Monitors' Websites.

The Miscellaneous Claims Bar Date is 5:00 pm (Eastern Time) on December 5, 2024.

In accordance with the Claims Procedure Order, all Persons, other than Claimants or Individual Claimants, who wish to assert a Claim must file a Miscellaneous Claimant Proof of Claim before the Miscellaneous Claims Bar Date in order to be permitted to attend the Meetings and vote on the CCAA Plans.

Please take note that this Claims Procedure is for no purpose other than to determine eligibility to vote at the Meetings and, as such, the Monitors will not make any inquiry or assessment as to the validity or quantification of any Miscellaneous Claimant Proof of Claim that they may receive. Putative Miscellaneous Claimants, if any, that file a Miscellaneous Claimant Proof of Claim will be permitted to attend the Meetings and vote on the CCAA Plans in the Affected Creditor Class of each Applicant for the value referenced on their Miscellaneous Claimant Proof of Claim. Such votes, if any, will be recorded by the Monitors on a separate ledger from the votes of the Claimants.

Pursuant to the CCAA Plans, any Person purporting to have a Miscellaneous Claim will still be required to follow the Miscellaneous Claims Procedure outlined in Section 18.2 of the CCAA Plans in order to make a claim for compensation, including, without limitation, the requirement of first obtaining leave from the CCAA Court in order to assert a Miscellaneous Claim. Any compensation that may be determined to be due in respect of a Miscellaneous Claim will be payable exclusively from the Miscellaneous Claims Fund.

(iv) The Meeting Order

The Meeting Order stipulates, *inter alia*, that:

- the Meetings will be held **by videoconference** as follows:

Tobacco Company	Meeting Date and Time
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.

- PCC Representative Counsel are authorized to vote on behalf of all PCCs, Quebec Class Counsel are authorized to vote on behalf of all QCAPs, Counsel for the Tobacco Producers are authorized to vote on behalf of all Tobacco Producers, and *Knight* Class Counsel are authorized to vote on behalf of all *Knight* Class Action Plaintiffs;
- there will be a single Affected Creditor Class for each Applicant and the Monitors shall record the Claimants' votes and the Putative Miscellaneous Claimants' votes, if any, on separate ledgers;
- the Monitors will report on the results of the votes to the CCAA Court prior to the Sanction Hearing; and
- in the event that the CCAA Plans are approved by the Affected Creditor Class, the Sanction Hearing will be scheduled on a date to be approved by the CCAA Court.

(v) Questions and Contact Information

If you have any questions with respect to the foregoing, you may contact the Monitors as follows:

- Imperial: Monitor: FTI Consulting Canada Inc.
 - Website: <http://cfcanada.fticonsulting.com/imperialtobacco>
 - Phone Number: 1-844-707-7558
 - Email Address: imperialtobacco@fticonsulting.com
- RBH: Monitor: Ernst & Young Inc.
 - Website: www.ey.com/ca/rbh
 - Phone Number: 1-866-943-2280
 - Email Address: rbh@ca.ey.com
- JTI: Monitor: Deloitte Restructuring Inc.
 - Website: www.insolvencies.deloitte.ca/en-ca/JTIM

- Phone Number: 1-833-765-1452
- Email Address: jtim@deloitte.ca

SCHEDULE “D”

**OMNIBUS NOTICE PROGRAM
COMPRISED OF CONDENSED VERSION OF THE OMNIBUS NOTICE (APPENDIX
“A”) AND THE LIST OF THE REGIONAL NEWSPAPERS IN WHICH
THE OMNIBUS NOTICE WILL BE PUBLISHED (APPENDIX “B”)**

SCHEDULE “D”

OMNIBUS NOTICE PROGRAM

1. The purpose of the Omnibus Notice Program (the “**Notice Program**”) is to provide Persons¹ in the Provinces and Territories with notice of: (a) the Claims Procedure to be conducted by the Monitors in accordance with the Claims Procedure Order to invite Putative Miscellaneous Claimants, if any, to file Miscellaneous Claimant Proofs of Claim for the purpose of attending and voting at the Meetings, and (b) the schedule of the Meetings to be convened to vote on the CCAA Plans in accordance with the Meeting Order.
2. The Notice Program shall include the dissemination of information and instructions contained in the Omnibus Notice approved by the CCAA Court pursuant to the Claims Procedure Order.
3. The Notice Program is intended to provide Persons in Canada, including notably Putative Miscellaneous Claimants, with reasonable information regarding the filing of Miscellaneous Claimant Proofs of Claim as well as notice of the Miscellaneous Claims Bar Date by which time such Miscellaneous Claimant Proofs of Claim must be filed, failing which no Person purporting to have a Miscellaneous Claim shall be entitled to attend or vote at the Meetings.
4. The Notice Program is also intended to communicate, in easy to understand language, that individuals with Tobacco Claims (or Persons representing groups of such individuals) shall not be entitled to participate in the Claims Procedure nor attend or vote at the Meetings. Furthermore, the Notice Program shall inform individuals that they will be represented at the Meetings by PCC Representative Counsel or Quebec Class Counsel, as the case may be, who will vote on their behalf, and that the claims processes in respect of distributions of compensation to eligible QCAPs or PCCs will only be conducted at a future date after new notice has been provided in connection therewith.

¹ All capitalized terms used herein shall have the meanings given to them in the form of Omnibus Notice attached as Schedule “C” to the Claims Procedure Order, including by cross-reference.

5. The Omnibus Notice shall be available and published in both French and English.
6. The Notice Program shall include the following steps and initiatives to reach as many targeted Persons as reasonably possible in a cost effective manner:
 - i) Within five (5) Business Days following the issuance of the Claims Procedure Order, the Monitors shall send by email to all Persons on the Common Service List a copy of (a) the Claims Procedure Order, (b) the Meeting Order, and (c) the Omnibus Notice (collectively, the “**Claims Procedure Documents**”). To avoid duplication, the Monitors, acting together, will only send one set of the Claims Procedure Documents to each such Person;
 - ii) The Monitors shall also use their best efforts to send a copy of the Claims Procedure Documents to any Person, other than those on the Common Service List, that has identified itself in writing to a Monitor prior to the Miscellaneous Claims Bar Date as a Putative Miscellaneous Claimant, as soon as reasonably practicable thereafter; and
 - iii) The Monitors shall include on each of their websites, *inter alia*, copies of the Claims Procedure Documents, including the form of Miscellaneous Claimant Proof of Claim and the Instruction Letter, as well as any other documents deemed appropriate by the Monitors, in their discretion, to publicize the Claims Procedure, the Miscellaneous Claims Bar Date and the scheduling of the Meetings.
7. The Monitors, acting together, shall publish, within five (5) Business Days of the Claims Procedure Order or as soon as practical thereafter, and then one week later, a condensed version of the Omnibus Notice substantially in the form as set out in Appendix “A” attached hereto, in the Globe and Mail (National Edition), National Post (National Edition) and in Le Devoir newspapers. They shall also publish once, within ten (10) Business Days of the Claims Procedure Order or as soon as practical thereafter, the condensed version of the Omnibus Notice in the regional newspapers in each Province and Territory as set out in Appendix “B” attached hereto.

8. Each of the Monitor's websites shall be updated to include relevant and easy to understand information regarding the Claims Procedure, including prominent warnings that any Miscellaneous Claimant Proof of Claim must be filed with the Monitor prior to the Miscellaneous Claims Bar Date.
9. The Monitors, acting reasonably, may, but shall not be obliged to, utilize such other methods that they deem appropriate and cost effective, to inform Persons in Canada of the Claims Procedure and the scheduling of the Meetings.

Appendix “A”

Condensed Omnibus Notice

NOTICE FOR NON-INDIVIDUAL CLAIMANTS OF CLAIMS PROCEDURE AND CREDITORS’ MEETINGS

IN THE CCAA PROCEEDINGS OF:

IMPERIAL TOBACCO CANADA LIMITED and IMPERIAL TOBACCO COMPANY LIMITED (together, “Imperial”); ROTHMANS, BENSON AND HEDGES INC. (“RBH”); and JTI-MACDONALD CORP. (“JTIM”)

IMPORTANT NOTE FOR INDIVIDUAL CLAIMANTS: Individuals who have suffered damages resulting from the use or consumption of Tobacco Products, including cigarettes, do not need to do anything at this time to preserve their rights. If the CCAA Plans are approved, separate claims processes will commence at a later date for individuals to file claims for compensation. Accordingly, this notice is solely for non-Individual Claimants.

All capitalized terms in this notice have the meanings ascribed to them in the CCAA Plans, which can be found on the Monitors’ Websites, links for which are provided at the end of this notice. A more detailed version of this notice is also available on the Monitors’ Websites.

PLEASE TAKE NOTICE that on October 17, 2024, the Court-Appointed Mediator in the CCAA Proceedings of Imperial, RBH and JTIM (the “**Tobacco Companies**”), together with the Monitors of the Tobacco Companies, filed a CCAA Plan in respect of each Tobacco Company.

PLEASE ALSO TAKE NOTICE that on October 31, 2024, the CCAA Court issued (i) a Claims Procedure Order, which sets forth the process pursuant to which Claimants and Putative Miscellaneous Claimants, if any, may attend the Meetings and vote on the CCAA Plans; and (ii) a Meeting Order that, amongst other things, accepts the filing of the CCAA Plans and establishes the date and times of the Meetings of Affected Creditors to vote on such CCAA Plans.

(i) The CCAA Plans

The CCAA Plans provide for the payment over time by the Tobacco Companies of a Global Settlement Amount of \$32.5 billion, which is to be allocated between the Claimants (and the Miscellaneous Claims Fund); namely, the Quebec Class Action Plaintiffs (QCAPs), Pan-Canadian Claimants (PCCs), *Knight* Class Action Plaintiffs, the Provinces and Territories, certain Tobacco Producers, as well as a public charitable foundation (Cy-près Foundation).

The CCAA Plans also provide, from the Global Settlement Amount, for the establishment of a Miscellaneous Claims Fund to provide potential distributions to Putative Miscellaneous Claimants, being Persons other than Claimants or Individual Claimants, who purport to have a Miscellaneous Claim against one or more of the Tobacco Companies.

(ii) The Claims Procedure

The Claims Procedure Order sets forth the process pursuant to which (i) Claimants and (ii) Putative Miscellaneous Claimants, if any, may attend and vote at the Meetings. It provides that:

- Each Claimant shall be issued a Statement of Negative Notice Claim. Unless the statement is varied in accordance with the Claims Procedure Order, the Claimant shall be entitled to vote at the Meetings based on the value and number of votes set forth in the statement; and
- All Persons asserting a Miscellaneous Claim for the purpose of attending the Meetings and voting on the CCAA Plans must file a Miscellaneous Claimant Proof of Claim with the Monitor by no later than 5pm (Eastern Time) on December 5, 2024 (the Miscellaneous Claims Bar Date). The Claims Package for such Persons is available on each of the Monitors' Websites.

Please note that Individual Claimants are not required to take any actions at this time to preserve their rights.

Please note that the value of an Affected Claim as set forth in a Statement of Negative Notice or in a Miscellaneous Claimant Proof of Claim is for voting purposes only. All entitlements to distributions from the Global Settlement Amount shall be in accordance with the CCAA Plans.

(iii) The Meeting Order

The Meetings to vote on the CCAA Plans shall be held by videoconference as follows:

Tobacco Company	Meeting Date and Time
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.

Please note that all Individual Claimants (or groups of Individual Claimants) will be represented at the Meetings by either the Quebec Class Counsel or the PCC Representative Counsel. **Accordingly, Individual Claimants may not file a Miscellaneous Claimant Proof of Claim, attend the Meetings, nor vote on their own behalf.**

(iv) Monitors' Contact Information

For further information, please consult the Monitors' Websites or contact them at:

Tobacco Company	Monitor's Contact Details
Imperial	FTI Consulting Canada Inc. Website: http://cfcanada.fticonsulting.com/imperialtobacco Phone Number: 1-844-707-7558 Email Address: imperialtobacco@fticonsulting.com

RBH	Ernst & Young Inc. Website: www.ey.com/ca/rbh Phone Number: 1-866-943-2280 Email Address: rbh@ca.ey.com
JTIM	Deloitte Restructuring Inc. Website: www.insolvencies.deloitte.ca/en-ca/JTIM Phone Number: 1-833-765-1452 Email Address: jtim@deloitte.ca

Appendix “B”

Regional Newspapers for the Omnibus Notice Program

Publication	Specific Region/Municipality
Chronicle Herald	Halifax, NS
Cape Breton Post	Cape Breton, NS
Saint John Telegraph-Journal	Saint John, New Brunswick
The Daily Gleaner	Fredericton, New Brunswick
Miramichi Leader	Miramichi, New Brunswick
The Guardian	Charlottetown, PEI
St. John's Telegram	St. John's, NFLD
Quebec Chronicle Telegraph	Quebec City, QC
Journal de Québec	Quebec City, QC
Montreal Gazette	Montreal, QC
La Sentinelle	Northern Quebec
Ottawa Citizen	Ottawa, Ontario
Chronicle-Journal	Thunder Bay/Northwest Ontario
North Bay Nugget	North Bay, Ontario
London Free Press	London, Ontario
Sudbury Star	Sudbury, Ontario

Publication	Specific Region/Municipality
Toronto Star	Toronto, Ontario
Winnipeg Free Press	Winnipeg, Manitoba
La Liberté	Winnipeg, Manitoba
Brandon Sun	Brandon, Manitoba
Flin Flon Reminder	Flin Flon, Manitoba
Thompson Citizen	Thompson, Manitoba
Regina Leader Post	Regina, Saskatchewan
Saskatoon StarPhoenix	Saskatoon, Saskatchewan
Prince Albert Daily Herald	Prince Alberta, Saskatchewan
Calgary Herald	Calgary, AB
Edmonton Journal	Edmonton, AB
Lethbridge Herald	Lethbridge, AB
Alberta Native News	AB, MB, SK, Northern BC, YK, NU, NWT
Victoria Times Colonist	Victoria, BC
Vancouver Sun	Vancouver, BC
Prince George Citizen	Prince George, BC
Yukon News	Yukon
NWT News / North	NWT

Publication	Specific Region/Municipality
Nunatsiaq News	Nunavut
Nunavut News	Nunavut

SCHEDULE “E”

CONTRIBUTION SECURITY AGREEMENT

CONTRIBUTION SECURITY AGREEMENT

Made as of [DATE]

Between

ROTHMANS, BENSON & HEDGES INC.

and each of the undersigned Material Subsidiaries
(as defined herein)

(the “**Debtors**” and each a “**Debtor**”)

and

[NAME OF COLLATERAL AGENT]

in its capacity as collateral agent for the benefit of the Secured Parties (as defined herein)
(together with its successors and assigns in such capacity, the “**Collateral Agent**”)

TABLE OF CONTENTS

	Page
ARTICLE 1 – INTERPRETATION.....	1
Section 1.1 Terms Defined in PPSA and STA.....	1
Section 1.2 Other Defined Terms.....	2
Section 1.3 Rules of Interpretation.....	6
Section 1.4 Paramountcy.....	7
Section 1.5 Currency	7
Section 1.6 Civil Law Terms.....	7
ARTICLE 2 – GRANT OF SECURITY	9
Section 2.1 Grant of Security	9
Section 2.2 Deeds of Hypothec	11
Section 2.3 Mortgage	11
Section 2.4 Right of Set-Off.....	11
Section 2.5 Exclusions	11
Section 2.6 Debtor Remains Liable.....	12
Section 2.7 Liability for Deficiency	12
Section 2.8 ULC Shares	13
ARTICLE 3 – REPRESENTATIONS AND WARRANTIES.....	14
Section 3.1 Representations and Warranties of each Debtor	14
ARTICLE 4 – COVENANTS OF EACH DEBTOR	15
Section 4.1 Covenants of each Debtor	15
ARTICLE 5 – COLLECTION OF PROCEEDS	19
Section 5.1 Payments to the Collateral Agent.....	19
ARTICLE 6 – DEALING WITH COLLATERAL BY EACH DEBTOR.....	20
Section 6.1 Sale of Collateral	20
Section 6.2 Investment Property	20
ARTICLE 7 – DEFAULT	21
ARTICLE 8 – REMEDIES ON DEFAULT.....	21
Section 8.1 Power of Entry	22
Section 8.2 Power of Sale	22
Section 8.3 Validity of Sale.....	23
Section 8.4 Receiver.....	23

Section 8.5 Carrying on Business	24
Section 8.6 Dealing with Collateral	24
Section 8.7 Securities	25
Section 8.8 Retention of Collateral	25
Section 8.9 Pay Encumbrances	25
Section 8.10 Application of Payments Against Secured Obligations	25
Section 8.11 Deficiency	26
Section 8.12 Collateral Agent Not Liable	26
Section 8.13 Extensions of Time.....	26
Section 8.14 Rights in Addition	26
ARTICLE 9 – APPOINTMENT OF REPRESENTATIVE	27
Section 9.1 Appointment of Representative.....	27
Section 9.2 Acceptance of Appointment.....	27
Section 9.3 Successor Representative	27
Section 9.4 Waiver of certain Statutory Provisions	28
ARTICLE 10 – INSTRUCTIONS TO COLLATERAL AGENT.....	28
Section 10.1 Instructions in accordance with the Plan and Definitive Documents.....	28
ARTICLE 11 – GUARANTEE	28
Section 11.1 Guarantee	28
ARTICLE 12 – GENERAL	28
Section 12.1 Security in Addition	28
Section 12.2 Continuing Security Interest and Discharge.....	29
Section 12.3 Amalgamation	29
Section 12.4 No Collateral Warranties.....	30
Section 12.5 Receipt of Copy/Waiver.....	30
Section 12.6 No Merger	30
Section 12.7 Reinstatement	30
Section 12.8 Indemnity	30
Section 12.9 Amendment, Waiver	31
Section 12.10 Further Assurances	31
Section 12.11 Collateral Agent May Perform	32
Section 12.12 Costs and Expenses	32
Section 12.13 Successor Agent	33
Section 12.14 Notice	33

Section 12.15 Governing Law.....	34
Section 12.16 Jurisdiction	34
Section 12.17 Entire Agreement	34
Section 12.18 Severability.....	34
Section 12.19 Time of the Essence	35
Section 12.20 Successors and Assignees	35
Section 12.21 Counterpart; Delivery by Electronic Transmission.....	35
Section 12.22 Language.	35
Schedule A – Pledged Securities	
Schedule B-1 – Deed of Immovable Hypothec	
Schedule B-2 – Deed of Movable Hypothec	
Schedule B-3 – Mortgage	
Schedule C – Debtor Information and Locations	
Schedule D – Deposit Accounts and Securities Accounts	
Schedule E – Real Property	
Schedule F – Intellectual Property	

CONTRIBUTION SECURITY AGREEMENT

This Contribution Security Agreement (as amended, restated, supplemented, replaced or otherwise modified from time to time, this “**Agreement**”) is made as of **[Date]**, between

ROTHMANS, BENSON & HEDGES INC. (“RBH”) and each of the undersigned Material Subsidiaries (as defined herein) (the “**Debtors**” and each a “**Debtor**”)

and

[COLLATERAL AGENT], as collateral agent for the benefit of the Secured Parties (as defined herein) (together with its successors and assigns in such capacity, the “**Collateral Agent**”)

RECITALS

A. As a condition to the implementation of the plan of compromise and arrangement of RBH (the “**Tobacco Company**”) as sanctioned by the CCAA Court (as defined below) by Order dated **[DATE]**, the Debtors are required to deliver this Agreement to the Collateral Agent, for the exclusive benefit of the Secured Parties, as security for the payment and performance of their respective Secured Obligations.

B. Accordingly, the Debtors have agreed to deliver to the Collateral Agent, for the benefit of the Secured Parties, this Agreement to and in favour of the Collateral Agent as continuing security for the payment and performance of their respective Secured Obligations.

FOR VALUE RECEIVED, the parties agree as follows:

ARTICLE 1 – INTERPRETATION

Section 1.1 Terms Defined in PPSA and STA

(1) The terms “Chattel Paper”, “Document of Title”, “Goods”, “Equipment”, “Consumer Goods”, “Instrument”, “Intangible”, “Inventory”, “Investment Property”, “Proceeds”, “Accession”, “Money”, “Account”, “financing statement” and “financing change statement” whenever used herein shall be interpreted in accordance with their respective meanings when used (in uncapitalized form) in the *Personal Property Security Act* (Ontario), as amended from

time to time, which Act, including amendments thereto and any Act substituted therefor and amendments thereto, is herein referred to as the “PPSA”; provided that (a) if perfection or the effect of perfection or non-perfection or the priority of any Security Interest created hereunder on the Collateral is governed by the personal property security legislation or other applicable legislation with respect to personal property security as in effect in a jurisdiction other than Ontario, “PPSA” means the Personal Property Security Act or such other applicable legislation as in effect from time to time in such other jurisdiction for purposes of the provisions hereof relating to such perfection, effect of perfection or non-perfection or priority; and (b) the term “Goods” when used herein shall not include any Consumer Goods of any Debtor.

(2) The terms “Certificated Security”, “Entitlement Holder”, “Entitlement Order”, “Financial Asset”, “Security”, “Security Certificate”, “Securities Account”, “Security Entitlement”, “Securities Intermediary”, and “Uncertificated Security” have the meaning given to them (in uncapitalized form) in the *Securities Transfer Act, 2006* (Ontario), as amended from time to time, which Act, including amendments thereto and any Act substituted therefor and amendments thereto (including all regulations from time to time made under such legislation), is herein referred to as the “STA”; provided that, to the extent that perfection or the effect of perfection or non-perfection or the priority of any Security Interest created hereunder on Collateral that is Investment Property is governed by the laws in effect in any province or territory of Canada other than Ontario in which there is in force legislation substantially the same as the *Securities Transfer Act, 2006* (Ontario) (an “Other STA Province”), then “STA” shall mean such other legislation as in effect from time to time in such Other STA Province for purposes of the provisions hereof referring to or incorporating by reference provisions of the STA.

(3) Any reference herein to “Collateral” shall, unless the context otherwise requires, be deemed a reference to “Collateral or any part thereof”.

(4) The term “Proceeds”, whenever used herein and interpreted as above, shall, by way of example, include trade-ins, Equipment, Money, bank accounts, notes, Chattel Paper, Goods, contract rights, Accounts and any other personal property or obligation received when such Collateral or Proceeds are sold, exchanged, collected or otherwise disposed of or dealt with.

Section 1.2 Other Defined Terms

Unless otherwise defined, capitalized terms used herein shall have the respective meanings given to such terms in the Plan and:

(1) “CCAA Court” has the meaning given to it in the Plan.

- (2) “**CCQ**” means the *Civil Code of Québec*, CQLR c. CCQ-1991, as amended from time to time.
- (3) “**Collateral**” has the meaning given to it in Section 2.1.
- (4) “**Collateral Agent**” has the meaning given to it in the preamble of this Agreement.
- (5) “**Collateral Agent/Receiver Representatives**” means, in respect of the Collateral Agent and Receiver, their respective past, present or future representatives, predecessors, successors, executors, trustees, heirs, dependents, children, siblings, parents, administrators, executors, directors, officers, shareholders, partners, employees, servants, agents, consultants, legal counsel and advisers, including their respective successors and assigns, and each of their respective directors, officers, partners and employees.
- (6) “**Control Agreement**” means:
- (a) with respect to any Uncertificated Securities included in the Collateral, an agreement between the issuer of such Uncertificated Securities and another Person that has or asserts a security interest in such Uncertificated Securities whereby such issuer agrees to comply with instructions that are originated by such Person in respect of such Uncertificated Securities, without the further consent of any Debtor; and
 - (b) with respect to any Securities Accounts or Security Entitlements included in the Collateral, an agreement between the Securities Intermediary and another Person that has or asserts a security interest in such Securities Accounts or Security Entitlements whereby the Securities Intermediary agrees to comply with any Entitlement Orders with respect to such Securities Accounts or Security Entitlements that are originated by such Person, without the further consent of any Debtor.
- (7) “**Debts**” has the meaning given to it in Section 2.1.
- (8) “**Debtor**” and “**Debtors**” have the meanings given to them in the preamble of this Agreement.
- (9) “**Deed of Immovable Hypothec**” means the Deed of Immovable Hypothec to be executed by the Debtors contemporaneously herewith in accordance with Section 2.2, which shall be substantially in the form set out in Schedule B-1.

- (10) **“Deed of Movable Hypothec”** means the Deed of Movable Hypothec to be executed by the Debtors contemporaneously herewith in accordance with Section 2.2, which shall be substantially in the form set out in Schedule B-2.
- (11) **“Deeds of Hypothec”** means, collectively, the Deed of Immovable Hypothec and the Deed of Movable Hypothec.
- (12) **“Definitive Documents”** has the meaning given to it in the Plan.
- (13) **“Deposit Account”** means a demand, time, savings, passbook, or similar account maintained with an organization that is engaged in the business of banking and includes savings banks, savings and loan associations, credit unions, and trust companies.
- (14) **“Event of Default”** means any “Event of Default” as defined in the Plan.
- (15) **“Financed Goods”** means any Goods subject to a Purchase Money Lien or a Lien securing capital lease obligations.
- (16) **“Global Settlement Trust Account”** has the meaning given to it in the Plan.
- (17) **“Intellectual Property”** means all industrial and intellectual property rights of any Debtor or in which any Debtor has any right, title or interest, including copyrights, patents, inventions (whether or not patented), trade-marks, get-up and trade dress, industrial designs, integrated circuit topographies, plant breeders’ rights, know how and trade secrets, registrations and applications for registration for any such industrial and intellectual property rights, and all contracts related to any such industrial and intellectual property rights.
- (18) **“Lien”** means any “Encumbrance” as defined in the Plan, and **“Liens”** means more than one of them.
- (19) **“Material Subsidiary”** has the meaning given to it in the Plan.
- (20) **“Mortgage”** means the Mortgage to be executed by the applicable Debtor contemporaneously herewith in accordance with Section 2.2, which shall be substantially in the form set out in Schedule B-3.
- (21) **“Obligations”** means the obligations of the Tobacco Company under the Plan, the Definitive Documents and this Agreement, including the obligation to remit the Annual Contributions and Reserved Amount to the CCAA Plan Administrator for the benefit of the Secured Parties under, and in accordance with, the Plan.

- (22) **“Other Secured Obligations”** means the obligations of each Material Subsidiary to the Secured Parties under this Agreement (including, without limitation, Section 11.1 hereof).
- (23) **“Other STA Province”** has the meaning given to it in Section 1.1.
- (24) **“Permitted Encumbrances”** has the meaning given to it in the Plan.
- (25) **“Person”** has the meaning given to in the Plan.
- (26) **“Plan”** means, in respect of the Tobacco Company, the Court-Appointed Mediator’s and Monitor’s plan of compromise and arrangement pursuant to the *Companies’ Creditors Arrangement Act* concerning, affecting and involving the Tobacco Company, including all Schedules thereto, in the form sanctioned by the CCAA Court by Order dated [DATE], as the same may be amended, restated, extended, renewed, replaced, superseded, supplemented or otherwise modified from time to time.
- (27) **“Pledged Securities”** means, with respect to any Debtor, any and all securities held by such Debtor from time to time, including, without limitation, the securities listed in Schedule A.
- (28) **“Pledged ULC Shares”** has the meaning specified therefor in Section 2.8.
- (29) **“PPSA”** has the meaning given to it in Section 1.1.
- (30) **“Purchase Money Lien”** means a Lien taken or reserved in personal property to secure payment of all or part of its purchase price (or to secure financing to fund such purchase price), provided that such Lien (a) secures an amount not exceeding the lesser of the purchase price of such personal property and the fair market value of such personal property at the time such Lien is taken or reserved, (b) extends only to such personal property and its proceeds, and (c) is perfected in accordance with the requirements of the PPSA for a purchase money Lien.
- (31) **“Receiver”** means any interim receiver, receiver, receiver and manager, sequestrator, conservator, custodian, administrator, trustee, liquidator or other similar official.
- (32) **“Representative”** has the meaning given to it in Section 9.1.
- (33) **“Restricted Property”** means any contract, permit, right in respect of Intellectual Property or Financed Goods, in each case, with an unrelated third party, with respect to which the grant of any security interest (a) would result in the termination or breach of such contract, permit, right in respect of Intellectual Property or Financed Goods, or otherwise be prohibited or ineffective (whether by the terms thereof or under Applicable Law), or (b) requires the consent of any third party to such assignment or charge, together with all Accounts, Chattel Paper and

other rights thereunder or resulting therefrom; provided that: (a) if the condition with respect to any property causing such termination, breach, prohibition or ineffectiveness shall no longer be in effect or otherwise apply, then such property shall cease to be Restricted Property and the security interests shall immediately and automatically attach thereto, and (b) if a term in a contract that (i) prohibits or restricts the assignment of, or the grant of the security interests in, the whole of an Account or Chattel Paper or (ii) requires the account debtor's consent to such assignment or grant, is unenforceable against the Collateral Agent under Applicable Law, then such Account or Chattel Paper shall not constitute Restricted Property and the security interests shall attach thereto.

(34) **"Secured Obligations"** means, with respect to any Debtor, (i) the Obligations (if applicable); and (ii) the Other Secured Obligations of such Debtor (if applicable). For the avoidance of doubt, all Secured Obligations that constitute payment obligations shall only be satisfied in full to the extent they are irrevocably and indefeasibly paid in full in cash.

(35) **"Secured Parties"** means the Collateral Agent and the Claimants, to the extent of any Secured Obligations owing to such parties from time to time under and in accordance with the Plan.

(36) **"Security Agreements"** means, collectively, this Agreement, the Mortgage and the Deeds of Hypothec.

(37) **"Security Interest"** has the meaning given to it in Section 2.1.

(38) **"STA"** has the meaning given to it in Section 1.1.

(39) **"ULC"** means any unlimited company, unlimited liability company or unlimited liability corporation or any similar entity existing under the laws of any province or territory of Canada and any successor to any such entity.

(40) **"ULC Shares"** means the shares which are shares in the capital stock of a ULC.

Section 1.3 Rules of Interpretation

(1) In this Agreement, unless the subject matter or context clearly indicates to the contrary:

- (a) all uses of the words "hereto", "herein", "hereof", "hereby" and "hereunder" and similar expressions refer to this Agreement and not to any particular section or portion of it, and all references in this Agreement to Articles, Sections and Schedules shall be construed to refer to Articles, Sections of and Schedules to, this Agreement;

- (b) words importing the singular include the plural and vice versa and words importing gender include the masculine, feminine and neutral genders;
- (c) the terms “in writing” and “written” shall include printing, typewriting or any electronic means of communication capable of being visibly reproduced at the point of reception, including, without limitation, e-mail;
- (d) the terms “including” and “includes” shall mean “including, without limitation” and “includes, without limitation”, respectively; and
- (e) the division of this Agreement into sections and the insertion of headings are for reference only and are not to affect the construction or interpretation of this Agreement.

Section 1.4 Paramountcy

(1) If there is a conflict or inconsistency between any provision of this Agreement, and any provision of the Plan, or the Sanction Order, then the relevant provision of the Plan or Sanction Order shall govern and prevail to the extent necessary to resolve such conflict or inconsistency. For greater certainty, the covenants, warranties, representations, terms, conditions, provisions or obligations, express or implied, of this Agreement and any and all amendments or supplements hereto, will be deemed to be governed by the terms, conditions and provisions of the Plan and the Sanction Order, which will take precedence and priority.

(2) If there is a conflict or inconsistency between any provision of this Agreement, and any provision of the Mortgage, the Deed of Movable Hypothec or the Deed of Immovable Hypothec, then the relevant provision of this Agreement shall govern and prevail to the extent necessary to resolve such conflict or inconsistency.

Section 1.5 Currency

Except where otherwise expressly provided, all dollar amounts in this Agreement are stated and shall be paid in Canadian currency.

Section 1.6 Civil Law Terms

For purposes of interpretation of this Agreement under the provisions of the laws of the Province of Quebec, unless otherwise specified herein, any reference in this Agreement to:

- (a) real property shall be deemed to include a reference to immovable property;

- (b) personal property shall be deemed to include a reference to movable property;
- (c) tangible property shall be deemed to include a reference to corporeal property;
- (d) intangible property shall be deemed to include a reference to incorporeal property;
- (e) beneficial owner and beneficial ownership shall be deemed to be a reference to outright ownership as principal and not for the benefit of a third party;
- (f) gross negligence or willful misconduct shall be deemed to include a reference to intentional or gross fault;
- (g) a power of attorney shall be deemed to include a reference to a mandate;
- (h) offset and set-off shall be deemed to include a reference to compensation;
- (i) security interest, mortgage and lien shall be deemed to include reference to a hypothec, right of retention, prior claim, reservation of ownership and a resolatory clause;
- (j) an assignment in the context of security shall be deemed to be a reference to a hypothecation for the amount of thirty-two billion five hundred million dollars (\$32,500,000,000);
- (k) filing, perfection, priority, remedies, registering or recording under a PPSA shall include publication under the CCQ;
- (l) priority shall be deemed to include rank or prior claim, as applicable;
- (m) perfection or perfected shall be deemed to include a reference to being set-up and opposable against third parties;
- (n) goods shall be deemed to include corporeal movable property other than chattel paper, documents of title, instruments, money and securities;
- (o) agent shall be deemed to include a mandatary;
- (p) jointly and severally shall be deemed to include a reference to solidarily;
- (q) registered office shall be deemed to include a reference to domicile;

- (r) security attaching property shall be deemed to include a reference to a hypothec charging such property; and
- (s) the STA shall be deemed to include a reference to the provisions of Articles 2714.1 to 2714.7 CCQ.

ARTICLE 2 – GRANT OF SECURITY

Section 2.1 Grant of Security

(1) As general and continuing collateral security for the due payment and performance by each Debtor of its Secured Obligations, such Debtor hereby assigns, transfers, conveys, mortgages, charges, pledges, hypothecates and grants a security interest to and in favour of the Collateral Agent, for the benefit of the Secured Parties (collectively, the “**Security Interest**”), in all of its right, title and interest in, to and under all of such Debtor’s present and after-acquired personal property, assets and undertaking, wherever located, including, without limitation, all of the following now owned or hereafter owned or acquired by or on behalf of such Debtor:

- (a) all Goods (including all parts, accessories, attachments, special tools, additions and Accessions thereto);
- (b) all Inventory of whatever kind and wherever situate, including, for greater certainty, all raw materials, work in process or materials used or consumed or to be used or consumed in the processing, production, packaging, promotion, delivery or shipping of the same, including other supplies;
- (c) all Equipment (other than Inventory) of whatever kind and wherever situate, including, without limitation, all machinery, tools, apparatus, plant, furniture, fixtures, motor vehicles and other vehicles of whatsoever nature or kind;
- (d) all present and future Instruments;
- (e) all Money and all Deposit Accounts (including, without limitation, the Global Settlement Trust Account);
- (f) all Securities, Financial Assets, Investment Property, Securities Accounts and Security Entitlements now owned or hereafter owned or acquired by or on behalf of such Debtor (including such as may be returned to or repossessed by such Debtor);

- (g) all Account and book debts and generally all debts, dues, claims, choses in action and demands of every nature and kind howsoever arising or secured, letters of credit and advices of credit, which are now due, owing or accruing or accruing due to or owned by or which may hereafter become due, owing or accruing or accruing due to or owned by such Debtor (collectively, “**Debts**”);
- (h) all Chattel Paper and Documents of Title (whether negotiable or not) and all deeds, documents, writings, papers, books of account and other books relating to or being records of Debts, Chattel Paper or Documents of Title or by which such are or may hereafter be secured, evidenced, acknowledged or made payable;
- (i) all Intangibles;
- (j) all present and future contracts, contract rights and insurance claims;
- (k) all Intellectual Property, including, without limitation, the Intellectual Property set out in Schedule F; and
- (l) all Proceeds and renewals of the foregoing, and accretions thereto and substitutions therefor, all books and records relating to the foregoing, all supporting obligations related thereto, and all accessions to, substitutions and replacements for, and rents, profits and products of, each of the foregoing, and any and all Proceeds of any insurance, indemnity, warranty or guarantee payable to such Debtor from time to time with respect to any of the foregoing.

The foregoing property is collectively referred to as the “**Collateral**”.

(2) Each Debtor and the Collateral Agent hereby acknowledge that (i) value has been given, (ii) the Security Interest created hereby is intended to attach when this Agreement is signed by such Debtor and delivered to the Collateral Agent and such Debtor and the Collateral Agent have not agreed to postpone the time for attachment of the Security Interest to any of the Collateral of such Debtor, and to the extent that such Debtor does not acquire rights to or interest in any of the Collateral until after the execution and delivery of this Agreement, the Security Interest created hereby shall attach to such Collateral at the time such Debtor acquires rights or interest therein and (iii) this Agreement constitutes a security agreement as that term is defined in the PPSA. Each Debtor acknowledges that it has rights in its Collateral and the power to transfer rights in its Collateral to the Secured Parties.

Section 2.2 Deeds of Hypothec

To secure the prompt and complete payment, performance and observation of its Secured Obligations, on or prior to the date hereof, each Debtor undertakes and agrees to execute the Deeds of Hypothec pursuant to which such Debtor will hypothecate to and in favour of the Representative for the benefit of the Secured Parties, the universality of its present and after acquired assets, undertakings and properties, including all of its present and after acquired, corporeal or incorporeal, movable or immovable, rights and properties for an amount of thirty two billion five hundred million dollars (\$32,500,000,000), with interest at 25% per annum as of and from the date hereof.

Section 2.3 Mortgage

To secure the prompt and complete payment, performance and observation of its Secured Obligations, on or prior to the date hereof, each Debtor undertakes and agrees to execute the Mortgage pursuant to which such Debtor will grant, mortgage and charge as and by way of a fixed and specific mortgage and charge to and in favour of the Collateral Agent for the benefit of the Secured Parties a security interest over the owned real property [municipally known as [insert municipal address] / [described in Schedule “E” hereto], together with all buildings, erections and fixtures now or hereafter constructed or placed thereon for an amount of thirty two billion five hundred million dollars (\$32,500,000,000), with interest at 25% per annum as of and from the date hereof.

Section 2.4 Right of Set-Off

To secure the prompt and complete payment, performance and observation of its Secured Obligations, if the security hereby constituted becomes enforceable pursuant to the Plan, subject to the CCAA Court’s approval pursuant to Article 8, the Collateral Agent shall have the right to set-off against the Collateral of each Debtor now or hereafter in the possession or custody of, or in transit to, the Collateral Agent for any purpose, including safekeeping, collection or pledge, for the account of such Debtor, or as to which such Debtor may have any right or power.

Section 2.5 Exclusions

(1) Notwithstanding Section 2.1, (i) each Debtor’s grant of security in Trademarks (as defined in the *Trademarks Act* (Canada)) under this Agreement shall be limited to a grant by such Debtor of a security interest in all of such Debtor’s right, title and interest in such Trademarks and not an assignment, transfer, conveyance, mortgage or hypothecation thereof, and (ii) nothing herein shall be deemed to constitute a grant of a security interest in, and “Collateral” shall not include:

- (a) Consumer Goods (as that term is defined in the PPSA), the last day of the term of any lease of real property or agreement therefor, or Restricted Property; provided that, to the extent permitted by Applicable Law, the foregoing shall be held in trust by such Debtor for the benefit of the Collateral Agent (for its own benefit and for the benefit of the other Secured Parties) and, on the exercise by the Collateral Agent of any of its rights or remedies under this Agreement in the event that the security hereby constituted becomes enforceable pursuant to the Plan, shall be assigned by such Debtor as directed by the Collateral Agent; and
- (b) those assets, if any, as to which such Debtor and Collateral Agent reasonably determine in writing that the cost of obtaining a security interest in or perfection thereof are excessive in relation to the benefit to the Collateral Agent of the security to be afforded thereby.

Section 2.6 Debtor Remains Liable

Notwithstanding anything herein to the contrary:

- (a) each Debtor shall remain liable under the contracts and agreements included in the Collateral to the extent set forth therein to perform all its duties and obligations thereunder to the same extent as if this Agreement had not been executed;
- (b) the exercise by the Collateral Agent of any of the rights or remedies hereunder shall not release a Debtor from any of its duties or obligations under the contracts and agreements included in the Collateral; and
- (c) the Collateral Agent shall not have any obligation or liability under the contracts and agreements included in the Collateral by reason of this Agreement, nor shall the Collateral Agent be obligated to perform any of the obligations or duties of any Debtor thereunder or to take any action to collect or enforce any claim for payment assigned hereunder.

Section 2.7 Liability for Deficiency

If the Collateral is realized upon and the Security Interest in the Collateral is not sufficient to satisfy all Secured Obligations, the Debtors acknowledge and agree that, subject to the provisions of the PPSA, the Debtors shall continue to be liable for any Secured Obligations remaining outstanding and the Collateral Agent shall be entitled to pursue full payment thereof.

Section 2.8 ULC Shares

Notwithstanding any provisions to the contrary contained in this Agreement, the Plan or any of the other Definitive Documents or any other document or agreement among all or some of the parties hereto, each Debtor is as of the date of this Agreement the sole registered and beneficial owner of all ULC Shares, if any, which form part of the Collateral (the “Pledged ULC Shares”), and will remain so until such time as such Pledged ULC Shares are fully and effectively transferred into the name of the Collateral Agent or any other Person on the books and records of such ULC. Nothing in this Agreement, the Plan or the Definitive Documents or any other document or agreement executed and delivered among all or some of the parties hereto is intended or shall constitute the Collateral Agent or any Person other than a Debtor to be a member or shareholder of any ULC until such time as written notice is given to the Debtor and all further steps are taken so as to register the Collateral Agent or other Person as holder of all Pledged ULC Shares. The granting of the security interest pursuant to this Article 2 does not make the Collateral Agent or any Secured Party a successor to a Debtor as a member or shareholder of any ULC, and neither the Collateral Agent, any Secured Party nor any of their respective successors and assigns hereunder shall be deemed to become a member or shareholder of any ULC by accepting this Agreement or exercising any right granted herein unless and until such time, if any, when the Collateral Agent or any successor or assign expressly becomes a registered member or shareholder of any ULC. Each Debtor shall be entitled to receive and retain for its own account any dividends or other distributions, if any, in respect of the Collateral, and shall have the right to vote such Pledged ULC Shares and to control the direction, management and policies of the ULC issuing such Pledged ULC Shares to the same extent as the Debtors would if such Pledged ULC Shares were not pledged to the Collateral Agent. To the extent any provision hereof would have the effect of constituting the Collateral Agent to be a member or shareholder of the ULC prior to such time, if any, when the Collateral Agent or any successor or assign expressly becomes a registered member or shareholder of any ULC, such provision shall be severed herefrom and be ineffective with respect to the relevant Pledged ULC Shares without otherwise invalidating or rendering unenforceable this Agreement or invalidating or rendering unenforceable such provision insofar as it relates to Collateral other than Pledged ULC Shares. Notwithstanding anything herein to the contrary (except to the extent, if any, that the Collateral Agent or any of their respective successors or assigns hereafter expressly becomes a registered member or shareholder of any ULC), neither the Collateral Agent nor any of their respective successors or assigns shall be deemed to have assumed or otherwise become liable for any debts or obligations of any ULC. Except upon the exercise by the Collateral Agent or other Persons, of rights to sell or otherwise dispose of Pledged ULC Shares or other remedies if the security hereby constituted becomes enforceable pursuant to the Plan, the Debtors shall not cause or permit, or enable any ULC in which it holds Pledged ULC Shares to cause or permit, the Collateral Agent to: (a) be registered as a member or shareholder of such ULC, (b) have any notation entered in its favour in the share register of such ULC, (c) be held out as a member or

shareholder of such ULC, (d) receive, directly or indirectly, any dividends, property or other distributions from such ULC by reason of the Collateral Agent holding a security interest in the Pledged ULC Shares, or (e) act as a member or shareholder of such ULC, or exercise any rights of a member or shareholder of such ULC, including the right to attend a meeting of such ULC or vote the shares of such ULC.

ARTICLE 3 – REPRESENTATIONS AND WARRANTIES

Section 3.1 Representations and Warranties of each Debtor

- (1) Each Debtor hereby represents and warrants, and so long as this Agreement remains in effect shall be deemed to continuously represent and warrant, as follows:
- (a) **No Liens.** The Collateral is genuine and owned by such Debtor free of all Liens other than the Permitted Encumbrances.
 - (b) **Legal Name, etc.** Set forth on Schedule C (as such schedule may be updated from time to time in accordance with the provisions of this Agreement) is the legal name (including any French form of name), type of entity, and jurisdiction of each Debtor.
 - (c) **Locations.** Set forth on Schedule C (as such schedule may be updated from time to time in accordance with the provisions of this Agreement) is the address of the chief executive office, registered office, location of books and records, and all locations of Collateral (other than inventory or equipment in transit or out for repair or refurbishment) in respect of each Debtor.
 - (d) **Deposit Accounts and Securities Accounts.** Set forth on Schedule D (as such schedule may be updated from time to time in accordance with the provisions of this Agreement) is a list of each Debtor's Deposit Accounts and Securities Accounts.
 - (e) **Real Property.** Set forth on Schedule E (as such schedule may be updated from time to time in accordance with the provisions of this Agreement) is a list of all real property owned or leased by each Debtor.
 - (f) **Intellectual Property.** Set forth on Schedule F (as such schedule may be updated from time to time in accordance with the provisions of this Agreement) is a list of all Intellectual Property owned by such Debtor, all applications for registration with respect to Intellectual Property and all licenses with respect to Intellectual Property.

- (g) **Interest in Partnerships or LLCs.** The terms of any interest in a partnership or limited liability company that is Collateral expressly provide that such interest is a “security” for the purposes of the STA.
 - (h) **Pledged Securities.** The Pledged Securities have been duly authorized and validly issued and are fully paid and non-assessable.
 - (i) **No Warrants, Options, etc.** There are no outstanding warrants, options or other rights to purchase, or other agreements outstanding with respect to, or property that is now or hereafter convertible into, or that requires the issuance or sale of, any Pledged Securities.
 - (j) **No Agreement to Sell or Redeem Pledged Securities.** There is no existing agreement, option, right or privilege capable of becoming an agreement or option pursuant to which such Debtor would be required to sell, redeem or otherwise dispose of any Pledged Securities or under which any issuer of such Pledged Securities has any obligation to issue any Securities of such issuer to any Person.
 - (k) **Control over Collateral.** Such Debtor has taken all action required on its part for control to have been obtained by the Collateral Agent over all Collateral with respect to which such control may be obtained pursuant to the PPSA and the STA. No person other than the Collateral Agent has control or possession of all or any part of the Collateral.
- (2) All representations and warranties made by each Debtor in this Agreement (a) are material, (b) shall be considered to have been relied on by the Collateral Agent and the other Secured Parties, and (c) shall survive the execution and delivery of this Agreement and remain in full force and effect until the Secured Obligations have been fully satisfied and performed by the Debtors.

ARTICLE 4 – COVENANTS OF EACH DEBTOR

Section 4.1 Covenants of each Debtor

- (1) So long as this Agreement remains in effect each Debtor covenants and agrees as follows:
 - (a) **Covenants in the Plan.** It shall abide by the covenants of such Debtor contained in the Plan and the Definitive Documents.
 - (b) **Investment Property.** It shall, promptly upon acquiring any Investment Property, Instruments and other Securities, and in any case within five (5) Business Days

thereof, notify the Collateral Agent in writing and provide the Collateral Agent with a revised Schedule A recording the acquisition and such particulars of such investment property as the Collateral Agent may require.

- (c) **Control over Investment Property.** It shall promptly upon request by the Collateral Agent:
- (i) deliver (or cause to be delivered) to the Collateral Agent, endorsed to the Collateral Agent or such nominee as it may direct and/or accompanied by such instruments of assignment and transfer in such form and substance as the Collateral Agent may reasonably request, any and all Instruments, Certificated Securities, Documents of Title and Chattel Paper included in or relating to the Collateral as the Collateral Agent may specify in its request;
 - (ii) if the security hereby constituted becomes enforceable pursuant to the Plan, direct the issuer of any and all Certificated Securities included in or relating to the Collateral as the Collateral Agent may specify in its request to register the applicable Security Certificate in the name of the Collateral Agent or such nominee as it may direct;
 - (iii) if the security hereby constituted becomes enforceable pursuant to the Plan, direct the issuer of any and all Uncertificated Securities included in or relating to the Collateral as the Collateral Agent may specify in its request to register the Collateral Agent or such nominee as it may direct as the registered owner of the Uncertificated Security; and
 - (iv) if the security hereby constituted becomes enforceable pursuant to the Plan, direct the Securities Intermediary for any Security Entitlements or Securities Accounts included in or relating to the Collateral as the Collateral Agent may specify in its request to transfer any or all of the Financial Assets to which such Security Entitlements or Securities Accounts relate to such Security Entitlements or Securities Accounts as the Collateral Agent may specify.
- (d) **Control Agreements.** It shall promptly upon written request from time to time by the Collateral Agent, give its consent in writing to:
- (i) the entering into by any issuer of any Uncertificated Securities included in or relating to the Collateral as the Collateral Agent may specify in its request, of a Control Agreement with the Collateral Agent in respect of

such Uncertificated Securities, which consent may be incorporated into an agreement to which such issuer, the Collateral Agent and such Debtor are parties; and

- (ii) the entering into by any Securities Intermediary for any Securities Accounts or Security Entitlements included in or relating to the Collateral as the Collateral Agent may specify in its request, of a Control Agreement with the Collateral Agent in respect of such Securities Accounts or Security Entitlements which consent may be incorporated into an agreement to which such Securities Intermediary, the Collateral Agent and such Debtor are parties.
- (e) **No Other Control Agreements.** It shall not consent to:
 - (i) the entering into by any issuer of any Uncertificated Securities included in or relating to the Collateral of a Control Agreement in respect of such Uncertificated Securities with any Person other than the Collateral Agent or such nominee or agent as it may direct; or
 - (ii) the entering into by any Securities Intermediary for any Securities Accounts or Security Entitlements included in or relating to the Collateral of a Control Agreement with respect to such Securities Accounts or Security Entitlements with any Person other than the Collateral Agent or such nominee or agent as it may direct.
- (f) **Equity Interests in a Partnership or LLC.** If any of the Pledged Securities now or at any time hereafter constitute equity interests in a partnership (including a limited partnership) or limited liability company, it shall take all such steps and cause the issuer of such Pledged Securities to take all such steps as the Collateral Agent, at its option, may direct to constitute such Pledged Securities as “securities” within the meaning set out in the STA.
- (g) **Securities Accounts.** Promptly upon request by the Collateral Agent, it shall obtain a Control Agreement from each bank maintaining a securities account for such Debtor.
- (h) **Intellectual Property Security Agreements.** It shall facilitate filings with the Canadian Intellectual Property Office (and any other applicable intellectual property registry in the United States or Canada) and execute and deliver to the Collateral Agent one or more intellectual property security agreements as reasonably requested by the Collateral Agent. It shall make and maintain all

applications, filings, registrations and recordations necessary or desirable to protect its right, title and interest in and to the Collateral, including all filings, registrations and recordations necessary or desirable in respect of patents, trademarks, copyrights and industrial designs included in the Intellectual Property.

- (i) **No Change in Name, Chief Executive Office, Location of Collateral, etc.** It shall not, without providing at least thirty (30) days prior written notice to the Collateral Agent and otherwise complying with the requirements under the Plan and the Definitive Documents in respect of such change, change:
 - (i) its legal name;
 - (ii) the location of its chief executive office;
 - (iii) the location of its registered office;
 - (iv) the location of its books and records;
 - (v) its organizational identification number;
 - (vi) its jurisdiction of organization;
 - (vii) its corporate structure; or
 - (viii) the location of any Collateral (other than inventory or equipment in transit or out for repair or refurbishment).

Such Debtor shall, prior to any change described in the preceding sentence, take all action and deliver all documents reasonably requested by the Collateral Agent to maintain the perfection and priority of the Collateral Agent's Security Interest in the Collateral and shall deliver to the Collateral Agent an updated Schedule C (Grantor Information and Locations) reflecting the changed information.

- (j) **Updating Schedules.** It shall notify the Collateral Agent promptly of any material change in the information contained in Schedule D (Deposit Accounts and Securities Accounts), Schedule E (Real Property) and Schedule F (Intellectual Property) and shall deliver updated schedules to this Agreement reflecting the changed information.

- (k) **No Sale or Encumbrances.** It shall not Dispose of (including pursuant to a dissolution) any of its property or assets, except as may be permitted pursuant to the Plan. Such Debtor will not create, incur, assume, suffer to exist or otherwise become bound by or subject to any Encumbrance upon any of its properties and assets, other than Permitted Encumbrances or as expressly provided in the Plan, the Definitive Documents or this Agreement, or with the prior written consent of the Collateral Agent.
 - (l) **Maintenance and Protection of Collateral.** It shall keep the Collateral in good order, condition, and repair so as to protect and preserve the Collateral and will not permit the Collateral to be affixed to real or personal property so as to become a fixture or accession without the prior written consent of the Collateral Agent. Such Debtor will not use the Collateral in violation of the Plan, the Definitive Documents or this Agreement, or any other agreement relating to the Collateral or any policy of insurance thereon, or any applicable law. Such Debtor will keep all licenses, permits, agreements, registrations and applications relating to intellectual property used by the Debtor in good standing. Such Debtor shall register all existing and future trademarks, patents, copyrights and industrial designs. Such Debtor shall, at its own cost and expense, defend title to the Collateral and the Security Interests of the Collateral Agent against the claim or demand of any person claiming against or through the Debtor and shall maintain and preserve such perfected security interests for so long as this Agreement shall remain in effect.
 - (m) **Access to Collateral.** It shall permit the Collateral Agent, or its designee, to inspect the Collateral at any reasonable time, on reasonable advance notice, wherever located. Such Debtor shall upon request by the Collateral Agent provide to the Collateral Agent any information concerning the Collateral, such Debtor and its business, as the Collateral Agent may reasonably request.
- (2) All covenants made by the Debtors in this Agreement shall survive the execution and delivery of this Agreement and remain in full force and effect until the Secured Obligations have been fully satisfied and performed by the Debtors.

ARTICLE 5 – COLLECTION OF PROCEEDS

Section 5.1 Payments to the Collateral Agent

Each Debtor shall:

- (a) collect and enforce payment of all Accounts in accordance with its customary business practices and shall dispose of and receive payment for all Inventory which is ordinarily disposed of in such Debtor's business; and
- (b) if the security hereby constituted becomes enforceable pursuant to the Plan:
 - (i) receive and hold in trust for the Collateral Agent, all payments on or Instruments received in respect of the Collateral, all rights by way of suretyship or guarantee which such Debtor now has or may hereafter acquire to enforce payment of any of the Collateral and all rights in the nature of a security interest whereby such Debtor may satisfy any Collateral out of property, and all non-cash proceeds of any such collection, disposition or realization of any of the Collateral shall remain subject to the Security Interest hereby created at all times;
 - (ii) endorse to the Collateral Agent and forthwith deliver to it all such payments and Instruments in the form received by such Debtor; and
 - (iii) forthwith deliver to the Collateral Agent all property in such Debtor's possession or hereafter coming into its possession through enforcement of any such rights.

ARTICLE 6 – DEALING WITH COLLATERAL BY EACH DEBTOR

Section 6.1 Sale of Collateral

Subject to the Plan and the Definitive Documents and any specific restrictions set out therein, and prior to the security hereby constituted becoming enforceable pursuant to the Plan, each Debtor may sell, lease, transfer, convey or otherwise dispose of any Collateral so that the purchaser or transferee thereof takes title clear of the Security Interest hereby created and such Collateral shall be deemed to be released and discharged from such Security Interest without any further action on the part of the Collateral Agent. Upon the written request of such Debtor, at the sole expense of such Debtor, the Collateral Agent will promptly execute and deliver an instrument confirming any such release or discharge in favour of any such purchaser or transferee. If such sale, lease, transfer, conveyance or disposition results in an Account, such Account shall be subject to the Security Interest hereby created.

Section 6.2 Investment Property

Until the security hereby constituted has become enforceable pursuant to the Plan, and subject to the terms of this Agreement and the Plan and the Definitive Documents, each Debtor

is entitled to receive all interest, cash dividends or other distributions, in respect of the Collateral, to exercise all voting power from time to time exercisable by it in respect of the investment property and give entitlement orders, instructions, directions, consents, waivers and ratifications in respect thereof; provided that no such action shall be taken which would impair the interests of the Collateral Agent or Secured Parties, or the validity, perfection or priority of the Security Interest or the value of the investment property or which would violate the provisions of this Agreement, the Plan or any other Definitive Documents, provided further that any and all stock and/or liquidating dividends, distributions of property, returns of capital or other distributions made on or with respect to the Pledged Securities, whether resulting from a subdivision, combination or reclassification of the outstanding capital stock of any issuer or received in exchange for the Pledged Securities or any part thereof or as a result of any amalgamation, merger, consolidation, acquisition or other exchange of property to which any issuer may be a party or otherwise, and any and all cash and other property received in exchange for any Pledged Securities shall be and become part of the Collateral subject to the Security Interest. If the security hereby constituted becomes enforceable pursuant to the Plan, all rights of such Debtor pursuant to this Section shall cease and the Collateral Agent shall have the sole and exclusive right and authority to receive and retain all interest, cash dividends and other distributions and shall be entitled to exercise all voting rights in respect of the Investment Property and give entitlement orders, instructions, directions, consents, waivers and ratifications in respect thereof. Any money and other property paid over to or received by the Collateral Agent pursuant to the provisions of this Section shall be retained by the Collateral Agent as additional Collateral hereunder and be applied in accordance with the provisions of this Agreement.

ARTICLE 7 – DEFAULT

The security hereby constituted shall become enforceable only upon the occurrence of an Event of Default which is not cured pursuant to the Plan, following which the Collateral Agent, in its sole discretion, may issue demand letters, prior notices of the exercise of hypothecary recourses and advance notices under Section 244 of the *Bankruptcy and Insolvency Act* and declare all or any part of the Secured Obligations which are not by their terms payable on demand to be immediately due and payable, without demand or notice of any kind.

ARTICLE 8 – REMEDIES ON DEFAULT

If the security hereby constituted becomes enforceable in accordance with the Plan, the Collateral Agent shall have, to the extent permitted by Applicable Law, in addition to any other rights, remedies and powers which it may have at law, in equity or under the PPSA, the rights, remedies and powers set out in this Article 8, provided, however, that notwithstanding any other provision of this Agreement, (i) no exercise of remedies may occur without the approval of the CCAA Court, and (ii) the CCAA Court shall have exclusive jurisdiction to determine all matters

related to the enforcement of this Agreement and the Security Interest and the exercise of any rights, remedies and powers that the Collateral Agent may have under this Agreement, at law, in equity or under the PPSA.

Section 8.1 Power of Entry

Each Debtor shall forthwith upon demand assemble and deliver to the Collateral Agent possession of all of the Collateral at such place as may be specified by the Collateral Agent. The Collateral Agent may take such steps as it considers necessary or desirable to obtain possession of all or any part of the Collateral and, to that end, each Debtor agrees that the Collateral Agent, its servants or agents or Receiver may, at any time, during the day or night, enter upon lands and premises where the Collateral may be found for the purpose of taking possession of and/or removing the Collateral or any part thereof. In the event of the Collateral Agent taking possession of the Collateral, or any part thereof, the Collateral Agent shall have the right to maintain the same upon the premises on which the Collateral may then be situate. The Collateral Agent may take such action or do such things as to render any Equipment unusable.

Section 8.2 Power of Sale

(1) The Collateral Agent may sell, lease, transfer, convey or otherwise dispose of all or any part of the Collateral, as a whole or in separate parcels, by public auction, private tender or by private contract, with or without notice, except as otherwise required by Applicable Law (and if a reasonable notice is required by law, each Debtor agrees that fifteen (15) days' notice is commercially reasonable unless a shorter period of notice is reasonable in the circumstances), with or without advertising and without any other formality, all of which are hereby waived by the Debtors. Such sale, lease or disposition shall be on such terms and conditions as to credit and otherwise and as to upset or reserve bid or price as to the Collateral Agent, in its sole discretion, may deem advantageous. If such sale, lease, transfer, conveyance or disposition is made on credit or part cash and part credit, the Collateral Agent need only credit against the Secured Obligations the actual cash received at the time of the sale. Any payments made pursuant to any credit granted at the time of the sale shall be credited against the Secured Obligations as they are received. The Collateral Agent may buy in or rescind or vary any contract for sale of all or any of the Collateral and may resell without being answerable for any loss occasioned thereby. Any such sale, lease or disposition may take place whether or not the Collateral Agent has taken possession of the Collateral. The Collateral Agent may, before any such sale, lease, transfer, conveyance or disposition, perform any commercially reasonable repair, processing or preparation for disposition and the amount so paid or expended shall be deemed advanced to the applicable Debtor by the Secured Parties, shall become part of its Secured Obligations, shall bear interest at the rate of interest per annum applicable under the Plan and shall be secured by this Agreement. For greater certainty, the Collateral Agent may sell, transfer, or use any Investment

Property included in the Collateral of which the Collateral Agent has “control” within the meaning of subsection 1(2) of the PPSA.

(2) Without limiting the generality of the foregoing, each Debtor acknowledges that when disposing of any Investment Property, the Collateral Agent may be unable to effect a public sale of any or all of the Investment Property, or to sell any or all of the Pledged Securities as a control block sale at more than a stated premium to the “market price” of any shares, stock, instruments, warrants, bonds, debenture stock and other securities forming part of the Investment Property, by reason of certain prohibitions contained in the *Securities Act* (Ontario) and Applicable Law of other jurisdictions, but may be compelled to resort to one or more private sales to a restricted group of purchasers who will be obliged to agree, among other things, to acquire such Investment Property as principal and to comply with other resale restrictions provided for in the *Securities Act* (Ontario) and other Applicable Law. Each Debtor acknowledges and agrees that any such private sale may result in prices and other terms less favourable to the seller than if such sale were a public sale or a control block sale and, notwithstanding such circumstances, agrees that any such private sale shall not be deemed to have been made in a commercially unreasonable manner solely by reason of its being a private sale. The Collateral Agent shall be under no obligation to delay a sale of any of the Investment Property for the period of time necessary to permit the issuer of any such Pledged Securities to qualify such investment property for public sale under the *Securities Act* (Ontario) or under applicable securities laws of other jurisdictions, even if the issuer would agree to do so, or to permit a prospective purchaser to make a formal offer to all or substantially all holders of any class of Securities forming any part of the Investment Property.

Section 8.3 Validity of Sale

No person dealing with the Collateral Agent or its servants or agents shall be concerned to inquire whether the security hereby constituted has become enforceable, whether the powers which the Collateral Agent is purporting to exercise have become exercisable, whether any money remains due on the security of the Collateral, as to the necessity or expedience of the stipulations and conditions subject to which any sale, lease, transfer, conveyance or disposition shall be made, otherwise as to the propriety or regularity of any sale or any other dealing by the Collateral Agent with the Collateral or to see to the application of any money paid to the Collateral Agent. In the absence of fraud on the part of such persons, such dealings shall be deemed, so far as regards the safety and protection of such person, to be within the powers hereby conferred and to be valid and effective accordingly.

Section 8.4 Receiver

The Collateral Agent may, in addition to any other rights it may have, appoint by instrument in writing one or more Receivers of all or any part of the Collateral or may institute

proceedings in any court of competent jurisdiction for the appointment of such a Receiver. Any such Receiver is hereby given and shall have the same powers and rights and exclusions and limitations of liability as the Collateral Agent has under this Agreement, at law or in equity. In exercising any such powers, any such Receiver shall, to the extent permitted by law, act as and for all purposes shall be deemed to be the agent of the Debtors and the Collateral Agent shall not be responsible for any act or default of any such Receiver. The Collateral Agent may appoint one or more Receivers hereunder and may remove any such Receiver or Receivers and appoint another or others in his or their stead from time to time. Any Receiver so appointed may be an officer or employee of the Collateral Agent. A court need not appoint, ratify the appointment by the Collateral Agent of or otherwise supervise in any manner the actions of any Receiver. Upon a Debtor receiving notice from the Collateral Agent of the taking of possession of the Collateral or the appointment of a Receiver, all powers, functions, rights and privileges of each of the directors and officers of such Debtor with respect to the Collateral shall, to the extent permitted by Applicable Law, cease, unless specifically continued by the written consent of the Collateral Agent.

Section 8.5 Carrying on Business

The Collateral Agent may carry on, or concur in the carrying on of, all or any part of the business or undertaking of any Debtor, may, to the exclusion of all others, including such Debtor, enter upon, occupy and use all or any of the premises, buildings, plant and undertaking of, or occupied or used by such Debtor and may use all or any of the Equipment and Intangibles of such Debtor for such time as the Collateral Agent sees fit, free of charge, to carry on the business of such Debtor and, if applicable, to manufacture or complete the manufacture of any Inventory and to pack and ship the finished product.

Section 8.6 Dealing with Collateral

The Collateral Agent may seize, collect, realize, dispose of, enforce, release to third parties or otherwise deal with the Collateral or any part thereof in such manner, upon such terms and conditions and at such time or times as may seem to it advisable, all of which without notice to the Debtors except as otherwise required by any Applicable Law. The Collateral Agent may demand, sue for and receive any Account with or without notice to the Debtors, give such receipts, discharges and extensions of time and make such compromises in respect of any Account which may, in the Collateral Agent's absolute discretion, seem bad or doubtful. The Collateral Agent may charge on its own behalf and pay to others, sums for costs and expenses incurred, including, without limitation, legal fees and expenses on a solicitor and his own client scale and Receivers' and accounting fees, in or in connection with seizing, collecting, realizing, disposing, enforcing or otherwise dealing with the Collateral and in connection with the protection and enforcement of the rights of the Collateral Agent hereunder, including, without

limitation, in connection with advice with respect to any of the foregoing. The amount of such sums shall be deemed advanced to the applicable Debtor by the Secured Parties, shall become part of its Secured Obligations, shall bear interest at the rate of interest per annum applicable under the Plan and shall be secured by this Agreement.

Section 8.7 Securities

If the Collateral at any time includes Securities, each Debtor authorizes the Collateral Agent, at such time as the security hereby constituted becomes enforceable pursuant to the Plan, to transfer the same or any part thereof into its own name or that of its nominee(s) so that the Collateral Agent or its nominee(s) may appear of record as the sole owner thereof and shall cause the Collateral Agent or its nominee(s) to become the Entitlement Holder with respect to any Security Entitlements forming part of the Collateral.

Section 8.8 Retention of Collateral

Upon notice to the Debtors and subject to any obligation to dispose of any of the Collateral, as provided in the PPSA, the Collateral Agent may elect to retain all or any part of the Collateral in satisfaction of the Secured Obligations or any of them.

Section 8.9 Pay Encumbrances

The Collateral Agent may pay any encumbrance that may exist or be threatened against the Collateral ranking in priority to the Security Interest granted hereunder. In addition, the Collateral Agent may borrow money required for the maintenance, preservation or protection of the Collateral or for the carrying on of the business or undertaking of any Debtor and may grant further Security Interests in the Collateral in priority to the Security Interest created hereby as security for the money so borrowed. In every such case, the amounts so paid or borrowed together with costs, charges and expenses incurred in connection therewith shall be deemed to have been advanced to the applicable Debtor by the Secured Parties, shall become part of its Secured Obligations, and shall bear interest at the rate per annum applicable under the Plan and shall be secured by this Agreement.

Section 8.10 Application of Payments Against Secured Obligations

Any and all payments made in respect of the Secured Obligations from time to time and moneys realized on the Collateral shall be applied to the Secured Obligations in accordance with the Plan and the Definitive Documents. Any insurance moneys received by the Collateral Agent pursuant to this Agreement may, at the option of the Collateral Agent, be applied to rebuilding or repairing the Collateral or be applied against the Secured Obligations in accordance with the Plan and the Definitive Documents.

Section 8.11 Deficiency

If the proceeds of the realization of the Collateral are insufficient to repay the Collateral Agent all moneys due to it, the Debtors shall forthwith pay or cause to be paid to the Collateral Agent such deficiency.

Section 8.12 Collateral Agent Not Liable

Subject to Applicable Laws, neither the Collateral Agent nor any Receiver shall be liable or accountable for any failure to seize, collect, realize, dispose of, enforce or otherwise deal with the Collateral, shall not be bound to institute proceedings for any such purposes or for the purpose of preserving any rights of the Collateral Agent, the Debtors or any other person, firm or corporation in respect of the Collateral and shall not be liable or responsible for any loss, cost or damage whatsoever which may arise in respect of any such failure, including, without limitation, resulting from the negligence of the Collateral Agent, Receivers, or any of their respective Collateral Agent/Receiver Representatives, or otherwise. Subject to Applicable Laws, neither the Collateral Agent, Receivers, or any of their respective Collateral Agent/Receiver Representatives shall be liable by reason of any entry into possession of the Collateral or any part thereof, to account as a mortgagee in possession, for anything except actual receipts, for any loss on realization, for any act or omission for which a mortgagee in possession might be liable, for any negligence in the carrying on or occupation of the business or undertaking of the Debtors as provided in Section 8.5 or for any loss, cost, damage or expense whatsoever which may arise in respect of any such actions, omissions or negligence, other than those caused by the gross negligence or wilful misconduct of the Collateral Agent, Receivers, or any of their respective Collateral Agent/Receiver Representatives, as determined by a court of competent jurisdiction by final and non-appealable order or judgment.

Section 8.13 Extensions of Time

The Collateral Agent may grant renewals, extensions of time and other indulgences, take and give up security, accept compositions, grant releases and discharges, perfect or fail to perfect any security, release any part of the Collateral to third parties and otherwise deal or fail to deal with the Debtors, debtors of the Debtors, guarantors, sureties and others and with the Collateral and other security as the Collateral Agent may see fit, all without prejudice to the liability of the Debtors to the Collateral Agent and the Secured Parties or the Collateral Agent's rights and powers under this Agreement.

Section 8.14 Rights in Addition

The rights and powers conferred by this Article 8 are in supplement of and in addition to and not in substitution for any other rights or powers the Collateral Agent may have from time to

time under this Agreement, the Mortgage, the Deeds of Hypothec or under Applicable Law. The Collateral Agent may proceed by way of any action, suit, remedy or other proceeding at law or in equity and no such remedy for the enforcement of the rights of the Collateral Agent shall be exclusive of or dependent on any other such remedy. Any one or more of such remedies may from time to time be exercised separately or in combination.

ARTICLE 9 – APPOINTMENT OF REPRESENTATIVE

Section 9.1 Appointment of Representative

(1) The Debtors hereby irrevocably designate and appoint the Collateral Agent to act as the hypothecary representative (in such capacity, the “**Representative**”) on behalf and for the benefit of the present and future Secured Parties, to enter into the Security Agreements and to hold the security interests, rights and hypothec created pursuant to the Security Agreements on behalf and for the benefit of the present and future Secured Parties, as envisaged under Article 2692 CCQ.

(2) Any person who becomes a Secured Party shall benefit from the provisions hereof and the appointment of the Collateral Agent as Representative for the Secured Parties and, upon becoming a Secured Party, is deemed to have ratified and confirmed such appointment.

Section 9.2 Acceptance of Appointment

The Collateral Agent hereby accepts its appointment as Representative and agrees to take, receive and hold the security interests, rights and hypothec created pursuant to the Security Agreements and to exercise any and all powers and rights and to perform any and all duties conferred upon it hereunder and thereunder.

Section 9.3 Successor Representative

(1) If the Collateral Agent is replaced, the successor agent shall automatically become the Representative for the purposes of this Agreement and the hypothec created hereby.

(2) The rights of the Representative hereunder shall benefit any successor Representative, including any person resulting from the amalgamation of the Representative with any other person. The successor Representative without further act (other than the filing of a notice of replacement in the applicable register in accordance with Article 2692 CCQ for the purposes of exercising the rights relating to the hypothec contemplated in Section 2.2) shall then be vested and have all rights, powers and authorities granted to the Representative hereunder and be subject in all respects to the terms, conditions and provisions hereof to the same extent as if originally acting as Representative hereunder.

Section 9.4 Waiver of certain Statutory Provisions

To the extent necessary or useful, the parties hereby waive the application of Section 32 of *An Act Respecting the Special Powers of Legal Persons* (Quebec) CQLR c. P-16 and of Articles 1310 and 2147 CCQ.

ARTICLE 10 – INSTRUCTIONS TO COLLATERAL AGENT

Section 10.1 Instructions in accordance with the Plan and Definitive Documents

The Collateral Agent shall take its instructions exclusively in the manner contemplated in the Plan and Definitive Documents.

ARTICLE 11 – GUARANTEE

Section 11.1 Guarantee

In recognition of the direct and indirect benefits to be received by each Material Subsidiary under the Plan, each Material Subsidiary, jointly and severally, hereby unconditionally and irrevocably guarantees as a primary obligor and not merely as a surety the full and prompt payment and performance when due, whether upon maturity, acceleration, or otherwise, of all of the Obligations owed to the Secured Parties.

ARTICLE 12 – GENERAL

Section 12.1 Security in Addition

The security hereby constituted is not in substitution for any other security for the Secured Obligations or for any other agreement between the parties creating a Security Interest in all or part of the Collateral, whether heretofore or hereafter made, and such security and such agreements shall be deemed to be continued and not affected hereby unless expressly provided to the contrary in writing and signed by the Collateral Agent and the Debtors. The taking of any action or proceedings or refraining from so doing, or any other dealing with any other security for the Secured Obligations or any part thereof, shall not release or affect the Security Interest created by this Agreement and the taking of the Security Interest hereby created or any proceedings hereunder for the realization of the Security Interest hereby created shall not release or affect any other security held by the Collateral Agent for the repayment of or performance of the Secured Obligations.

Section 12.2 Continuing Security Interest and Discharge

(1) This Agreement shall create a continuing Security Interest in the Collateral and shall remain in full force and effect until the Secured Obligations have been fully satisfied and performed by the Debtors, notwithstanding any dealing between the Collateral Agent and the Debtors or any guarantor in respect of the Secured Obligations or any release, exchange, non-perfection, amendment, waiver, consent or departure from or in respect of any or all of the terms or provision of any security held for the Secured Obligations.

(2) If the Secured Obligations have been fully satisfied and performed by the Debtors, the Debtors otherwise observe and perform the terms and conditions hereof, and all other obligations of the Collateral Agent and the Secured Parties under the Plan, the Definitive Documents and any agreements and documents with respect to the Other Secured Obligations, have terminated, then the Collateral Agent shall at the request and at the expense of the Debtors release and discharge the Security Interest created hereby and execute and deliver to the Debtors such deeds and other instruments as shall be requisite therefor.

Section 12.3 Amalgamation

Each Debtor acknowledges and agrees that, in the event it amalgamates with any other corporation or corporations, it is the intention of the parties hereto that the term “Debtor”, when used herein, shall apply to each of the amalgamating corporations and to the amalgamated corporation, such that the Security Interest granted hereby:

- (a) shall extend to “Collateral” (as that term is herein defined) owned by each of the amalgamating corporations and the amalgamated corporation at the time of amalgamation and to any “Collateral” thereafter owned or acquired by the amalgamated corporation, and
- (b) shall secure all “Secured Obligations” (as that term is herein defined) of each of the amalgamating corporations and the amalgamated corporation to the Collateral Agent and the Secured Parties at the time of amalgamation and all “Secured Obligations” of the amalgamated corporation to the Collateral Agent and the Secured Parties thereafter arising. The Security Interest shall attach to all “Collateral” owned by each corporation amalgamating with a Debtor, and by the amalgamated corporation, at the time of the amalgamation, and shall attach to all “Collateral” thereafter owned or acquired by the amalgamated corporation when such becomes owned or is acquired.

Section 12.4 No Collateral Warranties

There is no representation, warranty or collateral agreement affecting this Agreement or the Collateral, other than as expressed in writing herein or in the Plan or any Definitive Documents.

Section 12.5 Receipt of Copy/Waiver

The Debtors acknowledge receipt of an executed copy of this Agreement. The Debtors waive the right to receive a copy of any financing statement, financing change statement or verification statement in respect of any registered financing statement or financing change statement prepared, registered or issued in connection with this Agreement.

Section 12.6 No Merger

Neither the taking of any judgment nor the exercise of any power of seizure or sale shall operate to extinguish the liability of the Debtors to make payment of or satisfy the Secured Obligations. The acceptance of any payment or alternate security shall not constitute or create any novation and the taking of a judgment or judgments under any of the covenants herein contained shall not operate as a merger of such covenants.

Section 12.7 Reinstatement

This Agreement shall remain in full force and effect and continue to be effective should any application or petition be filed by or against one or more Debtors for liquidation or reorganization, should such Debtor(s) become insolvent, if any Debtor commences, after the date hereof, a proceeding under the CCAA, United States Bankruptcy Code, or any similar legislation in other jurisdictions or make an assignment for the benefit of creditors or should a Receiver be appointed for all or any significant part of such Debtor's assets, and shall continue to be effective or be reinstated, as the case may be, if at any time payment and performance of the Secured Obligations, or any part thereof, is, pursuant to Applicable Law, rescinded or reduced in amount, or must otherwise be restored or returned (whether by way of demand, settlement, litigation or otherwise), and in any such case, the Secured Obligations shall be reinstated and deemed reduced only by such amount paid and not so rescinded, reduced, restored or returned.

Section 12.8 Indemnity

Each Debtor agrees to indemnify and save harmless the Collateral Agent, the Secured Parties and any Receiver from and against any and all claims, losses and liabilities arising out of or resulting out of or resulting from this Agreement (including, without limitation, enforcement of this Agreement), except claims, losses or liabilities resulting from the Collateral Agent's, such

Secured Party's or such Receiver's gross negligence or wilful misconduct, as determined by a court of competent jurisdiction by final and non-appealable judgment.

Section 12.9 Amendment, Waiver

(1) No amendment or waiver of this Agreement shall be binding unless made in writing and executed by an authorized officer of the Collateral Agent and each Debtor.

(2) Any waiver by the Collateral Agent of a breach by a Debtor of any of the terms or provisions of this Agreement or of an Event of Default or Breach under Article 7 must be in writing to be effective against and bind the Collateral Agent or the Secured Parties. No such waiver by the Collateral Agent shall extend to or be taken in any manner to affect any subsequent breach by a Debtor of any of the terms or provisions of this Agreement or Breach or Event of Default or the rights of the Collateral Agent arising therefrom. The rights, remedies, powers and privileges under this Agreement, the Plan and any other Definitive Documents are cumulative and not exclusive of any rights, remedies, powers and privileges provided by Applicable Law.

Section 12.10 Further Assurances

(1) Each Debtor shall at all times do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered all and singular every such further acts, deeds, conveyances, instruments, transfers, assignments, security agreements and assurances as the Collateral Agent may reasonably require in order to give effect to the provisions and purposes of this Agreement, including, without limitation, in respect of the Collateral Agent's enforcement of the security constituted by this Agreement and its realization on the Collateral, and for the better granting, transferring, assigning, charging, setting over, assuring, confirming and/or perfecting the Security Interest of the Collateral Agent in the Collateral pursuant to this Agreement. Each Debtor hereby constitutes and appoints the Collateral Agent, or any Receiver appointed by the CCAA Court or the Collateral Agent as provided herein, the true and lawful attorney of such Debtor irrevocably with full power of substitution to do, make and execute all such assignments, documents, acts, matters or things with the right to use the name of such Debtor whenever and wherever it may be deemed necessary or expedient; provided, that, such power of attorney may only be exercised if the security hereby constituted becomes enforceable pursuant to the Plan. This irrevocable power of attorney is coupled with an interest and shall terminate once the Secured Obligations have been fully satisfied and performed by the Debtors. Each Debtor hereby authorizes the Collateral Agent to file such proofs of claim and other documents as may be necessary or advisable in order to prove its claim in any bankruptcy, proposed winding-up or other proceeding relating to such Debtor.

(2) Without limiting the generality of the foregoing, each Debtor:

- (a) shall at the request of the Collateral Agent, mark conspicuously each Chattel Paper evidencing or relating to an Account, and each related contract and, each of its records pertaining to the Collateral with a legend, in form and substance satisfactory to the Collateral Agent, indicating that such Chattel Paper, related contract or Collateral is subject to the Security Interests granted hereby;
- (b) shall, if any Account shall be evidenced by a promissory note or other Instrument or Chattel Paper, at the request of the Collateral Agent, deliver and pledge to the Collateral Agent hereunder such note, Instrument or Chattel Paper duly endorsed and accompanied by duly executed instruments of transfer or assignment, all in form and substance satisfactory to the Collateral Agent;
- (c) shall execute and file such financing statements or financing change statements, or amendments, thereto, and such other instruments or notices, as may be necessary or desirable, or as the Collateral Agent may request, in order to perfect and preserve the Security Interests granted or purported to be granted hereby;
- (d) hereby authorizes the Collateral Agent to file one or more financing statements or financing change statements, and amendments thereto, relative to all or any part of the Collateral without the signature or consent of such Debtor, where permitted by Applicable Law; and
- (e) shall furnish to the Collateral Agent from time to time statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as the Collateral Agent may request, all in reasonable detail, in addition to what is otherwise required by this Agreement.

Section 12.11 Collateral Agent May Perform

If a Debtor fails to perform any obligation contained in this Agreement, the Collateral Agent may itself perform, or cause to be performed, such obligation, and the costs and expenses of the Collateral Agent incurred in connection therewith shall be payable by such Debtor and shall form part to the Secured Obligations; provided that the Collateral Agent shall not be required to perform or discharge any obligation of such Debtor.

Section 12.12 Costs and Expenses

Each Debtor shall pay upon demand by the Collateral Agent the amount of any and all costs and expenses, including the fees and disbursements of its counsel and of any experts and agents, which the Collateral Agent may incur in connection with (i) the administration of this Agreement, (ii) the custody, preservation, use or operation of, or the sale of, collection from, or

other realization upon, any of the Collateral, (iii) the exercise or enforcement of any of the rights or remedies of the Collateral Agent hereunder, or (iv) the failure by the Debtors to perform or observe any of the provisions hereunder and all such costs and expenses shall form part of the Secured Obligations.

Section 12.13 Successor Agent

In the event that the Collateral Agent shall resign and a successor agent thereafter shall be appointed in accordance with the Plan or the Definitive Documents, then, all references herein to the Collateral Agent in this Agreement shall be deemed to be references to such successor agent as and from such date and such successor agent shall receive and become vested with all the rights, powers, privileges and duties of the retiring Collateral Agent and the retiring or removed Collateral Agent shall be discharged from its further duties and obligations as the Collateral Agent under this Agreement.

Section 12.14 Notice

(1) **Notice in Writing.** Unless otherwise specified, each notice to a party shall be given in writing and delivered personally or by courier, sent by e-mail or other electronic transmission contemplated by the parties to such party as follows:

If to the Debtors:

Name: Rothmans, Benson & Hedges Inc.
Address: 1500 Don Mills Road
Toronto ON M3B 3L1
Attention: Gwenno Lloyd
Email: gwenno.lloyd@rbhinc.ca

With a copy to:

Name: McCarthy Tétrault LLP
Address: Suite 5300, Toronto Dominion Tower
Toronto ON M5K 1E6
Attention: James D. Gage
Email: jgage@mccarthy.ca

If to the Collateral Agent:

Name: []
Address: []

Attention: []

Email: []

or to any other address, e-mail or Person that the party designates.

Section 12.15 Governing Law

This Agreement is governed by, and is to be construed and interpreted in accordance with, the laws of the Province of Ontario and the laws of Canada applicable therein, except as required by mandatory provisions of law and except to the extent that the validity or perfection of the Security Interests hereunder, or remedies hereunder, in respect of any particular Collateral are governed by the laws of a jurisdiction other than the Province of Ontario.

Section 12.16 Jurisdiction

(1) Any action or proceeding arising out of or based upon this Agreement shall be brought in the CCAA Court and each of the parties hereto irrevocably submits to the exclusive jurisdiction of the CCAA Court. The parties irrevocably and unconditionally waive any objection to the venue of any action or proceeding in the CCAA Court and irrevocably waive and agree not to plead in the CCAA Court that any such action or proceeding brought in such court has been brought in an inconvenient forum. Each of the parties hereto agrees that a final judgment in any such action or proceeding may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by Applicable Law.

Section 12.17 Entire Agreement

This Agreement has been entered into pursuant to the provisions of the Plan and the Definitive Documents and is subject to all terms and conditions thereof. This Agreement cancels and supersedes any prior understandings and agreements between the parties hereto with respect thereto other than the other Security Agreements. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the Collateral Agent and the Debtors with respect to the subject matter hereof except as expressly set forth herein, in the other Security Agreements and in the Plan and the Definitive Documents.

Section 12.18 Severability

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall not invalidate the remaining provisions and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Section 12.19 Time of the Essence

Time shall be of the essence of every provision of this Agreement.

Section 12.20 Successors and Assignees

This Agreement shall be binding upon the Debtors and their successors and permitted assigns, and enure to the benefit of the Collateral Agent and its successors and assigns. This Agreement shall be assignable by the Collateral Agent free of any set-off, counter-claim or equities between the Debtors and the Collateral Agent, and the Debtors shall not assert against an assignee of the Collateral Agent any claim or defense that the Debtors have against the Collateral Agent. The Debtors may not assign their obligations under this Agreement without the consent of the Collateral Agent.

Section 12.21 Counterpart; Delivery by Electronic Transmission

This Agreement may be executed in counterparts. Each executed counterpart shall be deemed to be an original and all counterparts taken together shall constitute one and the same agreement. Delivery of an executed signature page to this Agreement by a party hereto by electronic transmission shall be as effective as delivery of a manually executed copy of this Agreement by such party.

Section 12.22 Language.

The parties have required that this Agreement and all documents and notices resulting from it, other than the Deed of Immovable Hypothec and certain provisions of the Deed of Movable Hypothec, be drawn up in English. *Les parties ont exigé que la présente convention, ainsi que tous les documents et avis qui s'y rattachent ou qui en découleront, sauf l'acte d'hypothèque immobilière et certaines dispositions de l'acte d'hypothèque mobilière, soient rédigés en anglais.*

[SIGNATURE PAGES TO FOLLOW]

The parties have executed this Agreement.

DEBTORS:

ROTHMANS, BENSON & HEDGES INC.

By:

Name:

Title:

By:

Name:

Title:

ROTHMANS INC.

By:

Name:

Title:

By:

Name:

Title:

Collateral Agent:

**[NAME OF COLLATERAL AGENT],
as Collateral Agent, for and on behalf of the
Secured Parties**

By:

Name:

Title:

By:

Name:

Title:

Schedule A – Pledged Securities

Pledged Instruments and Other Securities:

Issuer	Holder	Class of Securities	No. of Securities	% of Issued Securities	Cert. No. (if Securities are Certificated)

Other Investment Property:

Schedule B-1 – Deed of Immovable Hypothec

Schedule B-2 – Deed of Movable Hypothec

Schedule B-3 – Mortgage

Schedule C – Debtor Information and Locations

Debtor (Legal Name) and Jurisdiction of Formation	Chief Executive Office	Registered Office	Location of Books and Records	Additional Places of Business and Locations of Assets (including name of any third party bailee, if applicable)

Schedule D – Deposit Accounts and Securities Accounts

Owner	Bank or Financial Intermediary	Account Name	Account Number

Schedule E – Real Property

Name of Owner or Lessee	Indicate if property is Owned or Leased	Address of property	Name of Landlord, if leased	Purpose of Property (ex: office, warehouse)
		Cadastral Description		
		Cadastral Description		

Schedule F – Intellectual Property

1. Patents

Owner	Registration/ Application No.	Registration/ Application Date	Description	Patent

2. Trade-marks

Owner	Registration/ Application No.	Registration/ Application Date	Description	Trade-mark

3. Copyrights

Owner	Registration/ Application No.	Registration/ Application Date	Description	Copyright

4. Industrial Designs

Owner	Registration/ Application No.	Registration/ Application Date	Description	Industrial Design

5. Intellectual Property Applications

6. Intellectual Property Licenses

SCHEDULE “F”

DEED OF IMMOVABLE HYPOTHEC (OFFICIAL FRENCH VERSION)

L’AN DEUX MILLE VINGT-[●], LE [●]

DEVANT M^e [●], notaire, exerçant à Montréal, province de Québec.

COMPARAISSENT :

ROTHMANS, BENSON & HEDGES INC., une société par actions régie par la *Loi canadienne sur les sociétés par actions* (L.R.C. (1985), ch. C-44), ayant son siège social au 1500 Don Mills Road, en la ville de Toronto, province d’Ontario, agissant et représentée aux présentes par [●], son [●], dûment autorisé aux termes d’une résolution adoptée par ses administrateurs en date du [●] 202[●], dont copie est annexée aux présentes après avoir été signée pour identification par ledit représentant avec et en présence du notaire soussigné;

ET: **ROTHMANS INC.,** une [●], ayant son siège social au [●], bureau [●], en la ville de [●], province de [●], agissant et représentée aux présentes par [●], son [●], dûment autorisé aux termes d’une [●] en date du [●] 202[●], dont copie est annexée aux présentes après avoir été signée pour identification par ledit représentant avec et en présence du notaire soussigné;

(ci-après désignées les « **Constituants** » et chacun un « **Constituant** »)

ET: **[NAME OF THE COLLATERAL AGENT],** agissant comme fondé de pouvoir au sens de l’article 2692 du *Code Civil du Québec* et représentée aux présentes par [●] et [●], dûment autorisés aux fins des présentes aux termes d’une procuration sous-seing privé, dont copie est annexée aux présentes après avoir été signée pour identification par lesdits représentants avec et en présence du notaire soussigné;

un avis d’adresse étant inscrit au registre foncier sous le numéro [●] et au Registre des droits personnels et réels mobiliers, sous le numéro [●];

(ci-après désignée le « **Fondé de pouvoir** »).

ATTENDU qu'un plan d'arrangement et de compromis a été présenté en vertu de la *Loi sur les arrangements avec les créanciers des compagnies* à l'égard des Constituants dans le dossier de Cour 19-CV-616779-00CL et que ce plan d'arrangement et de compromis a été ratifié par ordonnance de la chambre commerciale de la Cour supérieure de l'Ontario (en anglais, *Ontario Superior Court of Justice [Commercial List]*) datée du [●] 202[●];

ATTENDU que les Constituants doivent, comme condition préalable à la mise en application de ce plan d'arrangement et de compromis, consentir à un fondé de pouvoir des suretés sur l'universalité de leurs droits, titres, intérêts et biens, mobiliers et immobiliers, à travers le Canada;

ATTENDU qu'aux termes d'un acte intitulé « Contribution Security Agreement » (la « **Sureté globale** »), intervenu le [●], 202[●] entre les Constituants et le Fondé de pouvoir, les Constituant ont:

- a) désigné et nommé, aux fins de l'article 2692 du Code Civil, **[Name of Collateral Agent]** comme fondé de pouvoir des créanciers aux termes de ce plan d'arrangement et de compromis; et
- b) consenti au Fondé de pouvoir des suretés sur l'universalité de leurs droits, titres, intérêts et biens, mobiliers et immobiliers;

et se sont engagé à signer le présent Acte et l'Acte d'Hypothèque Principal (tel que ci-après définis);

ATTENDU que les Constituants ont consentis certaines hypothèques en vertu d'un acte d'hypothèque reçu (ou à être reçu) devant Me ●, à la même ou vers la même date que le présent acte entre les Constituants et le Fondé de Pouvoir (tel qu'il peut être amendé, remplacé ou refondu de temps à autre, l'« **Acte d'Hypothèque Principal** »);

ATTENDU que la signature du présent Acte et de l'Acte d'Hypothèque Principal et l'octroi des hypothèques mentionnées aux présentes et à l'Acte d'Hypothèque Principal ont été dûment autorisées par les Constituants; et

ATTENDU que l'article 2692 du Code Civil permet l'octroi d'une hypothèque en faveur d'un fondé de pouvoir de tous les créanciers ou de certains d'entre eux;

LESQUELLES PARTIES CONVIENNENT DE CE QUI SUIT:

1. INTERPRÉTATION ET DÉFINITIONS

1.1 Interprétation

Les Constituants et le Fondé de pouvoir conviennent que le présent Acte est assujéti aux termes et conditions de l'Acte d'Hypothèque Principal (y compris, sans limitation, les clauses relativement à l'indemnisation et la limitation de la responsabilité du Fondé de pouvoir), et chacun s'engage à respecter les engagements et obligations prévus dans l'Acte d'Hypothèque Principal. Malgré toute disposition contraire contenue aux présentes, en cas de conflit entre une disposition du présent Acte et une disposition de l'Acte d'Hypothèque Principal, cette dernière disposition aura préséance dans la mesure de ce conflit.

Pour une plus grande certitude, il est toutefois entendu que (A) les dispositions des présentes prévalent en ce qui concerne la constitution et l'application des hypothèques accordées par les présentes et les obligations qui en découlent, (B) les dispositions et obligations énoncées dans l'Acte d'Hypothèque Principal applicables ou relatives aux biens hypothéqués en vertu de l'Acte d'Hypothèque Principal mais non hypothéqués en vertu du présent acte ne s'appliquent pas au présent acte ou aux biens hypothéqués en vertu du présent acte, et (C) les dispositions et obligations énoncées dans l'Acte d'Hypothèque Principal ne s'appliquent aux Constituants en vertu du présent acte (avec les modifications nécessaires) seulement dans la mesure où elles lui sont applicables en vertu de l'Acte d'Hypothèque Principal.

1.2 Définitions

Sauf indication contraire, les mots et expressions utilisés au présent acte et qui n'y sont pas définis ont le sens qui leur est attribué dans l'Acte d'Hypothèque Principal.

« **Acte** » signifie le présent acte d'hypothèque, tel qu'amendé, reformulé, complété, remplacé ou autrement modifié à l'occasion;

« **Actifs Exclus** » a la signification qui lui est donné aux termes de l'Acte d'Hypothèque Principal;

« **Cas de défaut** » a la signification qui lui est donné aux termes de l'Acte d'Hypothèque Principal;

« **Code Civil** » signifie le *Code Civil du Québec*, tel que modifié, amendé ou remplacé à l'occasion;

« **Cour** » signifie la « *CCAA Court* » aux termes du Plan d'arrangement;

« **Créanciers** » signifie les « *Claimants* » aux termes du Plan d'Arrangement;

« **Document Définitifs** » a la signification qui lui est donné aux termes de l'Acte d'Hypothèque Principal;

« **Sureté globale** » a la signification qui lui est donné aux termes des paragraphes introductifs du présent Acte;

« **Obligations Garanties** » a la signification qui lui est donné aux termes de l'Acte d'Hypothèque Principal; et

« **Plan d'Arrangement** » signifie le plan d'arrangement et de compromis en vertu de la *Loi sur les arrangements avec les créanciers des compagnies*, LRC 1985, ch C-36, présenté par le Médiateur et le Contrôleur à l'égard des Constituants et ratifié par la Cour par ordonnance datée du [●].

2. NOMINATION DU FONDÉ DE POUVOIR

2.1 Nomination du Fondé de pouvoir

Aux termes de la Sureté globale, le Fondé de pouvoir a été nommé, pour agir en tant que fondé de pouvoir, pour et au nom des Créanciers, afin de détenir les hypothèques octroyées aux termes des présentes, tel qu'envisagé à l'article 2692 du Code Civil.

2.2 Acceptation de la nomination du Fondé de pouvoir

Le Fondé de pouvoir réitère par les présentes l'acceptation de sa nomination en tant que fondé de pouvoir pour et au nom des Créanciers et s'engage à recevoir et détenir les droits et les hypothèques octroyées par les présentes ainsi qu'à exercer tous les pouvoir et droits et à remplir toutes les fonctions qui lui sont conférées en vertu des présentes.

2.3 Successeurs du Fondé de pouvoir

Les droits du Fondé de pouvoir en vertu des présentes bénéficient à tout nouveau Fondé de pouvoir, y compris toute personne issue de la fusion du Fondé de pouvoir avec toute autre personne. Le nouveau Fondé de pouvoir, sans autre formalité (autre que le dépôt d'un avis de remplacement au registre pertinent conformément à l'article 2692 du Code Civil aux fins de l'exercice des droits relatifs aux hypothèques créées en vertu des présentes), sera alors investi et aura tous les droits, pouvoir et privilèges accordés au Fondé de pouvoir en vertu des présentes et sera soumis à tous égards aux termes, conditions et dispositions des présentes dans la même mesure que s'il avait agi initialement en tant que Fondé de pouvoir en vertu des présentes.

3. HYPOTHÈQUE

3.1 Montant

En garantie de l'exécution intégrale et ponctuelle de ses Obligations Garanties chaque Constituant hypothèque en faveur du Fondé de pouvoir, pour TRENTE DEUX MILLIARDS CINQ CENT MILLIONS DE DOLLARS (32 500 000 000 \$), en monnaie ayant cours légal au Canada, avec intérêt au taux de VINGT-CINQ POURCENT (25%) par année à

compter de ce jour, tous ses droits, titres et intérêts sur (i) l'universalité de ses biens immobiliers et mobiliers incluant, sans limitation, ceux décrits aux paragraphes 3.2 à 3.4 ci-après, et tous les biens hypothéqués en vertu du présente acte acquis ultérieurement, (ii) toutes les structures et tous les travaux présents et futurs de nature permanente situés de temps à autre à l'intérieur, dans ou sur l'un de ces biens immobiliers, y compris, sans s'y limiter, tous les bâtiments, installations, accessoires, structures et autres améliorations, (iii) tous les biens présents et futurs considérés comme immeubles par la loi et qui sont situés ou incorporés de temps à autre à l'un de ces biens immobiliers, sur ou dans l'un de ces biens immobiliers, et (iv) toutes les modifications, additions, reconstructions ou agrandissements et remplacements de l'un de ces biens immobiliers (collectivement, les « **Biens hypothéqués** »).

3.2 Immeubles

Sans limitation, les immeubles ci-après décrits, les bâtiments, ouvrages, constructions et autres améliorations qui s'y trouvent ou qui s'y trouveront et les autres biens qui y sont ou y seront incorporés, attachés ou réunis et qui sont ou deviendront immeubles, pourvu, dans chaque cas, qu'ils soient la propriété d'un Constituant et dans la seule mesure où ils se rapportent aux Propriétés (tel que ci-après défini) ou à l'une ou plusieurs d'entre elles (les immeubles, les bâtisses et ces biens étant appelés aux présentes, collectivement les « **Propriétés** », et individuellement, une « **Propriété** ») :

DÉSIGNATION



3.3 Les biens servant à l'exploitation des Biens hypothéqués

L'universalité des biens meubles, présents et à venir, qui sont à demeure, matériellement attachés ou réunis à un Bien hypothéqué, sans perdre leur individualité et sans y être incorporés ou qui assurent l'utilité d'un Bien hypothéqué.

3.4 Les Loyers et les indemnités d'assurance

L'universalité constituée de :

- a) tous les loyers et les revenus d'un Bien hypothéqué, payables et qui seront payables en vertu de tout bail, sous-bail, offre de location, convention de location, concession ou autres droits d'occuper des locaux ou espaces situés dans un Bien hypothéqué; et
- b) les indemnités versées ou qui seront versées en vertu des contrats d'assurance qui couvrent ces loyers;

(collectivement, les « **Loyers** »).

3.5 Actifs Exclus

Nonobstant toute disposition contraire des présentes, le Fondé de pouvoir renonce à tous droits et recours à titre de créancier hypothécaire en vertu du présente acte à l'égard des tous biens qui constituent des Actifs Exclus (aussi longtemps que ces biens demeurent des Actifs Exclus), y compris le droit de suite en vertu de l'article 2700 du Code Civil et le droit d'inscription en vertu de l'article 2949 du Code Civil contre les biens hypothéqués, mais cette renonciation ne s'applique pas aux biens qui cessent d'être des Actifs Exclus, ni aux produits des Actifs Exclus (à moins que ces produits ne constituent autrement des Actifs Exclus).

3.6 Autorisation de percevoir

Sous réserve des dispositions de l'Acte d'Hypothèque Principal, le Fondé de pouvoir autorise les Constituants à percevoir, à échéance, ses créances jusqu'à ce que cette autorisation lui soit retirée suite à la survenance d'un Cas de défaut en vertu de l'Acte d'Hypothèque Principal qui se poursuit et n'est pas corrigé dans, et se poursuit au-delà des, délais applicables, au moyen d'un avis aux Constituants et aux locataires, leur indiquant que l'Agent ou un de ses mandataires percevra dorénavant les Loyers.

4. DROITS ET RECOURS DU FONDÉ DE POUVOIR

4.1 Droits personnels et hypothécaires

Suite à la survenance d'un Cas de défaut qui perdure, le Fondé de pouvoir pourra exercer tous les droits et pouvoir prévus par l'Acte d'Hypothèque Principal et la loi et, sans s'y limiter, le Fondé de pouvoir pourra, à son entière discrétion, par l'entremise de ses dirigeants, mandataires ou avocats, exercer tout droit d'action et tout droit hypothécaire prévu aux articles 2748 à 2794 du Code Civil, et tout autre droit disponible aux créanciers et aux créanciers garantis en vertu des lois du Canada.

Le Fondé de pouvoir n'est pas tenu d'exercer les mêmes droits hypothécaires à l'encontre de l'ensemble des biens hypothéqués et peut exercer des droits différents sur différents types de biens hypothéqués ou même sur différents éléments des biens hypothéqués qui font partie de la même universalité.

4.2 Affectation du produit de la vente

Le produit ou les bénéfices découlant de toute vente ou disposition des biens hypothéqués par ou au nom du Fondé de pouvoir, ainsi que toutes autres sommes qui peuvent alors être détenues par le Fondé de pouvoir en vertu du présent Acte, de l'Acte d'Hypothèque Principal et de la Sureté globale sont considérés comme faisant partie des biens hypothéqués ou du produit de ceux-ci, et ils peuvent être affectés par le Fondé de pouvoir comme il l'entend.

4.3 L'hypothèque constitue une sûreté supplémentaire

Les hypothèques accordées en vertu des présentes s'ajoutent à toute autre charge ou sûreté détenue par le Fondé de pouvoir; elles ne les remplacent, ni s'y substituent.

4.4 Aucune renonciation

Aucun retard ou omission du Fondé de pouvoir dans l'exercice de tout droit ou pouvoir ne portera atteinte à un tel droit ou pouvoir, ni ne pourra être interprété comme une renonciation à tout défaut ou tout Cas de défaut. Tout pouvoir et recours conféré au Fondé de pouvoir par le présent Acte peut être exercé à l'occasion et aussi souvent que le Fondé de pouvoir le juge opportun.

5. DISPOSITIONS DIVERSES

5.1 Recours cumulatifs

Les droits et recours du Fondé de pouvoir en vertu du présent Acte sont cumulatifs et n'excluent en rien les autres droits et recours que le Fondé de pouvoir pourrait autrement avoir. Aucune omission ou retard de la part du Fondé de pouvoir dans l'exercice d'un droit ne pourra être interprété comme une renonciation à ce droit. L'exercice partiel ou unique d'un droit ou d'un pouvoir n'empêchera pas le Fondé de pouvoir d'exercer par la suite tout autre droit ou pouvoir.

5.2 Délégation

Le Fondé de pouvoir peut déléguer à toute personne l'exercice de ses droits, de ses pouvoirs ou l'exécution de tout engagement découlant du présent Acte ou de la loi ; dans un tel cas, le Fondé de pouvoir doit fournir à cette personne toute information qu'il détient relativement aux Constituants ou aux biens hypothéqués.

5.3 Résiliation

Le présent acte et toutes les hypothèques qui y sont consenties prennent fin de plein droit en ce qui concerne toutes les Obligations Garanties dès que les Constituants paient irrévocablement au Fondé de pouvoir et/ou aux Créanciers toutes les Obligations Garanties et respectent et exécutent les conditions du présente Acte et toutes les autres obligations du Fondé de pouvoir et des Créanciers en vertu du Plan d'Arrangement et des Documents Définitifs, alors le Fondé de pouvoir devra, à la demande et aux frais des Constituants, libérer et acquitter les hypothèques créés par les présents et signer et remettre au Fondé de pouvoir et aux Créanciers tout autre acte et instruments nécessaires à cet effet.

5.4 Avis d'adresse

Tout avis, demande ou autre communication à l'une ou l'autre des parties aux présentes en rapport avec le présent Acte doit être donné conformément aux dispositions de la Sureté globale. Si le Fondé de pouvoir ne peut localiser un Constituant à l'adresse figurant dans la comparution, il peut signifier l'avis au bureau du greffier de la Cour supérieure du Québec du district dans lequel dudit Constituant a élu domicile.

5.5 Loi applicable

Le présent Acte doit être régi et interprété selon les lois en vigueur dans la province de Québec et selon les lois fédérales du Canada qui y sont applicables, à l'exclusion des dispositions relatives aux règles de conflits de lois de la province de Québec qui nécessiteraient l'application des lois d'une juridiction autre que celle de la province de Québec.

DONT ACTE à Montréal, sous le numéro [●] des minutes du notaire soussigné.

LES PARTIES déclarent au notaire soussigné avoir pris connaissance du présent Acte et l'avoir exempté d'en donner ou d'en faire donner lecture. Les parties acceptent l'utilisation des procédés technologiques pour clore le présent Acte tel qu'autorisé par l'arrêté 2022-4841 du ministre de la Justice daté du 24 août 2022, identifient et reconnaissent véritable l'information portée sur les annexes, puis signent à distance en présence du notaire soussigné.

[NAME OF COLLATERAL AGENT]

Par: _____
Nom: [●]
Titre : [●]

Par: _____
Nom: [●]
Titre : [●]

ROTHMANS, BENSON & HEDGES INC.

Par: _____
Nom: [●]
Titre : [●]

Par: _____
Nom: [●]
Titre : [●]

ROTHMANS INC.

Par: _____
Nom: [●]
Titre : [●]

Par: _____
Nom: [●]
Titre : [●]

Mtre [●], Notaire

SCHEDULE “G”

DEED OF IMMOVABLE HYPOTHEC (UNOFFICIAL ENGLISH VERSION)

ON THE [●] ([●]) day of [●], Two Thousand and Twenty-[●] (202[●])
BEFORE Mtre. [●], the undersigned Notary for the Province of Québec,
practicing at the City of Montreal
APPEARED:

ROTHMANS, BENSON & HEDGES INC., a corporation governed by the *Canada Business Corporations Act* (R.S.C., 1985, c. C-44), having its head office at 1500 Don Mills Road in the city of Toronto, province of Ontario, herein acting and represented by [●], its [●], duly authorized pursuant to a resolution passed by its directors on [●] 202[●], a copy of which is attached hereto after having been signed for identification by said representative with and in the presence of the undersigned notary;

AND: **ROTHMANS INC.**, a [●], having its head office at [●], Suite [●], in the city of [●], province of [●], herein acting and represented by [●], its [●], duly authorized pursuant to a [●] dated [●], 202[●], a copy of which is attached hereto after having been signed for identification by said representative with and in the presence of the undersigned notary;

(hereinafter referred to as the "**Grantors**" and each a "**Grantor**")

AND: **[NAME OF THE COLLATERAL AGENT]**, acting as hypothecary representative pursuant to Article 2692 of the *Civil Code of Québec* and herein represented by [●] and [●], duly authorized for the purposes hereof pursuant to a private writing power of attorney, a copy of which is attached hereto after having been signed for identification by said representatives with and in the presence of the undersigned notary;

a notice of address being registered in the land register under number [●] and in the Register of Personal and Movable Real Rights under number [●];

(hereinafter referred to as the "**Hypothecary Representative**").

WHEREAS a plan of compromise and arrangement has been filed under the *Companies' Creditors Arrangement Act* with respect to the Grantors in the Court file 19-CV-616779-00CL and such plan of compromise and arrangement has been confirmed by order of the Ontario Superior Court of Justice [Commercial List] dated [●], 202[●];

WHEREAS the Grantors shall, as a prerequisite for implementing the plan of compromise and arrangement, grant security to a hypothecary representative on all its rights, title, interests and assets, both movable and immovable, throughout Canada;

WHEREAS pursuant to an act entitled "**Contribution Security Agreement**" entered into on [●], 202[●] between the Grantors and the Hypothecary Representative, the Grantors have:

- a) designated and appointed, pursuant to Article 2692 of the *Civil Code of Québec*, [Name of Collateral Agent] as hypothecary representative of the creditors under the plan of compromise and arrangement; and
- b) granted to the Hypothecary Representative a security on all its rights, shares, interests and assets, both movable and immovable;

and has agreed to execute this Deed and the Principal Deed of Hypothec (as hereinafter defined);

WHEREAS the Grantors have granted certain hypothecs under a deed of hypothec received (or to be received) before Me ●, on or about the same date as this deed between the Grantors and the Hypothecary Representative (as amended, replaced or revised from time to time, the "**Principal Deed of Hypothec**");

WHEREAS the execution of this Deed and the Principal Deed of Hypothec and the granting of the hypothecs referred to herein and in the Principal Deed of Hypothec have been duly authorized by the Grantors; and

WHEREAS Article 2692 of the Civil Code permits the granting of a hypothec in favour of a hypothecary representative of all or some of the creditors.

THE PARTIES HEREBY AGREE AS FOLLOWS:

1. INTERPRETATION AND DEFINITIONS

1.1 Interpretation

The Grantors and the Hypothecary Representative hereby agree that this Deed is subject to the terms and conditions of the Principal Deed of

Hypothec (including, without limitation, the provisions regarding the Hypothecary Representative's indemnification and limitation of liability), and each party agrees to comply with the commitments and obligations set forth in the Principal Deed of Hypothec. Notwithstanding anything to the contrary contained herein, in the event of a conflict between a provision of this Deed and a provision of the Principal Deed of Hypothec, the provision of the Principal Deed of Hypothec shall prevail to the extent of such conflict.

For greater certainty, however, it is understood that (A) the provisions hereof shall prevail with respect to the constitution and application of the hypothecs granted hereby and the obligations resulting therefrom, (B) the provisions and obligations set forth in the Principal Deed of Hypothec applicable or relating to the property hypothecated under the Principal Deed of Hypothec but not hypothecated under this Deed shall not apply to this Deed or the properties hypothecated under this Deed, and (C) the provisions and obligations set forth in the Principal Deed of Hypothec shall not apply to the Grantors under this Deed (together with the amendments) only to the extent applicable to it under the Principal Deed of Hypothec.

1.2 Definitions

Unless indicated otherwise, words and expressions used in this Deed and not defined herein shall have the meaning ascribed to them in the Principal Deed of Hypothec.

"**Civil Code**" means the *Civil Code of Québec*, as modified, amended or replaced from time to time;

"**Contribution Security Agreement**" has the meaning ascribed to it in the introductory paragraphs of this Deed;

"**CCAA Court**" has the meaning given to it in the Plan of Arrangement;

"**Creditors**" means the Claimants under the Plan of Arrangement;

"**Deed**" means this deed of hypothec, as amended, rephrased, supplemented, replaced or otherwise modified occasionally;

"**Definitive Documents**" has the meaning ascribed to it in the Principal Deed of Hypothec;

"**Event of Default**" has the meaning ascribed to it in the Principal Deed of Hypothec;

"**Excluded Assets**" has the meaning ascribed to it under the Principal Deed of Hypothec;

"**Plan of Arrangement**" means the plan of compromise and arrangement pursuant to the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, submitted by the Mediator and the Monitor in respect of the Grantors and approved by the CCAA Court by order dated [●], as the same may be

amended, restated, extended, renewed, replaced, superseded, supplemented or otherwise modified from time to time; and

"**Secured Obligations**" has the meaning ascribed to it in the Principal Deed of Hypothec.

2. APPOINTMENT OF THE HYPOTHECARY REPRESENTATIVE

2.1 Appointment of the Hypothecary Representative

Pursuant to the Contribution Security Agreement, the Hypothecary Representative has been appointed to act as a hypothecary representative to hold the hypothecs granted hereunder for and on behalf of the Creditors in accordance with Article 2692 of the Civil Code.

2.2 Acceptance of Appointment of the Hypothecary Representative

The Hypothecary Representative hereby reiterates its acceptance of its appointment as hypothecary representative for and on behalf of the Creditors and undertakes to receive and hold the rights and hypothecs hereby granted and to exercise all the powers and rights and carry out all the duties conferred upon him hereunder.

2.3 Successors to the Hypothecary Representative

The rights of the Hypothecary Representative hereunder shall be available to any new Hypothecary Representative, including any person resulting from the amalgamation of the Hypothecary Representative with any other person. The new Hypothecary Representative, without any other formality (other than the filing of a replacement notice in the relevant register in accordance with Article 2692 of the Civil Code for the purpose of exercising the rights relating to the hypothecs created hereunder), shall then have all the rights, powers and privileges granted to the Hypothecary Representative hereunder and shall be subject in all respects to the terms, conditions and provisions hereof to the same extent as if it had initially acted as Hypothecary Representative hereunder.

3. HYPOTHEC

3.1 Amount

As collateral security for the full and punctual performance of its Secured Obligations, each Grantor hereby hypothecates in favour of the Hypothecary Representative, in the amount of THIRTY-TWO BILLION FIVE HUNDRED MILLION DOLLARS (\$32,500,000,000), in lawful currency of Canada, with interest thereon at the rate at TWENTY-FIVE PERCENT (25%) per annum from the date of this Deed, all of its title and interest in and to (i) the universality of its movable and immovable assets including, without limitation, those described in the paragraphs 3.2. to 3.4. hereinafter, and all subsequently acquired property hypothecated pursuant to this Deed

(ii) all present and future structures and works of a permanent nature situated occasionally in or on any of such immovable property, including, without limitation, all buildings, installations, accessories, structures and other improvements, (iii) all present and future properties considered immovable by law and which are situated or incorporated occasionally in or on any of such buildings, and (iv) all modifications, additions, reconstructions or expansions and replacements of any such immovable property (collectively, the "**Hypothecated Property**").

3.2 Properties

Without limitation, the following immovable properties, the buildings, works, constructions and other improvements which are or will be found thereon and the other properties which are or will be incorporated, attached or joined thereto and which are or will become immovable, provided, in each case, that they are the property of a Grantor and only to the extent that they relate to the Properties (as hereinafter defined) or to one or more of them (the immovable properties, buildings and such property being referred to herein, are collectively referred to as the "**Properties**", and each individually, a "**Property**"):

DESIGNATION

●

3.3 Movable property used in the operation of the Hypothecated Property

The universality of movable property, present and future, which are permanently attached or joined to a Hypothecated Property, without losing their individuality and without being incorporated to the properties or which ensures the utility of a Hypothecated Property.

3.4 Rents and Insurance Indemnities

The universality consisting of:

- a) all rents and revenues of a Hypothecated Property, payable and to be payable under any lease, sublease, offer to lease, lease agreement, concession or other right to occupy premises or spaces situated in a Hypothecated Property; and
- b) indemnities paid or to be paid under insurance contracts covering such rents;

(collectively, "**Rents**").

3.5 Excluded Assets

Notwithstanding anything herein to the contrary, the Hypothecary Representative renounces to all rights and recourses in its capacity as

hypothecary creditor pursuant to this Deed in respect of all assets which constitute Excluded Assets (as long as they remain Excluded Assets), including the right to follow pursuant to Article 2700 of the Civil Code and right of registration pursuant to Article 2949 of the Civil Code in respect of the Hypothecated Property, but this renunciation shall not apply to property that ceases to be Excluded Assets, or to any proceeds of Excluded Assets (unless such proceeds would otherwise constitute Excluded Assets).

3.6 Authorization to collect

Subject to the provisions of the Principal Deed of Hypothec, the Hypothecary Representative hereby authorizes the Grantors to collect, when due, its claims until such authorization is withdrawn following the occurrence of an Event of Default under the Principal Deed of Hypothec which is continuing and has not been cured within, and continues beyond, the applicable time limits, by notice to the Grantors and the lessee that the Hypothecary Representative or any of its agents will henceforth collect the Rents.

4. RIGHTS AND REMEDIES OF THE HYPOTHECARY REPRESENTATIVE

4.1 Personal and Hypothec Rights

Following the occurrence of an Event of Default which is continuing, the Hypothecary Representative may exercise all the rights and powers provided by the Principal Deed of Hypothec and the law and, without limitation, the Hypothecary Representative may, in its sole discretion, through its officers, agents or attorneys, exercise any right of action and any hypothecary right provided for in Articles 2748 to 2794 of the Civil Code, and any other right available to creditors and secured creditors under the laws of Canada.

The Hypothecary Representative is not required to exercise the same hypothecary rights against all hypothecated properties and may exercise different rights over different types of hypothecated properties or even over different elements of hypothecated properties that are part of the same universality.

4.2 Allocation of sale proceeds

The proceeds or profits derived from any sale or disposition of the Hypothecated Property by or on behalf of the Hypothecary Representative, as well as any other amounts which may then be held by the Hypothecary Representative under this Deed, the Principal Deed of Hypothec and the Contribution Security Agreement, shall be considered to be part of the Hypothecated Property or the proceeds thereof, and shall be available for use by the Hypothecary Representative as it sees fit.

4.3 The hypothec is an additional security

The hypothecs granted hereunder are in addition to and not in substitution for any other charge or security held by the Hypothecary Representative.

4.4 No Waiver

No delay or omission by the Hypothecary Representative in exercising any right or power will impair any such right or power, nor shall it be construed as a waiver of any default or Event of Default. Any power and remedy conferred to the Hypothecary Representative by this Deed may be exercised occasionally and as often as the Hypothecary Representative sees fit.

5. OTHER PROVISIONS

5.1 Cumulative remedies

The rights and remedies of the Hypothecary Representative under this Deed are cumulative and in no way preclude any other rights and remedies that the Hypothecary Representative might otherwise have. No omission or delay by the Hypothecary Representative in exercising any right shall be construed as a waiver of such right. The partial or single exercise of any right or power will not prevent the Hypothecary Representative from subsequently exercising any other right or power.

5.2 Delegation

The Hypothecary Representative may delegate to any person the exercise of its rights, powers or the execution of any commitment arising from this Deed or from the law; in such case, the Hypothecary Representative shall provide such person with all the information it holds relating to the Grantors or the hypothecated properties.

5.3 Termination

This Deed and all hypothecs consented to hereby are terminated by operation of law with respect to all Secured Obligations upon the Grantors irrevocably paying to the Hypothecary Representative and/or Creditors all Secured Obligations and complying with and performing the terms of this Deed and all other obligations of the Hypothecary Representative and Creditors under the Plan of Arrangement and the Definitive Documents, then the Hypothecary Representative shall, at the request and expense of the Grantors, release and discharge the hypothecs created hereby and sign and deliver to the Hypothecary Representative and Creditors any other deed and instruments necessary for such purpose.

5.4 Notice of address

Any notice, request or other communication to either party hereto in connection with this Deed shall be given in accordance with the provisions of the Contribution Security Agreement. If the Hypothecary Representative

cannot locate a Grantor at the address indicated in the appearance, the Hypothecary Representative may serve the notice to the Superior Court of Québec clerk's office of the district in which the said Grantor has elected domicile.

5.5 Governing Law

This Deed shall be governed by and interpreted in accordance with the laws of the Province of Quebec and the federal laws of Canada applicable therein, excluding provisions relating to conflicts within Quebec legislations would require the application of the laws of a jurisdiction other than that of the Province of Québec.

DULY ACKNOWLEDGED in Montreal, under the number [●] of the undersigned notary's minutes.

THE PARTIES declare to the undersigned notary that they have read and understood this Deed and have exempted him from reading it out or having it read out. The parties accept the use of technological means to close this Deed as authorized by Order 2022-4841 of the Minister of Justice dated August 24, 2022, identify and acknowledge the information contained in the schedules, and then sign remotely in the presence of the undersigned notary.

[NAME OF COLLATERAL AGENT]

By: _____
Name:
Title:

By: _____
Name:
Title:

ROTHMANS, BENSON & HEDGES INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

ROTHMANS INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

Mtre [●], Notary

SCHEDULE “H”

DEED OF MOVABLE HYPOTHEC

DEED OF HYPOTHEC

ON THE [●] ([●]) day of [●], Two Thousand and Twenty-[●] (202[●])

BEFORE Mtre. [●], the undersigned Notary for the Province of Québec, practicing at the City of Montreal

APPEARED: **ROTHMANS, BENSON & HEDGES INC.**, a corporation incorporated under the *Canada Business Corporations Act*, having its head and registered office at 1500 Don Mills Road, Toronto, Ontario, Canada, in this Deed acting and represented by [●], duly authorized pursuant to a resolution of its board of directors, an original, certified copy or photocopy of which is annexed to this Deed after having been acknowledged as true and having been signed by said representative before the undersigned Notary

(“RBH”)

AND: **ROTHMANS INC.**, a [●], having its head and registered office at [●], [●], [●] [●], in this Deed acting and represented by [●], duly authorized pursuant to a [●], an original, certified copy or photocopy of which is annexed to this Deed after having been acknowledged as true and having been signed by said representative before the undersigned Notary

(“[●]” and collectively with RBH hereinafter referred to as the “**Grantors**” or « *Constituants* » and each, a “**Grantor**” or « *Constituant* »)

AND: **[NAME OF THE COLLATERAL AGENT]**, a legal person having a place of business at [●], [●], [●] [●], acting as hypothecary representative under Article 2692 of the *Civil Code of Québec* for all present and future Secured Parties (as hereinafter defined) and represented by [●], its [●], and its [●], duly authorized as [he/she/they] so declare

(the “**Agent**”)

RECITALS:

- A. As a condition to the implementation of the plan of compromise and arrangement of RBH as sanctioned by the CCAA Court (as defined below) by Order dated [DATE], the Grantors are required to deliver this Deed and the Immovable Deed of Hypothec (as defined hereinafter) to the Agent, for the exclusive benefit of the Secured Parties, as security for the payment and performance of their respective Secured Obligations.
- B. Accordingly, the Grantors have agreed to execute this Deed and the Immovable Deed of Hypothec and to grant the Hypothecs (as defined in Section 1(1)) on the Charged Property (as defined in Section 1(1)) in order to secure their respective Secured Obligations (as defined in Section 1(1)).

NOW, THEREFORE, THE PARTIES HERETO HAVE AGREED AS FOLLOWS:

1. Interpretation.

- (1) **Definitions.** In this Deed capitalized terms used but not otherwise defined in this Deed shall have the meanings given to them in the Plan (as hereinafter defined), and the following terms have the following meanings:

“**Agent**” means the party described as “Agent” on the first page of this Deed, appointed pursuant to the Canadian Security Agreement and which shall include its role as hypothecary representative for the Secured Parties, as confirmed pursuant to Section 2, and shall include its successors and assigns appointed pursuant to the Canadian Security Agreement and this Deed.

“**Business Day**” means a Business Day (as defined in the Plan) provided that, for any act to be performed in the Province of Québec or for the calculation of time periods pursuant to Applicable Law of the Province of Québec, it shall include any day other than a Saturday, Sunday or a statutory holiday in the Province of Québec.

“**Canadian Security Agreement**” means the Contribution Security Agreement dated on or about the date hereof (as amended, restated, amended and restated, extended, supplemented or otherwise modified from time to time), between the Grantors and the Agent.

“**CCAA Court**” has the meaning given to it in the Plan.

“**CCQ**” means the *Civil Code of Québec*, as amended from time to time.

“**Charged Movable Property**” has the meaning set out in Section 3(1).

“**Charged Property**” means, collectively, the Charged Movable Property, the Immovable Property and the Rents.

“**Collateral Agent**” has the meaning ascribed to it in the Canadian Security Agreement.

“**Contracts**” means all contracts and agreements to which a Grantor is at any time a party or pursuant to which a Grantor has at any time acquired rights.

“**Definitive Documents**” has the meaning given to it in the Plan. For the purposes of the Immovable Deed of Hypothec, the Definitive Documents shall be referred to as the “***Documents Définitifs***”.

“**Dollars**” or “**\$**” means lawful currency of Canada.

“**Encumbrance**” has the meaning given to it in the Plan. For the purposes of the Immovable Deed of Hypothec, Encumbrances shall be referred to as “***Charges***”.

“**Event of Default**” means an “Event of Default” under the Plan. For the purposes of the Immovable Deed of Hypothec, an Event of Default shall be referred to as a “***Cas de défaut***”.

“**Excluded Assets**” means those assets, if any, as to which the Grantors and the Agent reasonably determine in writing that the cost of obtaining a hypothec in or opposability thereof are excessive in relation to the benefit to the Agent of the Hypothecs to be afforded thereby. For the purposes of the Immovable Deed of Hypothec, the Excluded Assets shall be referred to as the “***Actifs Exclus***”.

“**Grantors**”, “**Grantor**”, « ***Constituants*** » and « ***Constituant*** » means collectively [●] and RBH and shall include their respective successors and permitted assigns.

“**Hypothecated Claims**” has the meaning set out in Section 5(1).

“**Hypothecs**” means the hypothecs created or evidenced pursuant to Section 3 herein and pursuant to the Immovable Deed of Hypothec.

“**Immovable Deed of Hypothec**” refers to the deed of hypothec (“***acte d’hypothèque***”) to be granted by the Grantors in favour of the Agent charging, *inter alia*, the Immovable Property and the Rents.

“**Immovable Property**” means with respect to a Grantor, (i) the universality consisting of all the right, title and interest of such Grantor from time to time in the immovable properties which will be specifically hypothecated in favour of the Agent pursuant to the Immovable Deed of Hypothec, (ii) all present and future structures and works of a permanent nature located from time to time in, on or upon any of said immovable properties, including, without limitation, all buildings, facilities, accessories, structures and other improvements, (iii) all present and future property which is deemed by law to be immovable and which is located or incorporated from time to time in, on or upon any of said immovable properties, and (iv) all alterations, additions, reconstructions or expansions to and replacements to any of the said immovable properties.

“**Intellectual Property**” means (a) all intellectual property arising under Applicable Law now owned or hereafter acquired by any Grantor, including patents, industrial designs, copyrights, trademarks, trade secrets, proprietary technical and business information, know-how, show-how and any other proprietary data or information, the intellectual property rights in software, databases and related documentation and all improvements to any of the foregoing, (b) all rights to sue or otherwise recover past, present and future infringement, misappropriation, dilution or other violation or impairment thereof, (c) all proceeds of the

foregoing, including, without limitation, licence fees, royalties, income, payments, claims, damages and proceeds of suit now or hereafter payable with respect thereto, and (d) all other rights of any kind accruing thereunder or pertaining thereto.

“**Material Subsidiary**” has the meaning given to it in the Plan.

“**Monetary Claims**” means all claims held by a Grantor, present or future, that constitute monetary claims within the meaning given thereto in Article 2713.1 of the CCQ.

“**Obligations**” means the obligations of RBH under the Plan, the Definitive Documents and this Deed, including the obligation to make the Annual Contributions and the Reserved Amounts to the CCAA Plan Administrator for the benefit of the Secured Parties under, and in accordance with, the Plan.

“**Other Secured Obligations**” means the obligations of each Material Subsidiary to the Secured Parties under this Deed and the Canadian Security Agreement (including, without limitation, Section 11.1 thereof).

“**Person**” has the meaning ascribed to it in the Plan. For the purposes of the Immovable Deed of Hypothec, Person shall be referred to as “*Personne*”.

“**Plan**” means, in respect of RBH, the Court-Appointed Mediator’s and Monitor’s plan of compromise and arrangement pursuant to the *Companies’ Creditors Arrangement Act* concerning, affecting and involving RBH, including all Schedules thereto, in the form sanctioned by the CCAA Court by Order dated [DATE], as the same may be amended, restated, extended, renewed, replaced, superseded, supplemented or otherwise modified from time to time.

“**Proceeds**” means all fruits and revenues emanating from the Charged Property, including, without limitation, the proceeds of any sale, assignment, lease or other disposition of any of the Charged Property, any claim resulting from such a sale, assignment, lease or other disposition, as well as any property acquired in replacement thereof;

“**Rents**” means the universality of (a) all rents and revenues of an Immovable Property, payable and to be payable pursuant to any leases, subleases, offers to lease, rental agreements, concessions or other rights of occupancy of premises or spaces located in an Immovable Property; and (b) the indemnities paid or to be paid under insurance contracts covering these rents.

“**Receiver**” means any interim receiver, receiver, manager, receiver and manager, sequestrator, monitor, conservator, custodian, administrator, trustee, liquidator or other similar official.

“**Secured Obligations**” means for the purpose of this Deed, with respect to any Grantor, (i) the Obligations (if applicable); and (ii)

the Other Secured Obligations of such Grantor (if applicable). For the avoidance of doubt, all Secured Obligations that constitute payment obligations shall only be satisfied in full to the extent they are irrevocably and indefeasibly paid in full in cash. For the purposes of the Immovable Deed of Hypothec, the Secured Obligations shall be referred to as “*Obligations Garanties*”.

“**Secured Parties**” means the Agent, the Collateral Agent and the Claimants (as this term is defined in the Plan), to the extent of any Secured Obligations owing to such parties from time to time under, and in accordance with, the Plan. For the purposes of the Immovable Deed of Hypothec, the Secured Parties shall be referred to as “*Parties Garanties*”.

“**Securities**” means (i) all securities, security entitlements and financial assets (each term within the meaning of the STA), (ii) all bonds, debentures, promissory notes, negotiable instruments and other evidences of indebtedness, (iii) all options, warrants, investment certificates and futures contracts, (iv) all mutual funds units and participations in any trust, (v) all interests, units or similar participations in any partnership or limited liability company, (vi) all other instruments or titles generally called or included as a security, (vii) all securities and instruments issued or received in substitution, renewal, addition or replacement of, or issued or received on the purchase, redemption, conversion, cancellation or other transformation of, or issued or received by way of dividend or otherwise to holders of, any securities or instruments set out in any of the preceding clauses (i) to and including (vi); in all cases of such property, now or hereafter owned or held by a Grantor or on its behalf, together with the voting, dividend and other rights conferred upon by such property and rights.

“**STA**” means *An Act respecting the transfer of securities and the establishment of security entitlements* (Québec), as such legislation may be amended, renamed, or replaced from time to time, and includes all regulations from time to time adopted under such legislation.

“**This Deed**”, “**these presents**”, “**herein**”, “**hereby**”, “**hereunder**”, “**hereof**”, “**hereto**” and similar expressions refer to this Deed, and to any deed, notice under Article 2949 of the CCQ, summary or other document amending, supplementing or restating this Deed.

- (2) **Headings.** Article and Section headings used herein are for convenience of reference only, are not part of this Deed and are not to affect the construction of, or to be taken into consideration in interpreting, this Deed.
- (3) **Interpretation.** The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation” (unless such phrase

already follows such words). The word “or” is disjunctive; the word “and” is conjunctive. The word “shall” is mandatory; the word “may” is permissive. Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented, restated, extended, replaced or otherwise modified (subject to any restrictions on such amendments, supplements, restatements or modifications set out herein), (b) any reference herein to any statute or any section thereof shall, unless otherwise expressly stated, be deemed to be a reference to such statute or section as amended, restated, renamed or re-enacted from time to time, (c) any reference herein to any Person shall be construed to include such Person’s successors and permitted assigns, (d) the words “herein”, “hereof” and “hereunder”, and words of similar import, shall be construed to refer to this Deed in its entirety and not to any particular provision hereof, and (e) all references herein to Sections and Schedules shall be construed to refer to Sections and Schedules to this Deed. Section headings are for convenience of reference only, are not part of this Deed and shall not affect the construction of, or be taken into consideration in interpreting this Deed. Any reference in this Deed to a Permitted Encumbrance is not intended to subordinate, postpone, assign or cede rank of, and shall not be interpreted as subordinating, postponing, assigning or ceding rank of, or as any agreement to subordinate, postpone, assign or cede rank of, any Hypothec to any Permitted Encumbrance. The preamble shall form an integral part of this Deed as if recited herein at length.

- (4) **Benefits of this Deed.** The parties hereto and the Secured Parties shall be bound by the provisions of this Deed (including the irrevocable appointment in Section 2 below) and the benefits, rights, remedies or claims under this Deed shall enure to them to the exclusion of any others.
- (5) **Currency.** All references to dollar amounts are, unless expressly otherwise provided, expressed in terms of the lawful currency of Canada.
- (6) **Suspensive Condition.** If the grant of the Hypothecs with respect to any unrelated third party Contract, Intellectual Property right or licence under Section 3 would result in the termination, resolution, resiliation or breach of such Contract, Intellectual Property right or licence or is otherwise prohibited or ineffective (whether by the terms thereof or under Applicable Law), then the Hypothecs on any such Contract, Intellectual Property right or licence shall be under suspensive condition of such right of termination, resolution, resiliation or breach being lifted or otherwise remedied or terminated and, on the exercise by the Agent of any of its hypothecary or other rights or remedies under this Deed or the Immovable Deed of Hypothec following an Event of Default shall be assigned by a Grantor as directed by the Agent, provided that: (a) the Hypothecs shall affect and charge such Contract, Intellectual Property right or licence, or applicable portion thereof, immediately at such time as the condition causing such termination, resolution, resiliation or breach is lifted or otherwise

remedied or terminated, and (b) if a term in a Contract that prohibits or restricts the grant of the Hypothecs in the whole or in part of any Grantor's rights, interest and obligations under such Contract is unenforceable against the Agent under Applicable Law, then the suspensive condition set out above regarding the Hypothecs charging any such Contract shall not apply to such Contract. For greater certainty, no Intellectual Property right in any trademark, get-up or trade dress is presently assigned absolutely to the Agent by sole virtue of the grant of the Hypothecs contained in Section 3.

2. Appointment of the Agent as Hypothecary Representative. The Grantors hereby irrevocably appoint the Agent as hypothecary representative as contemplated in Article 2692 of the CCQ on behalf of all present and future Secured Parties in order to receive and hold any right or hypothec hereby or hereafter created, constituted or evidenced, and the Agent hereby irrevocably accepts and agrees to act in such capacity as part of its duties as Agent. Any Person who becomes a Secured Party shall benefit from the provisions hereof and the appointment of the Agent as hypothecary representative for the Secured Parties and, upon becoming a Secured Party, irrevocably authorizes the Agent to perform such function. The Grantors also ratify the appointment of the Agent as hypothecary representative for the Secured Parties in the Canadian Security Agreement.

Furthermore, by acceptance of the benefits of this Deed and any other Definitive Document, each Secured Party (whether or not a signatory hereto) shall be deemed irrevocably (a) to consent to the appointment of the Agent as its agent and hypothecary representative hereunder and under such other Definitive Documents, (b) to confirm that the Agent shall have the authority to act as the exclusive agent and hypothecary representative of such Secured Party for the enforcement of any provisions of this Deed and such other Definitive Documents against any Grantor, the exercise of remedies hereunder or thereunder and the giving or withholding of any consent or approval hereunder or thereunder relating to any Charged Property or any Grantor's obligations with respect thereto, (c) to agree that it shall not take any action to enforce any provisions of this Deed or any other Definitive Document against any Grantor, to exercise any remedy hereunder or thereunder or to give any consents or approvals hereunder or thereunder except as expressly provided in this Deed or any other Definitive Document and (d) to agree to be bound by the terms of this Deed and any other Definitive Documents.

3. Hypothec.

(1) Grant of Hypothec. As general and continuing collateral security for the due payment and performance by each Grantor of its Secured Obligations, each Grantor hereby hypothecates, for the sum of Thirty-Two Billion Five Hundred Million Dollars (\$32,500,000,000) in lawful currency of Canada, with interest thereon at the rate of twenty-five percent (25%) per annum from the date of this Deed, in favour of the Agent as hypothecary representative for all present and future Secured Parties, the following property (collectively, the "**Charged Movable Property**"):

l'universalité de ses biens meubles, corporels et incorporels, présents et futurs, de quelque nature qu'ils soient et où qu'ils soient situés.

- (2) **English.** The parties hereby agree that the English translation of Charged Movable Property is the following:

The universality of each Grantor's movable property, corporeal and incorporeal, present and future, of any nature whatsoever and wheresoever situate.

4. **Excluded Assets.** Notwithstanding anything herein to the contrary, the Agent renounces to all rights and recourses of a hypothecary creditor in connection with this Deed in respect of Excluded Assets, including the right to follow pursuant to Articles 2660 and, 2700 of the CCQ, in respect of the Charged Property that constitutes Excluded Assets from time to time (for as long as such Charged Property remains Excluded Assets), provided however, for the avoidance of doubt, the foregoing renunciation shall not apply to any Excluded Assets which cease to be Excluded Assets, or to any proceeds of Excluded Assets (unless such proceeds would otherwise constitute Excluded Assets).

5. **Additional Provisions to the Hypothecs on Hypothecated Claims and Contracts.**

- (1) **Authorization to Collect.** The Agent hereby authorizes the Grantors to collect and recover all claims (including Rents) forming part of the Charged Property (excluding such claims that constitute Excluded Assets, collectively, the **"Hypothecated Claims"**) in the ordinary course of business of the Grantors and for the purpose of carrying on the same. Furthermore, (i) if required by the Agent at any time after an Event of Default has occurred which is continuing, any payments of Hypothecated Claims, when collected by any of the Grantors, shall be held by such Grantor as mandatary for the Agent, segregated from the other funds of such Grantor; (ii) all such amounts while held by the Agent (or by any of the Grantors as mandatary for the Agent) and all income in respect thereof shall continue to be collateral security for the Secured Obligations and shall not constitute payment thereof until applied as hereinafter provided; (iii) if an Event of Default has occurred which is continuing, the Agent may apply all or any part of such amounts on account of the Secured Obligations in accordance with Section 10(1); (iv) at the Agent's request, at any time after an Event of Default has occurred which is continuing, each Grantor shall deliver to the Agent any books and records, Contracts and any other documents evidencing and relating to the agreements and transactions which gave rise to the Hypothecated Claims, including all original orders, invoices and shipping receipts; (v) at any time that an Event of Default has occurred and is continuing, such authorization may be withdrawn and revoked by the Agent by written notice with respect to all or any part of the Hypothecated Claims, whereupon the Agent shall be free to itself effect such collection and to exercise any of the rights referred to in Section 8(1); each Grantor shall then remit to the Agent all books and records, Contracts and all other documents related to the Hypothecated Claims. If, after such authorization is withdrawn (and even if such revocation is not yet registered or delivered to the holders of such claims), sums payable that constitute Hypothecated Claims are paid to any of the Grantors, such Grantor shall receive same as mandatary of the

Agent and shall remit same to the Agent promptly without the necessity of any demand to this effect.

- (2) **Collection by the Agent.** Subject to the Plan: (i) at any time that an Event of Default has occurred which is continuing, the Agent, having withdrawn the authorization provided for above, shall be entitled to collect all Hypothecated Claims in accordance with what is provided for by Law; (ii) it may further exercise any rights regarding such Hypothecated Claims and more particularly, it may grant or refuse any consent which may be required from the Grantors in its capacity as owner of such Hypothecated Claims, and shall not, in the exercise of such right, be required to obtain the consent of the Grantors or serve the Grantors any notice thereof, nor shall it be under any obligation to establish that the Grantors have refused or neglected to exercise such rights, and it may further grant delays, take or abandon any security, make arrangements and adjust, settle or compromise the amount or payment of the Hypothecated Claims, grant releases and deal with matters concerning all Hypothecated Claims, in such manner and to such extent as the Agent deems appropriate in the circumstances and without the intervention or consent of the Grantors.
- (3) **Waiver.** Each Grantor hereby waives any obligation the Agent may have to inform such Grantor of any irregularity in the payment of any Hypothecated Claims.

6. Representations and Warranties. Each Grantor hereby makes, with respect to the Charged Property (except, for the avoidance of doubt, any Excluded Assets) and this Deed, all representations and warranties made by it, or applicable to it, set forth in the Canadian Security Agreement, with such adaptations and modifications as the context may require. All such representations and warranties (a) are material, (b) shall be considered to have been relied on by the Agent and the other Secured Parties, and (c) shall survive the execution and delivery of this Deed and remain in full force and effect until the Secured Obligations have been fully satisfied and performed by the Grantors.

7. Covenants and Other Actions. Each Grantor hereby undertakes to comply, with respect to the Charged Property (except, for the avoidance of doubt, any Excluded Assets) and this Deed, with all the covenants made by, or applicable to it, set forth in the Canadian Security Agreement, with such adaptations and modifications as the context may require.

In addition, to the extent required by the Canadian Security Agreement, the Grantors shall take all actions and execute all documents reasonably required for the Hypothecs to be rendered opposable by control (in the manner provided for in Articles 2713.1 and following of the CCQ or under any other Applicable Law) with respect to Monetary Claims owing to any Grantor by deposit-taking institutions in Canada and forming part of the Charged Property (except, for the avoidance of doubt, any Excluded Assets), together with any actions reasonably requested by the Agent for such purpose. No Grantor shall permit any Person other than the Agent to have control of any Monetary Claim forming part of the Charged Property (except, for the avoidance of doubt, any Excluded Assets) unless such Grantor is permitted to do so pursuant to the provisions of the Canadian Security Agreement.

All covenants made by the Grantors in this Deed shall survive the execution and delivery of this Deed and remain in full force and effect until the Secured Obligations have been fully satisfied and performed by the Grantors.

8. Agent's Rights and Recourses in Case of an Event of Default.

- (1) Exercise of Rights.** Unless otherwise set forth herein, upon the occurrence and during the continuance of an Event of Default, it is agreed that the Agent shall have the right to exercise any and all rights afforded to a Secured Party with respect to the Secured Obligations under this Deed, the Immovable Deed of Hypothec and the CCQ, including any of the hypothecary rights provided for under Articles 2748 to 2794 of the CCQ and without in any way limiting any of the rights, remedies or recourses of the Agent under the Plan or any other Definitive Document, provided, however, that notwithstanding any other provision of this Deed, (i) no exercise of remedies, may occur without the approval of the CCAA Court, and (ii) the CCAA Court shall have exclusive jurisdiction to determine all matters related to the enforcement of this Deed and the Hypothecs and the exercise of any rights, remedies and powers that the Agent may have under this Agreement, at law, in equity or under the CCQ. The Agent may declare all or any part of the Secured Obligations which are not by their terms payable on demand to be immediately due and payable, without demand or notice of any kind, in the case of an Event of Default which has occurred and is continuing. The provisions of this clause are not intended in any way to affect any rights of the Agent and the Secured Parties with respect to any Secured Obligations which may now or hereafter be payable on demand.
- (2) Certain Rights.** Without limiting the generality of Section 8(1), in exercising its rights and recourses upon the occurrence of an Event of Default which is continuing, the Agent shall have the right to:

 - (a) Demand Possession.** Demand possession of any or all of the Charged Property (except, for the avoidance of doubt, any Excluded Assets), in which event the Grantors shall, at the expense of the Grantors, immediately cause the Charged Property (except, for the avoidance of doubt, any Excluded Assets) designated by the Agent to be assembled and made available or delivered to the Agent at any place designated by the Agent;
 - (b) Take Possession.** Enter on any premises owned or, to the extent lawful and permitted, leased by any of the Grantors (it being understood that no landlord waiver or consent shall be required to be obtained by any Grantor) where any Charged Property (except, for the avoidance of doubt, any Excluded Assets) is assembled or located for a reasonable period in order to effectuate its rights and remedies hereunder or under law, without obligation to such Grantor in respect of such occupation; *provided* that the Agent shall provide the applicable Grantor with notice thereof prior to or promptly after such occupancy;

- (c) *Exercise Rights and Remedies of the Grantors.* Exercise any and all rights and remedies of any of the Grantors under or in connection with the Charged Property, or otherwise in respect of the Charged Property (except, for the avoidance of doubt, any Excluded Assets);
- (d) *Dispose of Charged Property.* Subject to the mandatory requirements of Applicable Law, sell or otherwise dispose of all or any part of the Charged Property (except, for the avoidance of doubt, any Excluded Assets) securing the Secured Obligations at a public or private sale or at any broker's board or on any securities exchange, for cash, upon credit or for future delivery as the Agent shall deem appropriate.

In case any sale of all or any part of the Charged Property (except, for the avoidance of doubt, any Excluded Assets) is made on credit or for future delivery, such Charged Property so sold may be retained by the Agent until the sale price is paid by the purchaser or purchasers thereof, but the Agent shall not incur any liability in case any such purchaser or purchasers shall fail to take up and pay for such Charged Property so sold and, in case of any such failure, such Charged Property may be sold again. At any public (or, to the extent permitted by law, private) sale made pursuant to this Deed or the Immovable Deed of Hypothec, any Secured Party may bid for or purchase, free (to the extent permitted by law) from any right of redemption, stay, valuation or appraisal on the part of any Grantor (all said rights being also hereby waived and released to the extent permitted by law), the Charged Property (except, for the avoidance of doubt, any Excluded Assets) or any part thereof offered for sale and may make payment on account thereof by using any claim then due and payable to such Secured Party from any Grantor as a credit against the purchase price, and such Secured Party may, upon compliance with the terms of sale, hold, retain and dispose of such property without further accountability to any Grantor therefor. For purposes hereof, a written agreement to purchase the Charged Property (except, for the avoidance of doubt, any Excluded Assets) or any portion thereof shall be treated as a sale thereof; the Agent shall be free to carry out such sale pursuant to such agreement and no Grantor shall be entitled to the return of such Charged Property or any portion thereof subject thereto, notwithstanding the fact that after the Agent shall have entered into such an agreement all Events of Default shall have been remedied and the Secured Obligations paid in full. As an alternative to exercising the power of sale herein conferred upon it, the Agent may proceed by a suit or suits at law or in equity to foreclose this Deed or the Immovable Deed of Hypothec and to sell the Charged Property (except, for the avoidance of doubt, any Excluded Assets) or any portion thereof pursuant to a judgment or decree of a court or courts having competent jurisdiction or pursuant to a proceeding by a court appointed Receiver. To the extent permitted by Applicable Law, any sale pursuant to the provisions of this Section 8 shall be deemed to conform to the commercially reasonable standards as provided in the CCQ or its equivalent in other jurisdictions.

- (e) *Sale of Securities.* The Agent shall be authorized at any such sale of Securities (except, for the avoidance of doubt, any Excluded Assets) (if it deems it advisable to do so) to restrict the prospective bidders or purchasers to Persons who will represent and agree that they are purchasing such Charged Property for their own account for investment and not with a view to the distribution or sale thereof, and upon consummation of any such sale, the Agent shall have the right to assign, transfer and deliver to the purchaser or purchasers thereof the Charged Property so sold. Each such purchaser at any sale of Charged Property (except, for the avoidance of doubt, any Excluded Assets) shall hold the property sold absolutely, free from any claim or right on the part of any Grantor, and each Grantor hereby waives (to the extent permitted by Law) all rights of redemption, stay and appraisal which such Grantor now has or may at any time in the future have under any rule of law or statute now existing or hereafter enacted.
- (f) *Dealing with Intellectual Property.* With respect to any Charged Property consisting of Intellectual Property (except, for the avoidance of doubt, any Excluded Assets), on demand, cause the assignment, transfer and conveyance of any of or all such Charged Property by the applicable Grantors to the Agent, the Agent being free to sell, transfer, offer for sale, otherwise dispose of such Charged Property, or licence or sublicense, whether general, special or otherwise, and whether on an exclusive or nonexclusive basis, any such Charged Property throughout the world on such terms and conditions and in such manner as the Agent shall determine (other than in violation of any then-existing licencing arrangements to the extent that waivers cannot be obtained), provided, however, that such terms shall include all terms and restrictions customarily required to ensure the continuing validity and effectiveness of such Charged Property at issue, such as, without limitation, notice, quality control and inurement provisions with regard to trademarks, patent designation provisions with regard to patents, industrial design designation provisions with regard to industrial designs, and copyright notices and restrictions or decompilation and reverse engineering of copyrighted software, and confidentiality protections for trade secrets.
- (g) *Appointment of Receiver.* Upon the occurrence and during the continuance of an Event of Default, the Agent may appoint by instrument in writing any duly-licensed Person or Persons to be a Receiver for any or all Grantors or any or all of the Charged Property (except, for the avoidance of doubt, any Excluded Assets) of any or all Grantors with such rights, powers and authority (including any or all of the rights, powers and authority of the Agent under this Deed and the Immoveable Deed of Hypothec) as may be provided for in the instrument of appointment or any supplemental instrument, and remove and replace any such Receiver from time to time. To the extent permitted by Applicable Law, any Receiver appointed by the Agent shall (for purposes relating to responsibility for the Receiver's acts or omissions) be considered to be the agent of

any such Grantor and not of the Agent or any of the other Secured Parties, and none of the Agent or the Secured Parties shall be in any way responsible for any misconduct, negligence or non-feasance on the part of any such Receiver or his/her/its servants, agents or employees.

- (h) *Court-Appointed Receiver.* The Agent may obtain from any court of competent jurisdiction an order for the appointment of a Receiver of any or all Grantors or of any or all of the Charged Property (except, for the avoidance of doubt, any Excluded Assets) of any or all Grantors. Except as may be otherwise directed by the Agent, all money or proceeds received from time to time by such Receiver in carrying out its appointment shall be received on behalf of the Secured Parties and be paid over to the Agent upon request. The identity of the Receiver, its replacement and its remuneration shall be within the sole and unfettered discretion of the Agent.

9. Concerning the Agent and the Secured Parties.

- (1) **Delegation, Counsel.** The Agent may, at its discretion, appoint any Person(s) for the purpose of exercising any of its rights, duties or obligations resulting from this Deed[, **the Immovable Deed of Hypothec**] or Law or equity, and is entitled to retain counsel and to act in reliance on the advice of such counsel concerning all matters pertaining to its rights, duties and obligations under this Deed or the Immovable Deed of Hypothec.
- (2) **Dealings by Agent.** The Agent may grant extensions of time and other indulgences, take and give up security, accept compositions, grant releases and discharges and otherwise deal with the Grantors and any other Person, and with any or all of the Charged Property, and with other security and sureties, as it may see fit, all without limiting the liability of the Grantors and without prejudice to the Secured Obligations or to the rights and remedies of the Agent under this Deed or the immovable Deed of Hypothec. The powers conferred on the Agent under this Deed and the Immovable Deed of Hypothec are solely to protect the interests of the Agent in the Charged Property (except, for the avoidance of doubt, any Excluded Assets) and shall not impose any duty upon the Agent to exercise any such powers.
- (3) **Resignation of Agent.** The provisions of the Canadian Security Agreement regarding the resignation and removal, as applicable, of the Agent acting as Collateral Agent under the Canadian Security Agreement shall apply to the resignation and removal of the Agent acting as hypothecary representative under this Deed and the Immovable Deed of Hypothec.
- (4) **Replacement of Agent.** Any replacement of the Agent as administrative agent or Collateral Agent in accordance with the provisions of the Canadian Security Agreement shall result in the replacement of the Agent acting as hypothecary representative under this Deed and the Immovable Deed of Hypothec.

- (5) **Instructions in accordance with Plan and Definitive Documents.** The Agent shall take its instructions exclusively in the manner contemplated in the Plan and Definitive Documents.
- (6) **Agent Fees and Expenses.** Each Grantor shall pay upon demand by the Agent the amount of any and all costs and expenses, including the fees and disbursements of its counsel and of any experts and agents, which the Agent may incur in connection with (i) the administration of this Deed and the Immovable Deed of Hypothec, (ii) the custody, preservation, use or operation of, or the sale of, collection from, or other realization upon, any of the Charged Property, (iii) the exercise or enforcement of any of the rights or remedies of the Agent hereunder, or (iv) the failure by the Grantors to perform or observe any of the provisions hereunder.

10. General Provisions.

- (1) **Application of Proceeds.**
 - (a) Any and all payments made in respect of the Secured Obligations from time to time and moneys realized on the Charged Property shall be applied to the Secured Obligations in accordance with the Plan and the Definitive Documents. Any insurance moneys received by the Agent pursuant to this Deed or the Immovable Deed of Hypothec may, at the option of the Agent following the occurrence and continuation of an Event of Default, be applied to rebuilding or repairing the Charged Property or be applied against the Secured Obligations in accordance with the Plan and the Definitive Documents.
 - (b) The Agent shall have absolute discretion as to the time of application of any such Proceeds, moneys or balances in accordance with this Deed or the Immovable Deed of Hypothec. Upon any sale of Charged Property by the Agent (including pursuant to a power of sale granted by statute or under a judicial proceeding), the receipt of the purchase money therefor by the Agent or of the officer making the sale shall be a sufficient discharge to the purchaser or purchasers of the Charged Property so sold and such purchaser or purchasers shall not be obligated to see to the application of any part of the purchase money paid over to the Agent or such officer or be answerable in any way for the misapplication thereof.
 - (c) In making the determinations and allocations required by this Section 10(1), the Agent may conclusively rely upon information supplied by the Agent as to the amounts of unpaid principal and interest and other amounts outstanding with respect to the Secured Obligations, and the Agent shall have no liability to any of the Secured Parties for actions taken in reliance on such information, provided that nothing in this sentence shall prevent any Grantor from contesting any amounts claimed by any Secured Party in any information so supplied. All distributions made by the Agent pursuant to this Section 10(1) shall be (subject to any decree of any court of competent jurisdiction) final (absent manifest error), and the Agent shall

have no duty to inquire as to the application of any amounts distributed to it.

- (2) **Continuing Liability of Grantors.** The Grantors shall remain liable for any Secured Obligations that are outstanding following any realization of all or any part of the Charged Property, in whole or in part, and the application of the proceeds thereof.
- (3) **Compensation.** To secure the prompt and complete payment, performance and observation of its Secured Obligations, upon the occurrence and during the continuance of an Event of Default, subject to the CCAA Court's approval pursuant to Section 8, the Collateral Agent shall have the right to compensate and set-off against the Charged Property of each Grantor now or hereafter in the possession or custody of, or in transit to, the Collateral Agent for any purpose, including safekeeping, collection or pledge, for the account of such Grantor, or as to which such Grantor may have any right or power.
- (4) **Additional Security.** The Hypothecs are in addition to, and not in substitution of or in replacement for, any other hypothec or security held by the Agent or the Collateral Agent and shall not impair the Agent's or the Collateral Agent's rights of compensation.
- (5) **Not a Floating Hypothec.** The Hypothecs created hereunder are not and shall not be construed as a floating hypothec within the meaning of Articles 2715 et. seq. of the CCQ nor shall this Deed or the Immovable Deed of Hypothec be deemed as creating a trust within the meaning of Article 1260 of the CCQ.
- (6) **Continuing Security.** The Hypothecs shall be and have effect whether or not the moneys thereby secured shall be received before or after or at the same time as the advancement of the Secured Obligations intended to be hereby secured or any part thereof, or before or after, or upon the date of the execution of this Deed or the Immovable Deed of Hypothec. The Hypothecs shall be valid and shall subsist notwithstanding that the Secured Obligations, or any of them, may not have been advanced at the date hereof and shall be valid and shall secure any Secured Obligations hereafter incurred, in whole or in part. The extinction or reduction of such obligations for any reason whatsoever shall not in any way extinguish or reduce the Hypothecs and, unless expressly cancelled in whole or in part by the mutual consent of the parties, such Hypothecs, to the extent not so cancelled, shall subsist with respect to any obligations thereafter incurred by the Grantors from time to time. The Grantors shall be deemed to obligate itself again as provided in Article 2797 of the CCQ with respect to any future obligation hereby secured.
- (7) **Amalgamation.** If a Grantor is a corporation or company, such Grantor acknowledges that if it amalgamates or merges with any other corporation(s) or company(ies), (a) the Charged Property and the Hypothec granted hereunder shall extend to and include all the property and assets of the amalgamated corporation or amalgamated company and to any property or assets of the

amalgamated corporation or the amalgamated company thereafter owned or acquired, (b) the terms “Grantors”, “*Constituents*”, “Grantor” and “Constituants”, where used in this Deed or the Immovable Deed of Hypothec, shall extend to and include the amalgamated corporation or amalgamated company, and (c) the term “Secured Obligations” and “*Obligations Garanties*”, where used in this Deed or the Immovable Deed of Hypothec, shall extend to and include the Secured Obligations of the amalgamated corporation or amalgamated company.

- (8) **Successors and Assigns.** Whenever in this Deed or the Immovable Deed of Hypothec any of the parties hereto is referred to, such reference shall be deemed to include the permitted successors and assigns of such party; and all covenants, promises and agreements by or on behalf of any Grantor or the Agent that are contained in this Deed or the Immovable Deed of Hypothec shall bind and inure to the benefit of their respective successors and assigns.
- (9) **Notices.** All communications and notices hereunder and under the Immovable Deed of Hypothec shall (except as otherwise expressly permitted herein) be in writing and given as provided in the Canadian Security Agreement. All communications and notices hereunder to any Grantor shall be given to it in care of the Grantors as provided in the Canadian Security Agreement.
- (10) **Termination or Release.**
- (a) If the Secured Obligations secured by this Deed and the Immovable Deed of Hypothec have been fully satisfied and performed by the Grantors, the Grantors otherwise observe and perform the terms and conditions hereof and thereof, and all other obligations of the Agent and the Secured Parties under the Plan, the Definitive Documents and any agreements and documents with respect to the Other Secured Obligations have terminated, then the Agent shall at the request and at the expense of the Grantors release and discharge the hypothecs created hereby and execute and deliver to the Grantors such deeds and other instruments as shall be requisite therefor.
- (b) Subject to the Plan and the Definitive Documents and any specific restrictions set out therein and prior to the occurrence of an Event of Default, each Grantor may sell, lease, transfer, convey or otherwise dispose of any Charged Property in the ordinary course of business, so that the purchaser or transferee thereof takes title clear of the Hypothecs hereby created and such Charged Property shall be deemed to be released and discharged from such Hypothec without any further action on the part of the Agent. Upon the written request of such Grantor, at the sole expense of such Grantor, the Agent will promptly execute and deliver an instrument confirming any such release or discharge in favour of any such purchaser or transferee. If such sale, lease, transfer, conveyance or disposition results in a Claim, such Claim shall be subject to the Hypothecs hereby created.

- (c) In connection with any termination, release or subordination pursuant to paragraph (a) or (b) of this Section 10(10), the Agent shall execute and deliver to any Grantor, at such Grantor's expense, all documents that such Grantor shall request to evidence such termination, release or subordination (including, for the avoidance of doubt, any amendment to the collateral description in any registration to specifically carve out any assets that no longer constitute Charged Property). Any execution and delivery of documents pursuant to this Section 10(10) shall be without recourse to or warranty by the Agent.
- (11) **Severability.** If any provision of this Deed or the Immovable Deed of Hypothec is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Deed or the Immovable Deed of Hypothec shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.
- (12) **Alteration or Waiver. Cumulative Rights.**
 - (a) No failure or delay by the Agent, any other Agent or any other Secured Party in exercising any right or power hereunder or under any other Definitive Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Agent, any other Agent and the other Secured Parties hereunder and under the other Definitive Documents are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Deed or the Immovable Deed of Hypothec or consent to any departure by any Grantor therefrom shall in any event be effective unless the same shall be permitted by Section 10(12)(b), and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice or demand on any Grantor in any case shall entitle any Grantor to any other or further notice or demand in similar or other circumstances.
 - (b) Neither this Deed nor the Immovable Deed of Hypothec or any provision hereof or thereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Agent and the Grantors with respect to which such waiver, amendment or modification is to apply.
- (13) **Paramountcy.** If there is a conflict or inconsistency between any provision of this Deed or the Immovable Deed of Hypothec and any provision of the Plan, the relevant provision of the Plan shall govern and prevail to the extent necessary to resolve such conflict or inconsistency.

- (14) **Governing Law.** This Deed shall be governed by, and construed in accordance with, the laws of the Province of Quebec and the laws of Canada applicable in such Province.
- (15) **English Language.** The Grantors hereby confirm that they were represented by legal counsel and have had the opportunity to negotiate the terms of this Deed, including the essential stipulations thereof, with the assistance of its legal counsel. With the exception of Section 3(1) and related definitions, the parties hereto have expressly required that this Deed and all deeds, documents and notices relating thereto be drafted in the English language. *Le Constituant confirme par la présente qu'il était représenté par des conseillers juridiques et qu'il a eu l'occasion de négocier les termes du présent acte, y compris les stipulations essentielles de celui-ci, avec l'aide de ses conseillers juridiques. À l'exception du paragraphe 3(1) et les définitions connexes, les parties aux présentes ont expressément exigé que le présent acte et tout autre contrat, document et avis qui y sont afférents soient rédigés en langue anglaise.*

WHEREOF ACT:

DONE AND PASSED in the City of Montreal, Province of Quebec, on the date hereinabove set forth, under number [●] of the original of the minutes of the undersigned Notary.

AND after the Grantors and the Hypothecary Representative had declared to the undersigned Notary that they had taken cognizance of the present deed and had exempted the undersigned Notary from reading same or causing same to be read and that they accept the use of technologies to execute these presents as authorized by Order 2022-4841 of the Minister of Justice dated the twenty-fourth day of August Two thousand twenty-two (24 August 2022), the said representatives of the Grantors and the Hypothecary Representative signed this deed in the presence of the undersigned Notary who also signed.

[NAME OF COLLATERAL AGENT]

By: _____
Name: [●]
Title: [●]

By: _____
Name: [●]
Title: [●]

ROTHMANS, BENSON & HEDGES INC.

By: _____
Name: [●]
Title: [●]

By: _____
Name: [●]
Title: [●]

ROTHMANS INC.

By: _____
Name: [●]
Title: [●]

By: _____

Name: [●]

Title: [●]

Mtre [●], Notary

SCHEDULE “II”

**DEMAND DEBENTURE GRANTING MORTGAGE ON
RBH’S PROPERTY SITUATED AT 1500 DON MILLS ROAD**

DEMAND DEBENTURE

**PRINCIPAL SUM: THIRTY-TWO BILLION FIVE HUNDRED MILLION DOLLARS
(\$32,500,000,000)**

DATE: [DATE]

ARTICLE 1

PROMISE TO PAY

1.1 **Promise to Pay:** **ROTHMANS, BENSON & HEDGES INC.**, and its permitted successors and permitted assigns (collectively, the “**Chargor**”) being the registered owner of a freehold estate in the Secured Property (as defined below), for value received, hereby acknowledges itself indebted and covenants and promises: (i) to pay to **[NAME OF COLLATERAL AGENT]**, as collateral agent for the benefit of the Secured Parties (as defined below), at **[Collateral Agent Address], Attention: [●]**, or at such other place in Canada as the Chargee (as defined below) may designate by notice in writing to the Chargor, ON DEMAND the principal amount of **Thirty-Two Billion Five Hundred Million Dollars (\$32,500,000,000)** in lawful money of Canada and interest thereon, from and including the date hereof (or from and including the last interest payment date to which interest shall have been paid), at a rate of 25% per annum calculated semi-annually, not in advance, as well after as before maturity and both before and after demand, default and judgment, with interest on overdue interest at the same rate, and on all other amounts secured hereby; and (ii) to perform the Secured Obligations (as hereinafter defined).

1.2 **Interpretation:** In this Debenture, unless there is something in the subject matter or text that is inconsistent therewith, all capitalized terms used herein which are not otherwise defined herein shall have the meanings ascribed thereto in the Plan (as defined below). In addition, the following terms shall have the following meanings,

“**Account**” has the meaning set out in Section 3.9 hereof.

“**Act**” has the meaning set out in Section 2.1(b) hereof.

“**Applicable Law**” has the meaning given to it in the Plan.

“**assigned property**” has the meaning set out in Section 2.1 hereof.

“**CCAA Court**” has the meaning given to it in the Plan.

“**Chargee**” means, **[NAME OF COLLATERAL AGENT]**, in its capacity as collateral agent for the Secured Parties and its successors and assigns in such capacity.

“**Chargor**” has the meaning set out in Section 1.1 hereof.

“**Claimants**” has the meaning given to it in the Plan.

“**Contract**” has the meaning set out in Section 3.9 hereof.

“Contribution Security Agreement” means the contribution security agreement entered into between the Chargor and each of the Material Subsidiaries and the Chargee dated [DATE] as may be amended, restated, supplemented, replaced, or otherwise modified from time to time.

“Debenture” means this debenture and any and all schedules attached hereto, as amended from time to time.

“Definitive Documents” has the meaning given to it in the Plan.

“Event of Default” means the occurrence of an Event of Default under and as defined in the Plan.

“Excluded Collateral” has the meaning set out in Section 2.2 hereof.

“Leases” means all present and future leases, offers to lease, subleases, concessions, licenses and other contracts and agreements by which the use, enjoyment or occupancy of the Secured Property or any portion thereof is granted, together with all related credits, rights, options, claims, causes of action, guarantees, indemnities, security deposits and other security related thereto.

“Material Subsidiary” has the meaning given to it in the Plan.

“mortgaged property” has the meaning set out in 2.1 hereof.

“Obligations” means the obligations of the Chargor under the Plan, the Definitive Documents, this Debenture, and the Contribution Security Agreement, including the obligation to make the Annual Contributions and the Tax Refund Cash Payments to the CCAA Plan Administrator for the benefit of the Secured Parties under, and in accordance with, the Plan.

“Other Secured Obligations” means the obligations of each Material Subsidiary to the Secured Parties under the Contribution Security Agreement.

“Permitted Encumbrances” has the meaning given to it in the Plan.

“Person” means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, governmental authority or other entity.

“Plan” means, in respect of the Chargor, the Court-Appointed Mediator’s and Monitor’s plan of compromise and arrangement pursuant to the *Companies’ Creditors Arrangement Act* concerning, affecting and involving the Chargor, including all schedules thereto, in the form sanctioned by the CCAA Court by Order dated [DATE], as the same may be amended, restated, extended, renewed, replaced, superseded, supplemented or otherwise modified from time to time.

“Real Property” has the meaning set out in Section 2.1(a) hereof.

“Revenues” has the meaning set out in Section 2.1(b)(vi) hereof.

“**Secured Obligations**” means, with respect to the Chargor or any of the Chargor’s Material Subsidiaries, (i) the Obligations (if applicable); and (ii) the Other Secured Obligations of the Chargor or any of the Chargor’s Material Subsidiaries (if applicable). For the avoidance of doubt, all Secured Obligations that constitute payment obligations shall only be satisfied in full to the extent they are irrevocably and indefeasibly paid in full in cash.

“**Secured Parties**” means the Chargee and the Claimants, to the extent of any Secured Obligations owing to such parties from time to time under and in accordance with the Plan.

“**Secured Property**” means the lands and premises legally described in Schedule A attached hereto, together with all rights and privileges appertaining thereto and all buildings, improvements and structures now or hereafter constructed or placed therein, thereunder or thereon.

“**Security Interests**” has the meaning set out in Section 2.1 hereof.

“**Tenant**” means any lessee, sublessee, licensee or grantee of a right of use or occupation under a Lease and its successors and permitted assigns.

ARTICLE 2

SECURITY

2.1 Security: As continuing security for the due and timely payment and performance of the Secured Obligations, but subject to the Permitted Encumbrances, the Chargor:

- (a) mortgages and charges as and by way of a first fixed specific mortgage and charge to and in favour of the Chargee, in its capacity as collateral agent for the Secured Parties and its successors and assigns in such capacity, all of its right, title, estate and interest, present and future, in and to: (i) a fee simple estate in the Secured Property; (ii) all buildings, erections, structures, improvements and fixtures now or hereafter constructed or placed in, under or upon the Secured Property; (iii) all easements, rights-of-way, licences and privileges appurtenant or appertaining to the Secured Property; and (iv) all interests in any of the foregoing and all benefits and rights to be derived by the Chargor in respect thereof (collectively, the “**Real Property**”);
- (b) grants, conveys, mortgages, charges, pledges, assigns and creates a security interest in, as and by way of a fixed and specific mortgage, charge, pledge, assignment and security interest to and in favour of the Chargee, and a security interest is taken by the Chargee in, all of the Chargor’s right, title, estate and interest, present and future, in and to any and all present and after-acquired personal property in which a security interest can be taken, reserved, created or granted whether under the *Personal Property Security Act* (Ontario) (the “**Act**”), any similar personal property security legislation in any jurisdiction in which any of the Secured Property is located or otherwise under any statute or law or in equity and which is now or at

any time hereafter owned by the Chargor or in which the Chargor now has or at any time hereafter acquires any interest of any nature whatsoever and which in each case is used in relation to or situated on, and which relates to the Real Property, including, without in any way limiting the generality of the foregoing, the interest of the Chargor in the following (in each case, to the extent the following is used in relation to or situated on, and relates to, the Real Property):

- (i) all materials, supplies, machinery, equipment, fixtures, inventory, vehicles, furniture, tools, accessories and appliances now or hereafter owned or acquired by or on behalf of the Chargor and every interest therein which the Chargor now has or hereafter acquires, and which in each case is situated on the Real Property;
- (ii) all present and future accounts (including, without limitation, cash collateral accounts), accounts receivable, money (including, without limitation, all money in any bank accounts), intangibles, claims, contract rights, demands, chattel papers, instruments, documents, notes and choses in action, together with any and all security therefor, which in each case relates to the Real Property, including, without limiting the generality of the foregoing, all present and future mortgages receivable, debentures, bonds, promissory notes, bills of exchange, judgments and book debts, now due or hereafter to become due to or owned by the Chargor, together with all securities, documents, computer disks, tapes, software or records now or hereafter owned by the Chargor and representing or evidencing the said debts, accounts, accounts receivable, claims, contract rights, demands and choses in action and all other rights and benefits in respect thereof, which in each case relates to the Real Property;
- (iii) all rights, agreements, licenses, permits, consents, policies, approvals, development agreements, building contracts, performance bonds, purchase orders, plans, goodwill, know-how, rights to carry on business and specifications presently owned and hereafter acquired by the Chargor in respect of or in any way relating to the Real Property or any part thereof;
- (iv) all present and future computer hardware, software and programs, and all rights, agreements, licences, permits and consents in respect of or in any way relating to such computer hardware, software and programs including, without limitation, all paper cards, magnetic tapes, discs, diskettes, drums or magnetic bubbles and whether permanently installed in hardware or crystallized in firmware, in each case located at or primarily relating to the Real Property;
- (v) all shares, stocks, warrants, bonds, debentures, debenture stock, partnership interests, joint venture interests or other securities or investments now or hereafter owned by the Chargor which are used in connection with the Secured Property;
- (vi) all rents, revenues, income, insurance proceeds, expropriation proceeds, tax refunds, other proceeds and other monies to which the Chargor may from

time to time be entitled from all sources which pertain to or are derived from the Real Property or any part thereof including, without limitation, all income and proceeds (whether in cash or on credit) received or receivable by or on behalf of the Chargor in respect of the use, occupancy or enjoyment of any Real Property or any part thereof or for the sale of goods or the provision of services on, at or from any Real Property or from judgments, settlements or other resolutions of disputes relating to the ownership, use, construction, development, operation, maintenance or management of any Real Property (collectively, “**Revenues**”);

- (vii) the benefit of any guarantees or indemnities relating to all or part of the property referred to in paragraph 2.1(b)(vi); and

and with respect to paragraphs 2.1(b)(i) to (vii) inclusive, in, to and under all amendments, extensions, renewals, replacements and substitutions of any of the foregoing, all increases, additions and accessions thereto and all rights, remedies, powers, easements, privileges and claims of the Chargor thereunder (whether arising pursuant thereto or available to the Chargor at law or in equity) including without limitation, the right of the Chargor to enforce the foregoing and the obligations of the other parties thereto and to give or withhold any and all consents, requests, directions, approvals, extensions and/or waivers thereunder, and for certainty, in each case, relating to, pertaining to or derived from the Real Property;

- (c) assigns, transfers and sets over unto and in favour of the Chargee, in its capacity as collateral agent for the Secured Parties and its successors and assigns in such capacity, as and by way of a fixed and specific assignment, all of its right, title, estate and interest, present and future, in and to:

- (i) any Contract; and
- (ii) all amendments, extensions, renewals, replacements and substitutions of any of the property referred to in paragraph 2.1(c)(i) and all benefits, rights, remedies, privileges, claims, powers and advantages of the Chargor to be derived therefrom or thereunder (whether arising pursuant thereto or available to the Chargor at law or in equity) and all covenants, obligations and agreements of the other parties thereto including, without limitation, following the occurrence of an Event of Default which is continuing, the right of the Chargor to enforce any of the foregoing and the obligations of the other parties thereto and to give or withhold any and all consents, requests, directions, approvals, extensions and/or waivers thereunder;

- (d) assigns, transfers and sets over unto and in favour of the Chargee, in its capacity as collateral agent for the Secured Parties and its successors and assigns in such capacity, as and by way of a general assignment, all of its right, title, estate and interest present and future, in and to:

- (i) the Leases and all benefits, powers and advantages of the Chargor to be derived therefrom and all covenants, obligations and agreements of the Tenants thereunder or in any agreement collateral thereto including, without

limitation, the benefit of any right, option or obligation of any Tenant or other person to acquire any of the Real Property or an interest therein, to renew or extend any Lease, or to lease other space and any other collateral advantage or benefit to be derived from the Leases, or any of them;

- (ii) all rents and other moneys now due and payable or hereafter to become due and payable under the Leases, each guarantee of or indemnity in respect of the obligations of the Tenants thereunder with, following the occurrence of an Event of Default which is continuing, full power to demand, sue for recovery, receive and give receipts for all such rents and other moneys and otherwise to enforce the rights of the Chargor thereto in the name of the Chargor;
 - (iii) all present and future intangibles arising from or out of the Real Property or any part or parts thereof and the property and assets referred to in subsections 2.1(b) and (c) above including, without limiting the generality of the foregoing, all of its rights, title and interest in all present and future book debts, accounts and other accounts receivable, contract rights and choses in action, in each case arising from or out of the Real Property;
 - (iv) any and all existing or future agreements, contracts, licences, permits, plans and specifications, bonds, letters of credit, letters of guarantee or other documents or instruments relating to the Real Property or any part or parts thereof and all extensions, amendments, renewals or substitutions thereof or therefor which may hereafter be effected or entered into and all benefit, power and advantage of the Chargor to be derived therefrom;
 - (v) any and all existing or future agreements of purchase and sale, options to purchase and mortgage, loan or other financing commitments relating to the Real Property or any part or parts thereof and all proceeds and other moneys now due and payable or hereafter to become due and payable thereunder and all benefit, power and advantage of the Chargor to be derived therefrom; and
 - (vi) the proceeds of any and all existing or future insurance policies pertaining to the Real Property (excluding worker's compensation insurance and third party liability insurance) and all proceeds of expropriation or similar taking of the Real Property or any part or parts thereof and all benefit, power and advantage of the Chargor to be derived therefrom, provided that all such proceeds shall be held and applied in accordance with this Debenture and the Plan, as applicable;
- (e) grants, conveys, mortgages, charges, pledges, assigns and creates a security interest in, as and by way of a fixed and specific mortgage, charge, pledge, assignment and security interest to and in favour of the Chargee, in its capacity as collateral agent for the Secured Parties and its successors and assigns in such capacity, all of its right, title, estate and interest, present and future, in and to all personal property in any form (including money) derived, directly or indirectly, from any dealing with the property referred to in subsections 2.1(a) to (d), inclusive, or proceeds therefrom

or that indemnifies or compensates for all or part of such property or proceeds therefrom that is destroyed and damaged; and

- (f) grants, conveys, mortgages, charges, pledges and assigns as and by way of a mortgage, charge and floating charge to and in favour of the Chargee of the Real Property and of all of the property, assets, rights, entitlements, benefits and privileges, both real and personal, moveable and immoveable, of every nature and kind, now or at any time and from time to time hereafter existing and owned by the Chargor and which in each case is used in relation to or situated on, and which relates to the Real Property;

provided that the said grants, conveyances, mortgages, charges, pledges, transfers, assignments and security interests created pursuant to this Section 2.1 (the “**Security Interests**”) shall not: (i) extend or apply to any personal property which is “consumer goods”, as such term is defined in the Act; (ii) extend or apply to any personal property owned by any Tenant of any Real Property; or (iii) extend to the last day of the term of any lease or any agreement therefor now held or hereafter acquired by the Chargor, but should such Security Interests become enforceable the Chargor shall thereafter stand possessed of such last day and shall hold it in trust for the Chargee for the purpose of this Debenture and assign and dispose thereof as the Chargee shall, for such purpose, direct. Upon any sale of such leasehold interest or any part thereof, the Chargee, for the purpose of vesting the aforesaid one day residue of such term or renewal thereof in any purchaser or purchasers thereof, shall be entitled by deed or writing to appoint such purchaser or purchasers or any other person or persons as new trustee or trustees of the aforesaid residue of any such term or renewal thereof in the place of the Chargor and to vest the same accordingly in the new trustee or trustees so appointed free and discharged from any obligation respecting the same.

All the property and assets mortgaged and charged pursuant to Subsection 2.1(a) and all of the property and assets granted, conveyed, pledged, assigned, transferred, mortgaged and charged pursuant to Subsections 2.1(b), (e) and (f) hereof being hereinafter collectively referred to as the “**mortgaged property**”; all the property and assets assigned, transferred and set over pursuant to Subsections 2.1(c) and (d) being hereinafter collectively referred to as the “**assigned property**”; and the mortgaged property and assigned property being hereinafter collectively referred to as the “**Secured Property**”. Wherever used herein in relation to the rights and remedies of the Chargee the terms “Secured Property”, “mortgaged property” and “assigned property” shall, where the context permits, mean the whole or any part or parts thereof.

TO HAVE AND TO HOLD the Secured Property and all rights hereby conferred unto the Chargee, in its capacity as collateral agent for the Secured Parties and its successors and assigns in such capacity, for the uses and purposes and with the powers and authorities and subject to the terms and conditions set forth herein and in the Plan.

2.2 Excluded Collateral: Notwithstanding anything contained in this Debenture, the Security Interests contained herein in respect of the Secured Property, other than the Secured Property referred to in Section 2.1(a), shall not extend or attach to the right, title, interest or benefit of the Chargor in any of the Secured Property which by law cannot be assigned or charged or which requires the consent of any third party to such assignment or charge or which, if assigned or charged, would give rise to a default, penalty or right of termination (collectively the “**Excluded Collateral**”). The Chargor agrees that, at the reasonable request of the Chargee from time to time,

it will use commercially reasonable efforts to obtain such consents in respect of the Excluded Collateral and to the transfer or assignment of the Excluded Collateral to any third party who may acquire an interest in the Secured Property as a result of the exercise by the Chargee of its remedies hereunder. Upon such consent being obtained, the Security Interests contained herein shall apply to such Excluded Collateral without regard to this Section 2.2 and without the necessity of any further assurance to effect the Security Interests contained herein in respect thereto. Until such consent is obtained, the Chargor shall, to the extent that it may do so by law or under the terms of the Excluded Collateral and without giving rise to any default, penalty or right of termination, hold all right, title, benefit and interest to be derived therefrom in trust for the Chargee as additional security, as if the Security Interests contained herein applied, and shall deliver up such right, title, benefit and interest to the Chargee forthwith upon the occurrence of an Event of Default.

2.3 Delivery of Instruments, Securities, Etc.: The Chargor shall, upon reasonable request from the Chargee, following the occurrence of an Event of Default which is continuing, forthwith deliver to the Chargee to be held by the Chargee hereunder all instruments, securities, letters of credit, advices of credit and negotiable documents of title in its possession or control which pertain to or form part of the Secured Property, and shall, where appropriate, duly endorse the same for transfer in blank or as the Chargee may direct and shall make all reasonable efforts to deliver forthwith to the Chargee any and all consents or other instruments or documents necessary to comply with any restrictions on the transfer thereof in order to transfer the same to the Chargee.

2.4 Representations and Warranties of the Chargor: The Chargor represents and warrants to the Chargee as follows:

- (a) Title to Secured Property and Lien of this Instrument: That the Chargor is the sole registered and beneficial owner in fee simple of the Real Property and the remainder of the Secured Property free and clear of any liens, claims or interests, except the Permitted Encumbrances;
- (b) Capacity: That the Chargor has good right, full power and lawful and absolute authority to charge the Secured Property with all of its fixtures and appurtenances unto the Chargee, in the manner set out in this Debenture;
- (c) Quiet Possession: That from and after the occurrence and continuance of an Event of Default, it shall be lawful for the Chargee, its successors and assigns, peaceably and quietly to enter into, have, hold, use, occupy, possess and enjoy the Secured Property described in this Debenture or intended so to be, with its fixtures and appurtenances, without the let, suit, hindrance, interruption or denial of the Chargor, or any other person or persons whomsoever, free and clear of all arrears of taxes and assessments whatsoever due or payable upon or in respect of the Secured Property or any part thereof, and of and from all former conveyances, mortgages, charges, rights, annuities, debts, executions and of any other charges or encumbrances whatsoever, the whole subject to any Permitted Encumbrances;
- (d) Further Assurances: That the Chargor will execute such further assurances of the Secured Property as may be required by the Chargee and that from and after default shall happen to be made of or in the performance of the Secured Obligations, or of or in the doing, observing, performing, fulfilling or keeping of one or more of the

provisions, agreements or stipulations in this Charge contrary to the true intent and meaning hereof;

The foregoing representations and warranties shall survive for so long as any of the Secured Obligations remain unpaid and, notwithstanding any investigation made by or on behalf of the Chargee, shall continue in full force and effect for the benefit of the Chargee until this Debenture has been terminated in accordance with Section 4.3.

2.5 Covenants of the Chargor: So long as any of the Secured Obligations shall remain outstanding, the Chargor covenants and agrees with the Chargee as follows:

- (a) Performance: That the Chargor shall do, observe, perform, fulfill and keep all the provisions, covenants, agreements and stipulations particularly set forth in this Debenture, and, without limitation, shall pay any taxes, rates, levies, charges or assessments upon the Real Property or in respect thereof, no matter by whom or by what authority imposed, all utility accounts, levies, imposts, charges and other payments relating to the preservation, maintenance, repair or operation of the Real Property, and all other sums of a similar nature which may be required by the Chargee from time to time.
- (b) No Accessions: The Chargor shall prevent any Secured Property from being or becoming an accession to any property not subject to the Security Interests created by this Debenture.
- (c) Registrations: The Chargor will, from time to time at the request of the Chargee, acting reasonably, promptly effect all registrations, filings, recordings and all renewals thereof and all re-registrations, re-filings and re-recordings of or in respect of this Debenture and the Security Interests created hereby in such offices of public record and at such times as may be necessary or of advantage in perfecting, maintaining and protecting the validity, effectiveness and priority hereof and of the Security Interests created hereby; provided that the Chargee may effect all such registrations, filings, recordings, renewals, re-registrations, re-filings and re-recordings from time to time in its sole discretion at the expense of the Chargor.
- (d) Expropriation Awards: The Chargor assigns all proceeds of any award, payment or claim for damages payable to the Chargor in connection with any expropriation or other taking through the exercise of the right of eminent domain of the Secured Property or part thereof (or any conveyance in lieu of expropriation) by any governmental authority to the Chargee and authorizes the Chargee to collect and receive such amounts and to give proper receipts and acquittances therefor, and such amounts shall be held by the Chargee as additional security for the payment and performance of the Secured Obligations, to be applied by the Chargee, at its option, in reduction of any outstanding Secured Obligations.
- (e) Insurance: The Chargor shall insure and keep insured the Real Property with extended coverage against loss or damage by fire, theft, destruction or other insurable hazards commonly insured against to the full insurable value thereof, with all such insurance to be in form and substance satisfactory to the Chargee. All such policies shall be written in the name of the Chargor, with the Chargee as an

additional named insured as its interest may appear. The Chargor, shall forthwith on request, deliver to the Chargee a certificate or certificates in form satisfactory to the Chargee from an insurer or a firm of independent brokers satisfactory to the Chargee setting forth the terms of all policies of insurance that are required to be effected and maintained and stating that such insurance is in full force and effect and showing the Chargee as an additional named insured with respect to the insurance coverage required to be obtained pursuant to this Charge. The Chargor assigns to the Chargee all proceeds of any insurance policies insuring against loss or damage to the Secured Property. Save and except in respect of the proceeds of any business interruption insurance, the Chargor authorizes the Chargee to collect and receive such proceeds and authorizes and directs the issuer of each of such insurance policies to make payment for all such losses directly to the Chargee, instead of to the Chargor and the Chargee jointly.

- (f) Transfers of the Secured Property; No Additional Liens: The Chargor agrees that it shall not: (i) transfer, sell or convey all or any portion of its interest in the Secured Property; and/or (ii) further encumber or pledge all or any portion of the Secured Property, other than Permitted Encumbrances.
- (g) Preservation and Maintenance of Secured Property: The Chargor shall: (i) not commit waste or permit impairment or deterioration of the Secured Property, subject to ordinary wear and tear and damage by fire or other casualty; (ii) not abandon the Secured Property; and (iii) keep the Secured Property in good repair.
- (h) Subdivision: The Chargor shall not register or cause to be registered any subdivision plan, condominium plan or strata space plan in respect of the Secured Property or any part thereof without the Chargee's consent, and any consent may be on such terms and conditions and subject to such requirements as the Chargee may reasonably require.
- (i) Forbearance: That no forbearance by the Chargee in respect of any of the Chargor's obligations, hereunder or otherwise, shall release the Chargor from any of its obligations under this Debenture, including the obligation with respect to the performance of all of the terms, provisions, covenants, conditions and agreements herein contained to be kept, performed and complied with, until such time as the Secured Obligations have been fully satisfied and performed to the satisfaction of the Chargee.
- (j) Performance of Contracts: That the Chargor shall comply in every material respect with all necessary by-laws, leases, licences, certificates, consents, approvals, permits, rights, agreements and governmental approvals (including without limitation environmental permits and approvals) required for the use and operation of the Real Property.
- (k) Observance of Laws: That the Chargor and any occupant of the Real Property will at all times observe and comply in all material respects with the provisions of Applicable Law, including without restriction, those dealing with zoning, use, occupancy, subdivision, parking, fire, access, loading facilities, landscaped areas, pollution of the environment, building construction, public health and safety, and

of all private covenants and restrictions affecting the Real Property or any portion thereof, and will from time to time, upon the reasonable request of the Chargee, provide to the Chargee evidence of such observance and compliance. The Chargor will at all times ensure that there are no work orders or construction liens outstanding against the Real Property or the buildings erected thereon, and should such liens arise, the Chargor shall cause same to be discharged or vacated from the title to the Real Property (i) within thirty (30) Business Days of becoming aware thereof in the case of a construction lien; and (ii) as soon as reasonably possible after having become aware thereof, in the case of a work order, having regard to the nature of such work order and the actions required to rectify such work order;

- (l) Payment of Taxes: That the Chargor will pay all taxes, rates, levies, assessments and governmental fees and dues lawfully levied, assessed or imposed in respect of the Real Property or any part thereof, as and when the same become due and payable and will produce to the Chargee when required, the receipts and vouchers establishing such payments. Notwithstanding the foregoing, the Chargor shall not be required to pay any such amounts if they have, in a bona fide manner, commenced and continues proceedings contesting either its obligation to make such payment or the amount thereof, provided that such proceedings are commenced within thirty (30) days following the date on which such payment is to be made and provided there is no legal requirement to pay any such amounts notwithstanding such proceedings.
- (m) Subsequent Encumbrances: Save and except in respect of Permitted Encumbrances and encumbrances which would qualify as Permitted Encumbrances, the Chargor shall not, without the Chargee's prior written approval, which may be withheld in its sole discretion, further charge or otherwise encumber the Secured Property or any interest therein.

2.6 Performance Until Default: Notwithstanding anything to the contrary contained herein, until the occurrence of an Event of Default which is continuing, the Chargor shall be entitled to deal with the Secured Property and enforce all of the benefits, advantages and powers thereunder, and be entitled to all Revenues derived from the Secured Property.

ARTICLE 3

RIGHTS AND REMEDIES

3.1 Remedies Upon Default: Upon the occurrence of any Event of Default which is continuing, the Chargee may do any one or more of the following, provided, however, that notwithstanding any other provision of this Debenture, (i) no exercise of remedies, may occur without the approval of the CCAA Court, and (ii) the CCAA Court shall have exclusive jurisdiction to determine all matters related to the enforcement of this Debenture and the Security Interests and the exercise of any rights, remedies and powers that the Chargee may have under this Debenture, at law or in equity:

- (a) by written notice to the Chargor declare the Secured Obligations to be immediately due and payable without the necessity of presentment for payment, or notice of non-payment and of protest (all of which are hereby expressly waived by the Chargor);
- (b) proceed to exercise any and all rights under this Debenture, the Plan, and any other document or instrument executed pursuant to Plan or Debenture or any other rights otherwise available to it whether under this Debenture and the Plan or otherwise, including enforcement of this Debenture;
- (c) take any action or proceeding authorized or permitted by this Debenture and the Plan or by law or equity, and file or cause to be filed on its behalf such proofs of claim and other documents as may be necessary or desirable to have its claims lodged in any bankruptcy, winding-up or other judicial proceeding relative to the Chargor;
- (d) take proceedings in any court of competent jurisdiction for sale or foreclosure of all or any part of the Secured Property;
- (e) immediately enter upon and take possession of, disable or remove all of the Secured Property or any part or parts thereof with power, among other things, to exclude the Chargor, to preserve and maintain the Secured Property and make additions and replacements thereto, to receive rents, income and profits of all kinds and pay therefrom all reasonable expenses of maintaining, completing, repairing, preserving and protecting and operating the Secured Property and all charges, payment of which may be necessary to preserve or protect the Secured Property, and enjoy and exercise all powers necessary to the performance of all functions made necessary or advisable by possession, including, without limitation, enter into contracts and undertake obligations for the foregoing purposes upon the security hereof;
- (f) whether or not the Chargee has taken possession of the Secured Property or any of it, sell, lease or otherwise dispose thereof, either as a whole or in separate parcels, at public auction, by public tender or by private sale, with only such notice as may be required by law, either for cash or upon credit, at such time and upon such terms and conditions as the Chargee may determine (including a term that a reasonable commission shall be payable to the Chargee or any related corporation in respect thereof) and enter into, rescind or vary any contract for the sale, lease or other disposition of any of the Secured Property and sell, lease or dispose thereof again without being answerable for any loss occasioned thereby and the Chargee may execute and deliver to any purchaser of the Secured Property or any part thereof good and sufficient deeds and documents for the same;
- (g) require the Chargor, at the Chargor's expense, to assemble the Secured Property at a place or places designated by notice in writing given by the Chargee to the Chargor, and the Chargor agrees to so assemble the Secured Property other than the Real Property;

- (h) require the Chargor, by notice in writing given by the Chargee to the Chargor, to disclose to the Chargee the location or locations of the Secured Property and the Chargor agrees to make such disclosure when so required by the Chargee;
- (i) without legal process, enter any premises where the Secured Property may be situated and take possession of the Secured Property by any method permitted by law;
- (j) carry on all or any part of the business or businesses of the Chargor relating to the Secured Property and, to the exclusion of all others including the Chargor, enter upon, occupy and, subject to any requirements of law and subject to any Leases or agreements then in place, use all or any of the Real Property, premises, buildings, plant, undertaking, assets and other property comprising the Secured Property for such time and in such manner as the Chargee sees fit, free of charge and, except to the extent required by law, the Chargee shall not be liable to the Chargor for any act, omission or negligence in so doing or for any rent, charges, depreciation or damages or other amounts incurred in connection therewith or resulting therefrom;
- (k) borrow money for the purpose of carrying on the business of the Chargor relating to the Secured Property or for the maintenance, preservation or protection of the Secured Property and mortgage, charge, pledge or grant a security interest in the Secured Property, whether or not in priority to the Security Interests created by this Debenture to secure repayment of any money so borrowed;
- (l) where the Chargee has taken possession of the Secured Property, retain the Secured Property irrevocably, to the extent not prohibited by law, by giving notice thereof to the Chargor and to any other persons required by law in the manner provided by law;
- (m) send or employ inspectors or agents to inspect, audit and report upon the value, state and condition of the Secured Property;
- (n) subject to Applicable Law, seize, collect, retain and administer the Secured Property or any part or parts thereof in the Chargee's discretion;
- (o) pay any encumbrance, lien, claim or charge that validly exists or has been threatened against any of the Secured Property and any amounts determined to be validly existing shall, when so paid, together with any costs, charges and expenses incurred by the Chargee (including, without limitation, legal fees and disbursements on a solicitor-client basis), be added to the Secured Obligations hereby and shall bear interest at the rate provided herein;
- (p) take proceedings in any court of competent jurisdiction to enforce payment by the Chargor of the Secured Obligations or any deficiency remaining upon application of proceeds of realization which are actually received by the Chargee;
- (q) exercise or pursue any other remedy or proceeding authorized or permitted hereby or by the Act or any similar personal property security legislation or by any other

legislation in any jurisdiction in which any of the Secured Property is located or otherwise permitted by law or equity; and

- (r) with or without entry into possession of the Secured Property, or any part thereof, appoint a receiver or apply to a court for the appointment of a receiver (which term shall include a receiver and manager) of the Secured Property or any part thereof and of the rents and profits thereof pursuant to and in accordance with the provisions of this Debenture and with or without security for the performance of the receiver's obligations and from time to time remove any receiver and appoint another in its stead. Upon the appointment of any such receiver or receivers from time to time, subject to Applicable Law, the following provisions shall apply:
 - (i) every such receiver shall be the irrevocable agent of the Chargor for all purposes with respect to the Secured Property including, without limitation, for the collection of all Revenues owing or earned in respect of the Real Property or any part thereof;
 - (ii) every such receiver may, in the discretion of the Chargee, be vested with all or any of the powers and discretion of the Chargee under this Debenture, including, without limitation, the power to carry on all or any part of the business of the Chargor relating to the Secured Property and to sell, lease or otherwise dispose of the Secured Property, either as a whole or in separate parcels, at public auction, by public tender or by private sale, with only such notice as may be required by Applicable Law, either for cash or on credit, at such time and upon such terms and conditions as the receiver may determine (including a term that a reasonable commission shall be payable to the receiver, the Chargee or any related corporation in respect thereof) and enter into, rescind or vary any contract for the sale, lease or other disposition of any of the Secured Property and sell, lease or dispose thereof again without being answerable for any loss occasioned thereby and the receiver may execute and deliver to any purchaser of the Secured Property or any part thereof good and sufficient deeds and documents for the same and such receiver shall also have the power to take proceedings in any court of competent jurisdiction for sale or foreclosure of all or any part of the Secured Property;
 - (iii) the Chargee may from time to time fix the remuneration of every such receiver and every such receiver shall be entitled to deduct the same out of the income from the Secured Property or the proceeds of disposition of the Secured Property;
 - (iv) the appointment of every such receiver by the Chargee shall not, to the extent permitted by law, incur or create any liability on the part of the Chargee to the receiver in any respect and such appointment or anything which may be done by any such receiver or the removal of any such receiver or the termination of any such receivership shall not have the effect of constituting the Chargee a mortgagee in possession in respect of the Real Property or any part thereof;

- (v) every such receiver shall, from time to time, have the power to lease or otherwise deal with any portion of the Real Property which may become vacant or available for lease on such terms and conditions as such receiver may deem advisable and shall have full power to complete any unfinished construction upon the Real Property (such power of the receiver to include, without limitation, the power to borrow funds in the name of and on the credit of the Chargor for such purposes, which borrowings may be secured by the Secured Property, or any part thereof, and which security shall have such priority as the receiver deems appropriate);
- (vi) every such receiver shall have full power to fully manage, develop, operate, lease, deal with agreements, Contracts, and Leases, construct, complete, repair, renovate or alter the Real Property or any part thereof on behalf of the Chargor and to take all such actions as are required in the exercise of such powers including, without limitation, entering into, amending and terminating such contracts and other agreements relating to the Secured Property as are necessary or advisable, in the opinion of the receiver, and the entering into, renewal, amendment, supplement or termination of any agreements, Contracts, and Leases as the receiver may deem appropriate in its sole and absolute discretion; the aforementioned power shall include the power to borrow money in the name of and on the credit of the Chargor for all such purposes (which borrowings may be secured by the Secured Property, or any part thereof, and which security shall have such priority as the receiver deems appropriate);
- (vii) save for its own gross negligence or wilful misconduct, no such receiver shall be liable to the Chargor to account for monies other than monies actually received by or in respect of Secured Property or any part thereof and out of such monies so received, every such receiver shall, subject to the further direction of the Chargee, in the following order pay:
 - (A) his remuneration aforesaid;
 - (B) all payments made or incurred by him in connection with the management, operation, construction, completion, repair or alteration of the Secured Property or any part thereof in accordance with the provisions thereof;
 - (C) all payments of interest, principal and other money which may, from time to time, be or become charged upon the Secured Property in priority to this Debenture and all taxes, insurance premiums and every other proper expenditure made or incurred by him in respect of the Secured Property or any part thereof and in payment of all interest, fees and other similar amounts due or falling due hereunder and the balance to be applied upon the Secured Obligations; and
 - (D) at the discretion of the receiver, interest, principal and other monies which may from time to time constitute an encumbrance on the Secured Property subsequent or subordinate to this Debenture;

and every receiver may in its discretion retain reasonable reserves to pay accruing amounts and anticipated payments in connection with any of the foregoing; and any surplus remaining in the hands of every such receiver after payments made as aforesaid shall be accountable to the Chargor and upon termination of the receivership such receiver shall pay such surplus to the Chargor or pay it into court, as the receiver may elect;

- (viii) the receiver will have the power to
 - (A) employ or retain and discharge any persons (including legal counsel, accountants, engineers and other reasonably necessary experts or consultants) upon the terms and at the remuneration the receiver considers proper;
 - (B) make any compromise or arrangements which the receiver considers expedient in the interest of the Chargee and to assent to any modification of this agreement consented to by the Chargor, and to exchange any part or parts of the Secured Property for any other property suitable for the purposes of the Chargor upon such terms as the receiver considers expedient, either with or without payment of money or equality of exchange or otherwise; and
 - (C) defend and prosecute all suits, proceedings and actions which the receiver in his opinion considers necessary for the proper protection of the Secured Property, to defend all suits, proceedings and actions against the Chargor or the receiver, to appear in and conduct the prosecution and defence of any suit, proceeding or action then pending or thereafter instituted and to appeal any suit, proceeding or action;
- (ix) the Chargee may at any time and from time to time terminate any such receivership by notice in writing to the Chargor and to any such receiver; and
- (x) the receiver may carry out all actions and do all things that the Chargee may do under this Debenture as if it were the Chargee (it being agreed that such powers are not in any way limited by the foregoing provisions of this Subsection 3.1(r)).

3.2 Sale of Secured Property: The Chargor agrees that any sale referred to in Section 3.1 may be either a sale of all or any portion of the Secured Property and may be by way of public auction, public tender, private contract or otherwise without notice, advertisement or any other formality, except as required by Applicable Law, all of which the Chargor waives to the extent permitted by Applicable Law. To the extent not prohibited by Applicable Law, any such sale may be made with or without any special condition as to the upset price, reserve bid, title or evidence of title or other matter and from time to time as the Chargee in its sole discretion thinks fit with power to vary or rescind any such sale or buy in at any public sale and resell. The Chargee may sell the Secured Property for a consideration payable by instalments either with or without taking security for the payment of such instalments and may make and deliver to any purchaser thereof good and

sufficient deeds, assurances and conveyances of the Secured Property and give receipts for the purchase money, and any such sale shall be a perpetual bar, both at law and in equity, against the Chargor and all those claiming an interest in the Secured Property by, from, through or under the Chargor.

3.3 References to the Chargee Include Receiver: For the purposes of Sections 3.1, 3.2, 3.4, 3.7, 3.8, 3.9, 3.10, 3.11 and 3.17, a reference to the Chargee shall, where the context permits, include any receiver or receiver and manager or other agent on behalf of the Chargee.

3.4 Chargor's Rights: Until the occurrence of an Event of Default which is continuing, the Chargor shall be entitled to deal with the Secured Property and enforce, use and enjoy all of the benefits, advantages and powers relating thereto as if this Debenture had not been made. Upon the occurrence of an Event of Default which is continuing, the Chargee may, but shall not be obligated to, exercise all rights, powers, authority and discretions of the Chargor in respect of the Secured Property in its place and stead.

3.5 Judgment: Neither the taking of any judgment nor the exercise of any power of seizure or sale shall operate to extinguish the liabilities of the Chargor to make payment of the principal hereby secured or interest thereon or other moneys owing hereunder nor shall such operate as a merger of any covenant or affect the right of the Chargee to interest at the rate hereinbefore specified and any judgment shall bear interest at such rate.

3.6 Interest: If any principal amount payable to the Chargee under this Debenture is not paid when due, the Chargor will pay to the Chargee, immediately on demand, interest on such amount from the date due until paid, at an annual rate equal to the interest rate stipulated herein. All amounts payable by the Chargor to the Chargee under this Debenture, and all interest on all such amounts, compounded monthly on the last business day of each month, will form part of the Secured Obligations and will be secured by the Security Interests created by this Debenture.

3.7 Charge as Security:

- (a) It is expressly acknowledged and agreed that nothing herein contained shall obligate the Chargee to assume or perform any obligation of the Chargor to any third party in respect of or arising out of any of the Secured Property. The Chargee may, however, only after an Event of Default which is continuing, at its option, assume or perform any such obligations as the Chargee considers necessary or desirable to obtain the benefit of the Secured Property free of any set-off, deduction or abatement and any money expended by the Chargee in this regard shall form part of and shall be deemed to form part of the Secured Obligations and bear interest at the rate stipulated herein.
- (b) The exercise by the Chargee of its rights under this Debenture or the assumption after any Event of Default of certain obligations of the Chargor as referred to in Subsection 3.7(a) above shall not constitute or have the effect of making the Chargee a mortgagee in possession. Care, control and management of the Secured Property shall remain and shall be deemed to be with the Chargor in the absence of clear and unequivocal action by the Chargee depriving the Chargor of such care, control and management and the assumption thereof by the Chargee.

3.8 Limitations on Chargee's Liability: The Chargee will not be liable to the Chargor or any other Person for any failure or delay in exercising any of the rights of the Chargee under this Debenture (including any failure to take possession of, collect, sell, lease or otherwise dispose of any Secured Property, or to preserve rights against prior parties). Neither the Chargee, nor any receiver or agent of the Chargee is required to take, or will have any liability for any failure to take or delay in taking, any steps necessary or advisable to preserve rights against other Persons under any Secured Property in its possession. Neither the Chargee nor any receiver or agent will be liable for any, and the Chargor will bear the full risk of all, loss or damage to any and all of the Secured Property (including any Secured Property in the possession of the Chargee or any receiver or agent) caused for any reason other than the gross negligence or wilful misconduct of the Chargee or such receiver or agent.

3.9 Debtor Remains Liable under Accounts and Contracts: Notwithstanding any provision of this Debenture, the Chargor will remain liable under each of the agreements, contracts, Leases, material contracts, franchise agreements, management agreements, and the material licenses and other documents comprising the Secured Property to which it is or becomes a party (collectively, the “**Contracts**” and each a “**Contract**”) to pay and satisfy all indebtedness, liabilities and other monetary obligations and to observe and perform all the conditions and obligations which are to be paid, satisfied, observed and performed by the Chargor thereunder, all in accordance with the terms of each such Contract. The Chargee will have no obligation or liability under any account or monetary obligation (an “**Account**”) (or any Contract giving rise thereto) or Contract by reason of or arising out of this Debenture or the receipt by the Chargee of any payment relating to such Account or Contract pursuant hereto, and in particular (but without limitation), the Chargee will not be obligated in any manner to perform any of the obligations of the Chargor under or pursuant to any Account (or any Contract giving rise thereto) or under or pursuant to any Contract, to make any payment, to make any inquiry as to the nature or the sufficiency of any payment received by it or as to the sufficiency of any performance by any party under any Account (or any Contract giving rise thereto) or under any Contract, to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to it or to which it may be entitled at any time.

3.10 Dealings by Chargee: Following an Event of Default which is continuing, the Chargee will not be obliged to exhaust its recourse against the Chargor or any other Person or against any other security it may hold in respect of the Secured Obligations before realizing upon or otherwise dealing with the Secured Property in such manner as the Chargee may consider desirable. The Chargee may grant extensions of time and other indulgences, take and give up security, accept compositions, grant releases and discharges and otherwise deal with the Chargor and any other Person, and with any or all of the Secured Property, and with other security and sureties, as the Chargee may see fit, all without prejudice to the Obligations or to the rights and remedies of the Chargee under this Debenture and the Plan. The powers conferred on the Chargee under this Debenture are solely to protect the interests of the Chargee in the Secured Property and will not impose any duty upon the Chargee to exercise any such powers.

3.11 Possession of Secured Property: Where any Secured Property is in the possession of the Chargee or any receiver or agent:

- (i) the Chargee shall only have the duty of care with respect to such Secured Property as would a reasonable and prudent owner, including the duty to

use reasonable care in the custody and preservation thereof, provided that the Chargee need not take any steps of any nature to defend or preserve the rights of the Chargor therein against the claims or demands of others or to preserve rights therein against prior parties;

- (ii) the Chargee may, at any time following the occurrence of an Event of Default which is continuing, and subject to the terms of the Plan, grant or otherwise create a security interest in such Secured Property upon any terms provided that such terms do not impair the Chargor's right to redeem such Secured Property; and
- (iii) the Chargee may, at any time following the occurrence of an Event of Default which is continuing, and subject to the terms of the Plan, use such Secured Property in any manner and to such extent as it deems necessary or desirable.

3.12 After Acquired Property: The Chargor covenants and agrees that, if and to the extent that any of its respective rights, titles, estates and interests in any of the Secured Property is not acquired until after delivery of this Debenture, this Debenture shall nonetheless apply thereto and the Security Interests of the Chargee hereby created shall attach to such Secured Property at the same time as the Chargor acquires rights therein, without the necessity of any further mortgage, charge, pledge, assignment or assurance and thereafter such Secured Property shall be subject to the Security Interests created hereby in accordance with the provisions of Section 2.1 hereof.

3.13 Attachment: The Chargor hereby acknowledges and agrees that value has been given for the granting of the Security Interests created hereby and that there is no agreement between the Chargor and the Chargee, express or implied, to postpone the attachment of the Security Interests created hereby except in respect of after-acquired property forming part of the Secured Property with respect to which the Security Interests created hereby shall attach at the same time as the Chargor acquires rights therein or thereto.

3.14 Multisite Real Estate Transaction: The Chargor acknowledges that this Debenture may be one of a number of other debentures/hypothecs and/or security documents that secure the Secured Obligations. The Chargor agrees this Debenture shall be absolute and unconditional and shall not in any manner be affected or impaired by any acts or omissions whatsoever of the Chargee, and without limiting the generality of the foregoing, this Debenture hereof shall not be impaired by any acceptance by the Chargee of any security for or guarantees of any of the Secured Obligations hereby secured, or by any failure, neglect or omission on the part of the Chargee to realize upon or protect any Secured Obligation or indebtedness hereby secured or any collateral security therefor including the other debentures/hypothecs and other security documents. This Debenture hereof shall not in any manner be impaired or affected by any release (except as to the property released), sale, pledge, surrender, compromise, settlement, renewal, extension, indulgence, alteration, change, modification or disposition of any of the Secured Obligations secured or of any of the collateral security therefor, including any other debentures/hypothecs and other security documents or of any guarantee thereof, except, in each case, upon the Secured Obligations having been fully satisfied and performed by the Chargor or any of the Chargor's Material Subsidiaries, and the Chargee may foreclose, exercise any power of sale, or exercise any other remedy available to it under any or all of the other debentures/hypothecs and other security documents without first

exercising or enforcing any of its rights and remedies hereunder. Such exercise of the Chargee's rights and remedies under any or all of the other debentures and other security documents shall not in any manner impair the Secured Obligations hereby secured or this Debenture, and any exercise of the rights or remedies of the Chargee hereunder shall not impair any of the other debentures/hypothecs and other security documents or any of the Chargee's rights and remedies thereunder. The Chargor specifically consents and agrees that the Chargee may exercise its rights and remedies hereunder and under the other debentures and other security documents separately or concurrently and in any order that it may deem appropriate and waives any rights of subrogation.

3.15 Waiver of Redemption, Notice and Marshalling of Assets: To the fullest extent permitted by law, the Chargor hereby irrevocably and unconditionally waives and releases (a) all benefit that might accrue to the Chargor by virtue of any present or future statute of limitations or law or judicial decision exempting the Secured Property from attachment, levy or sale on execution or providing for any stay of execution, exemption from civil process, redemption or extension of time for payment and (b) any right to a marshalling of assets or a sale in inverse order of alienation.

3.16 Deficiency: Without limiting any rights the Chargor may have at law, the Chargor shall be liable to pay any deficiency remaining after the sale or disposition of the Secured Property.

3.17 Payments by the Chargee: Upon notice to the Chargor, the Chargee may pay any or all premiums of insurance and any or all taxes, rates, liens, utility and heating charges which shall from time to time fall due and be unpaid in respect of the Secured Property, and such payments, together with all costs, charges, reasonable legal fees and disbursements (on a solicitor-client basis), all appraisal costs and expenses, survey costs and expenses, costs of environmental reports and all other expenses whatsoever, which may be incurred in taking, recovering and keeping possession of the Secured Property, generally in any proceedings taken in connection with or to realize or protect this security (including, without limitation, reasonable legal fees and disbursements on a solicitor-client basis and real estate commissions and other costs incurred in leasing or selling the Secured Property or in exercising the power of entering, lease and sale herein contained) shall be, with interest at the interest rate provided for herein, a charge upon the Secured Property in favour of the Chargee and secured by this Debenture and the Chargee will provide notice of such payments to the Chargor. All amounts paid by the Chargee pursuant to this section 3.17 shall be added to the Secured Obligations hereby and shall be payable forthwith with interest at the interest rate provided for herein and in default of such payments the full amount of the Secured Obligations under this Debenture including all such amounts, shall immediately become due and payable at the option of the Chargee, and all remedies, rights and powers conferred in this Debenture shall be exercisable by the Chargee.

ARTICLE 4

GENERAL PROVISIONS

4.1 Instructions in Accordance with Plan: The Chargee shall take its instructions exclusively in the manner contemplated in the Plan and Definitive Documents.

4.2 Remedies Cumulative and Waivers: For greater certainty, it is expressly understood and agreed that the rights and remedies of the Chargee hereunder or under any other document or instrument executed pursuant to the Plan are cumulative and are in addition to and not in

substitution for any rights or remedies provided by law or by equity; and any single or partial exercise by the Chargee of any right or remedy for a default or breach of any term, covenant, condition or agreement contained in this Debenture or other document or instrument executed pursuant to the Plan or any others security documentation delivered pursuant to the Plan shall not be deemed to be a waiver of or to alter, affect or prejudice any other right or remedy or other rights or remedies to which the Chargee may be lawfully entitled for such default or breach. Any waiver by the Chargee of the strict observance, performance or compliance with any term, covenant, condition or agreement herein contained and any indulgence granted either expressly or by course of conduct by the Chargee shall be effective only in the specific instance and for the purpose for which it was given and shall be deemed not to be a waiver of any rights and remedies of the Chargee under this Debenture, the Plan or the other security documents as a result of any other default or breach hereunder or thereunder.

4.3 Termination: The Chargee covenants and agrees with the Chargor that upon the Secured Obligations having been fully satisfied and performed by the Chargor or any of the Chargor's Material Subsidiaries, this Debenture shall be and become fully ended and terminated and all right, title, estate, interest and benefit of the Chargor in, to, under or in respect of the Secured Property, assigned by it to, or held by it in trust for, the Chargee hereunder shall automatically revert to the Chargor or its successors or assigns, and all covenants and agreements of the Chargor hereunder shall be at an end and the Chargee, upon the request and at the expense of the Chargor, shall execute such instruments, releases, discharges or re-assignments and give such notification or assurances as the Chargor may properly require to fully release, discharge and cancel this Debenture in the circumstances.

4.4 Notice: Unless otherwise specified, each notice to a party shall be given in writing and delivered personally or by courier, sent by e-mail or other electronic transmission contemplated by the parties to such party as follows:

If to the Chargor:

Name: [●]
Address: [●]
Attention: [●]
Email: [●]

If to the Chargee:

Name: [●]
Address: [●]
Attention: [●]
Email: [●]

or to any other address, e-mail or Person that the party designates.

4.5 Further Assurances: Each party shall, at its own expense, promptly execute and deliver to the other upon request all such other and further documents, agreements, opinions, certificates and other instruments in compliance with or accomplishment of their covenants and agreements hereunder or under any document to be delivered pursuant hereto or otherwise necessary to make

any recording, file any notice or obtain any consent, all as may be reasonably necessary and appropriate in connection herewith.

4.6 Continuing Security: This Debenture and the rights and remedies it creates are a continuing agreement and security and shall bind the parties until discharge of this Debenture as provided in Section 4.3 hereof. No payment by the Chargor of the whole or any part of any Secured Obligations by this Debenture shall reduce the amount secured hereby unless specifically appropriated to and noted on this Debenture by the Chargee. Notwithstanding any other provision of this Debenture including, without limitation, the principal sum and principal amount stated to be due on the face page hereof (i) the Chargee shall not claim or realize an amount under or in respect of this Debenture, and the Chargor shall not be liable to pay to the Chargee an amount, in excess of the outstanding amount of the Secured Obligations (excluding the principal sum and principal amount stipulated on the face page hereof), and (ii) the Chargee shall neither demand payment pursuant to this Debenture, nor enforce the security constituted hereby or exercise any rights or remedies hereunder, unless and until and only for so long as it is entitled to do so pursuant to the provisions of the Plan and this Debenture.

4.7 Agreement Paramount: This Debenture is issued subject to the provisions of the Plan and the representations, warranties and covenants of the Chargor with respect to the Secured Property contained therein. In the event of any inconsistency or conflict between the provisions of this Debenture and the Plan, the provisions of the Plan shall govern. Notwithstanding the foregoing, in the event that this Debenture contains provisions which are in addition to the provisions set forth in the Plan, the existence of such additional provisions in this Debenture shall not constitute a conflict or inconsistency with the provisions of the Plan.

4.8 Amendment of Agreement: No amendment or waiver of any provision of this Debenture, and no consent to any departure by the Chargor herefrom, shall in any event be effective unless the same shall be in writing and signed by the Chargee, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. No failure on the part of the Chargee to exercise, and no delay in exercising any right hereunder, shall operate as a waiver thereof; nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right.

4.9 Invalidity of Provisions: If any of the provisions in this Debenture should be invalid, illegal or unenforceable in any respect, the validity, legality or enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

4.10 Time: Time shall be of the essence in this Debenture.

4.11 Successors and Assigns: This Debenture and all its provisions shall enure to the benefit of and shall be binding upon the Chargee and the Chargor and their respective permitted successors and permitted assigns, as provided for in the Plan.

4.12 Assignment: The rights of the Chargee under this Debenture may be assigned by the Chargee to a Person to whom the Chargee is also assigning its rights under the Plan to the same extent, and on and subject to the same terms and conditions, as the Chargee may assign its rights under the Plan. The Chargor may not assign its obligations under this Debenture.

4.13 Attorney: The Chargor hereby irrevocably nominates, constitutes and appoints the Chargee and each of its officers holding office from time to time as the true and lawful attorney of the Chargor with power of substitution in the name of the Chargor, exercisable at any time following the occurrence of an Event of Default which is continuing to do any and all such acts and things or execute and deliver all such agreements, documents and instruments as the Chargee reasonably considers necessary or desirable to carry out the provisions and purposes of this Debenture or to exercise any of its rights and remedies hereunder and the Chargor hereby ratifies and agrees to ratify all acts of any such attorney taken or done in accordance with this Section 4.13. Without in any way limiting the generality of the foregoing, the Chargee, following the occurrence of an Event of Default which is continuing, shall have the right to execute for and in the name of the Chargor all financing statements, financing change statements, conveyances, transfers, assignments, consents and other instruments as may be required for such purposes. This power of attorney is coupled with an interest and shall not be revoked or terminated by any act or thing other than the discharge of this Debenture in accordance with Section 4.3.

4.14 Acknowledgement by Chargor: The Chargor acknowledges receipt of a copy of this Debenture. Any financing statement or a copy of the statement confirming the registration of any financing statement that may be registered in connection with any Security Interests created under this Debenture shall describe the Secured Property as described herein.

4.15 Applicable Laws: This Debenture shall be governed in all respects by the laws of the Province of Ontario and the laws of Canada applicable therein and shall be treated in all respects as a Ontario contract save in respect of the security created, perfected and enforced pursuant hereto upon: (i) real property and personal property situate in any province or territory of Canada other than Ontario, and upon income therefrom, which shall be governed by the laws of the province or territory in which such property is situated, and (ii) personal property, to the extent that any laws of any other province or territory apply as a result of the application of conflict of laws rules.

4.16 Attornment: The Chargor submits to the non-exclusive jurisdiction of any court in the Province of Ontario in any action or proceeding arising out of or relating to this Debenture, and the Chargor irrevocably agrees that all claims in respect of any such action or proceeding may be heard and determined in any such court or in any other court of competent jurisdiction selected by the Chargee.

4.17 Electronic Execution: This Debenture may be executed electronically and in counterparts and by PDF or other form of electronic transmission reproducing an original, each of which will be deemed to be an original and which together will constitute one and the same Debenture.

[signature page follows]

IN WITNESS WHEREOF, the Chargor has duly executed this Debenture as of the date first written above.

ROTHMANS, BENSON & HEDGES INC.

Per: _____

Name:

Title:

I have the authority to bind the corporation.

SCHEDULE A
LEGAL DESCRIPTION

	Property	Nominee/Registered Title Holder	PIN	Legal Description	Land Registry/Titles Office
1.	1500 Don Mills Road, Toronto, Ontario	Rothmans, Benson & Hedges Inc.	10117-0637 (LT)	PART LOT 10, CON. 3, EYS (CITY OF NORTH YORK) DESIGNATED AS PARTS 1, 2, 3, 4, 5, 6, 7 & 8 ON PLAN 66R17662. SUBJECT TO TB981024, NY499108, NY765474, TB24553 & TB119624. CITY OF TORONTO	Toronto (No. 66)

SCHEDULE “12”

**ACKNOWLEDGMENT AND DIRECTION REGARDING MORTGAGE ON
RBH’S PROPERTY SITUATED AT 1500 DON MILLS ROAD**

ACKNOWLEDGEMENT AND DIRECTION

TO: All lawyers at Cassels Brock & Blackwell LLP and any of their designees

RE: Rothmans, Benson & Hedges Inc. (the “**Chargee**”) charge/mortgage in favour of **[NAME OF COLLATERAL AGENT]** (the “**Chargor**”) as collateral agent registered against title to the property municipally described as 1500 Don Mills Road, Toronto, Ontario

DATED: **[DATE]**

This will confirm that:

1. The undersigned has reviewed the information contained in the draft documents attached hereto and the information set out below, and confirms that this information is accurate.
2. You are authorized and directed to sign and register electronically on behalf of the Chargor the following documents which are attached hereto:

Charge/Mortgage of Land
Chargor: Rothmans, Benson & Hedges Inc.
Chargee: **[NAME OF COLLATERAL AGENT]**
Amount: **Thirty-Two Billion Five Hundred Million Dollars (\$32,500,000,000)**

as well as any other document(s) required to complete the transaction described above.
3. You are authorized to insert any information that may be required in the documents described in this Acknowledgement and Direction that may not be available to you at the time of execution of this Acknowledgement and Direction. Any material amendments must first be approved by the undersigned.
4. The effect of the electronic documents described in this Acknowledgement and Direction has been fully explained to the undersigned and the undersigned understands that it is a party to and bound by the terms and provisions of these electronic documents to the same extent as if the undersigned had signed these documents.
5. The undersigned is, in fact, the party named in the electronic documents described in this Acknowledgement and Direction and we have not misrepresented our identities to you.
6. In the event of any investigation by the Director of Land Registration appointed under subsection 6(1) of the *Registry Act* or subsection 9(1) of the *Land Titles Act* (the “**Director**”) regarding suspected fraudulent or unlawful activity or registration in connection with the document(s) attached to this Acknowledgement and Direction, the undersigned hereby consents to you releasing to the Director a true copy of this Acknowledgement and Direction, upon request by the Director.
7. This Acknowledgement & Direction may be executed electronically and in counterparts and all counterparts so executed will constitute one document binding on each of the undersigned effective on execution by all of them.

[SIGNATURE LINES ON NEXT PAGE]

DATED as of date first written above.

ROTHMANS, BENSON & HEDGES INC.

Per: _____

Name:

Title:

I have the authority to bind the corporation.

SCHEDULE “J”

REPORT OF DR. GLENN HARRISON

The Provincial and Territorial Present Value of Smoking Attributable Expenditures

EXECUTIVE SUMMARY

Glenn Harrison

March 14, 2024

I was asked in March 2020 to calculate the present value of the total expenditure by each Province and Territory for the health care benefits that have been provided, and that could reasonably be expected will be provided, for insured persons resulting from tobacco-related disease or the risk of tobacco-related disease. This report presents those calculations from March 2020. The methodology used reflects the full reports prepared for litigation in New Brunswick, British Columbia, Alberta and Ontario, extended consistently to all other Provinces and Territories.

My calculations apply the results of a statistical analysis of the fraction of public health expenditures that are attributable to smoking. The statistical analysis relies on public data collected for the Canadian Community Health Survey (“CCHS”) between 2000 and 2014. These data from the CCHS include information on the smoking history and intensity of Canadians, their utilization of hospital and physician services, and many other demographic characteristics.

My statistical analyses of data from the CCHS allow me to estimate the Smoking Attributable Fraction (“SAF”) for Hospital service expenditures and Physician expenditures. The SAF is expressed as a percentage of utilization and hence expenditures attributable to smoking. For Canada as whole I estimate the Hospital SAF between 2000 and 2014 to be 18.4%, with a 95% confidence interval between 16.4% and 20.5%. And for Canada as whole I estimate the Physician SAF between 2000 and 2014 to be 6.7%, with a 95% confidence interval between 6.1% and 7.3%. I calculate the SAF for each province and for the territories separately, to better reflect their smoking attributable expenditures. I use similar data from a precursor to the CCHS to calculate a Prescription Drugs SAF for Canada as a whole: the estimated SAF in this case is 13.2%, with a 95% confidence interval between 11.0% and 15.3%.

A critical feature of these SAF estimates is that in all cases the lower bound of the 95% confidence interval is well above zero. Hence I am able to say that there is statistically significant evidence that the SAE I calculate are positive. There is nothing in the statistical methods used here which “pre-ordained” this result: it is what the data says, in the context of the standard model and specification employed.

I collated the provincial and territorial expenditures for Hospital services, Physician services, Prescription Drugs, and Additional Health Care services, based on publicly available data between 1954/1955 and 2019/2020 from the Public Accounts of each province and

territory.

I then calculate the SAE for the provinces and territories between 1954/1955 and 2019/2020 by applying the SAF estimates to the appropriate public health expenditures. The SAE for this period, in expenditures during these years, was \$381.1 billion. The SAE from 2020/2021 to 2050/2051 for each province and territory is calculated as a statistical extrapolation of trends between 1954/1955 and 2019/2020.

My calculation then reflects the assumption that a legal breach occurred between January 4, 1954 and March 1, 1996. This implies that I restrict the calculation of SAE to the effects of smoking that occurred during this breach-exposure window. For this calculation I utilize the rich history of smoking reflected in the CCHS to infer the SAE within this time period attributable to smoking within the time period. I also calculate the future SAE *beyond* March 1, 1996 that is associated with nicotine dependence attributed to smoking *within* the breach period.

I then calculate the present value in 2020 dollars of these SAE. For past SAE between 1954/1955 and 2019/2020 I use historical Canadian borrowing rates, and for future SAE between 2020/2021 and 2050/2051 I assume that current interest rates in 2020 persist.

For each province and the territory, Figure ES-1 reports the cumulative SAE in present value 2020 dollars between 1954/1955 and 2049/2050, solely reflecting the effects of smoking from within the breach period. Monetary units are billions of dollars. Figure ES-2 reports the implied percent shares of cumulative SAE in present value 2020 dollars between 1954/1955 and 2049/2050, again solely reflecting the effects of smoking from within the breach period. Table ES-1 reports more numerical detail for the SAE and percent shares, which is of some significance for smaller provinces and all territories.

The aggregate quantum over all provinces and territories is calculated to be \$944.5 billion in present value 2020 dollars. This aggregate includes \$643.5 billion attributable to smoking and expenditures between January 4, 1954 and March 1, 1996: Figure ES-3 displays the shares for this pathway for the SAE. The aggregate also includes \$301.0 billion attributable to smoking and expenditures after March 1, 1996 that are due to nicotine dependence from smoking prior to 1996: Figure ES-4 displays the shares for this pathway for the SAE. The aggregate \$944.5 billion in Figure ES-1 and Table ES-1 is the sum of the \$643.5 billion in Figure ES-3 and the \$301.0 billion in Figure ES-4.

Detailed calculations for each province and territory are documented separately. This Executive Summary collates the results of those calculations for the purpose of allocation across provinces and territories.

Figure ES-1: Cumulative Smoking Attributable Expenditures in Present Value 2020 Dollars, by Province Between 1954/1955 and 2049/2050

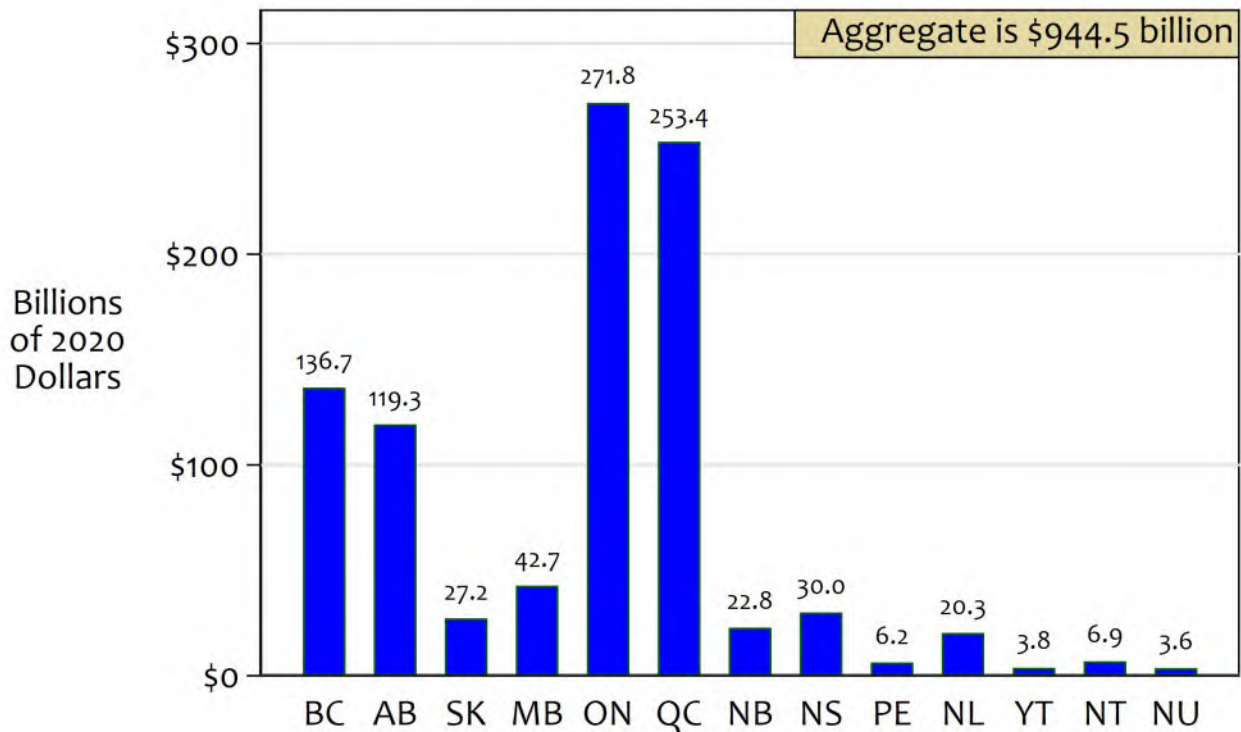


Figure ES-2: Percent Share of Cumulative Smoking Attributable Expenditures in Present Value 2020 Dollars, by Province Between 1954/55 and 2049/50

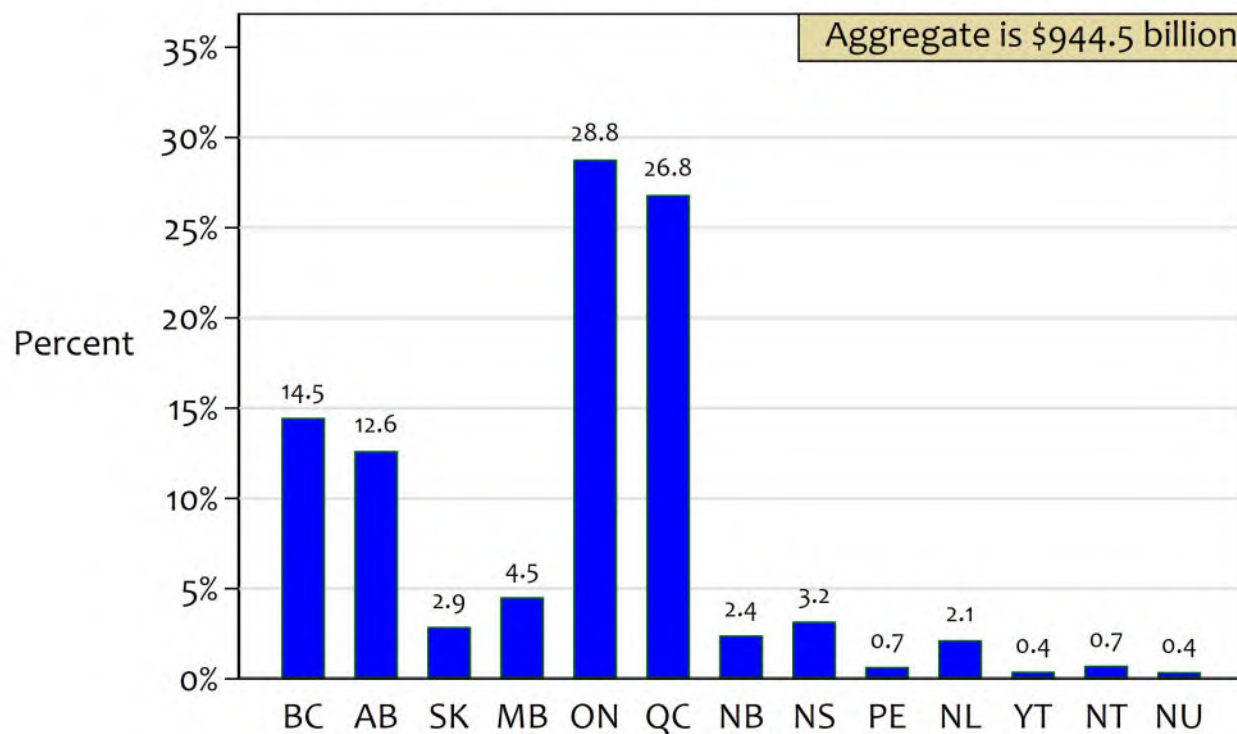


Table Es-1: Numerical Values for Apportionment Calculations

Province or Territory	Abbreviations	Quantum in \$ billions	Percent Share
British Columbia	BC	136.681	14.4710
Alberta	AB	119.266	12.6272
Saskatchewan	SK	27.190	2.8787
Manitoba	MB	42.741	4.5252
Ontario	ON	271.796	28.7761
Quebec	QC	253.365	26.8248
New Brunswick	NB	22.779	2.4117
Nova Scotia	NS	29.979	3.1740
Prince Edward Island	PE	6.239	0.6605
Newfoundland & Labrador	NL	20.280	2.1471
Yukon	YT	3.753	0.3973
Northwest Territories	NT	6.866	0.7269
Nunavut	NU	3.584	0.3795
NATIONAL		944.519	100.0000%

Note: these numbers correspond to those displayed and defined formally in Figure ES-1 and Figure ES-2.

Figure ES-3: Percent Share of Cumulative Smoking Attributable Expenditures in Present Value 2020 Dollars, by Province Between 1954/55 and 2049/50

Attributable to smoking between January 4, 1954 and March 1, 1996
Using Baseline projection of future expenditures

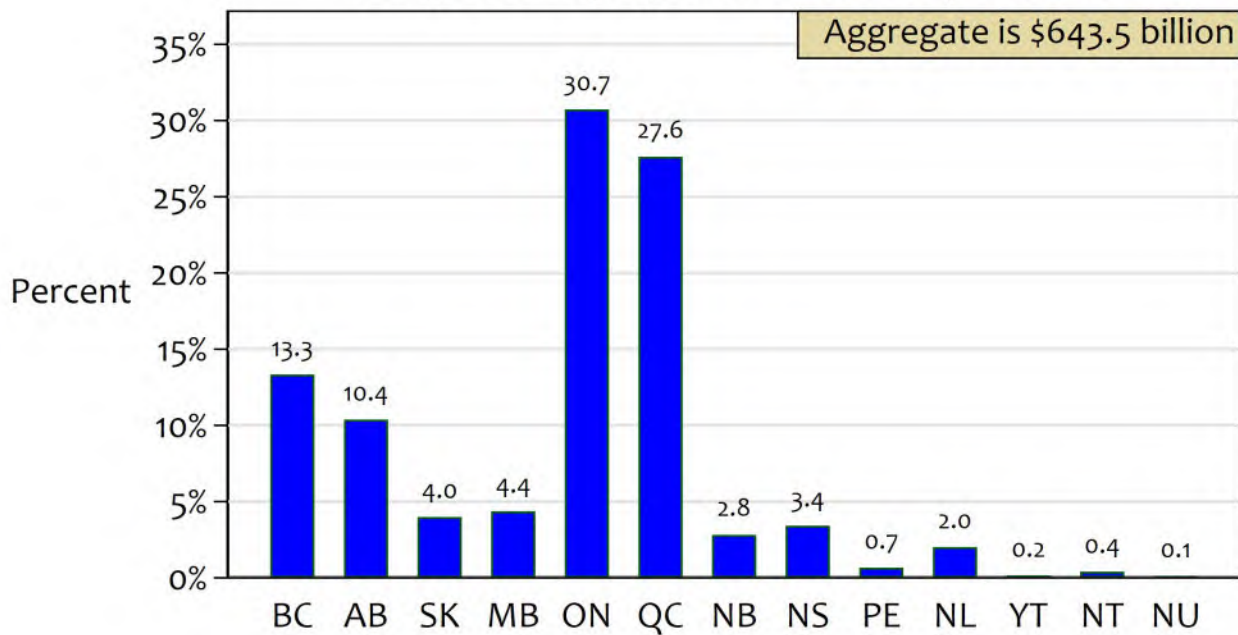
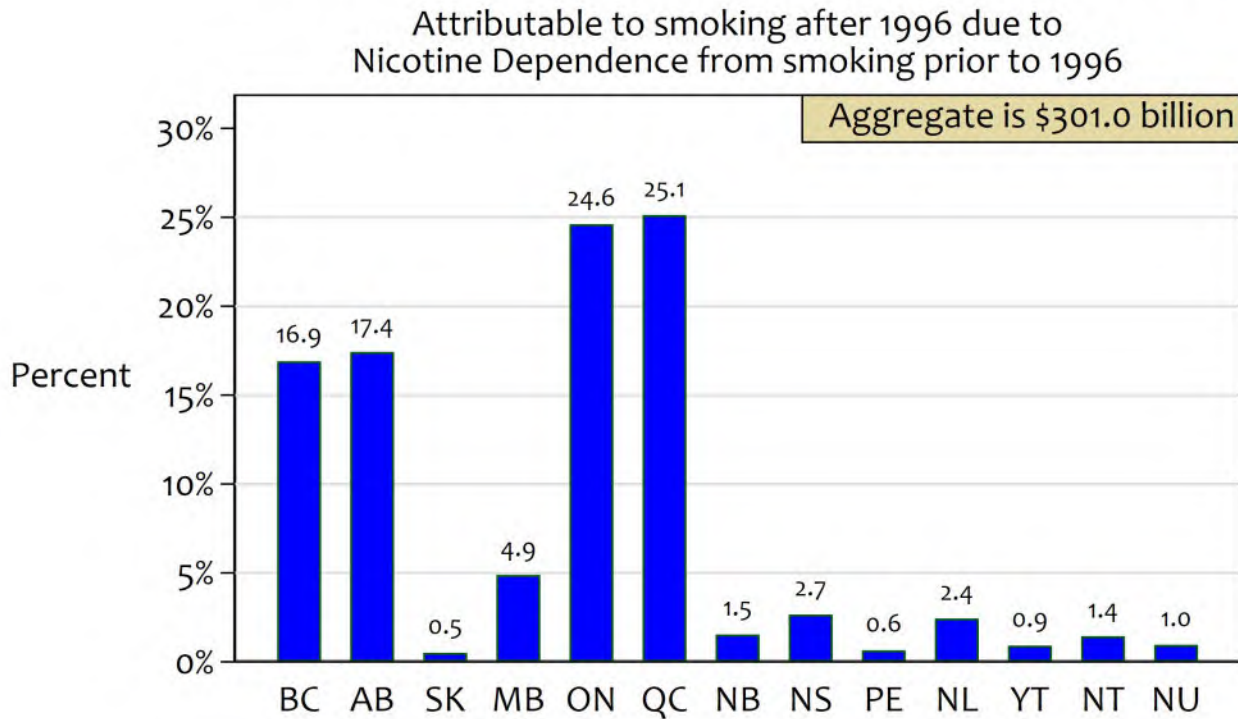


Figure ES-4: Percent Share of Cumulative Smoking Attributable Expenditures in Present Value 2020 Dollars, by Province Between 1997/98 and 2049/50



The Provincial and Territorial Present Value of Smoking Attributable Expenditures

DETAILED CALCULATIONS

Glenn Harrison

I was asked in March 2020 to calculate the present value of the total expenditure by each Province and Territory for the health care benefits that have been provided, and that could reasonably be expected will be provided, for insured persons resulting from tobacco-related disease or the risk of tobacco-related disease. This report presents those calculations from March 2020. The methodology used reflects the full reports prepared for litigation in New Brunswick, British Columbia, Alberta and Ontario, extended consistently to all other Provinces and Territories.

I am the University Distinguished Professor and the C.V. Starr Chair of Risk Management and Insurance in the Maurice R. Greenberg School of Risk Sciences, Robinson College of Business Administration, Georgia State University. I am also Director of the Center for the Economic Analysis of Risk, located at Georgia State University. I completed my undergraduate education (B.Ec.(Hons.) and M.Ec) at Monash University in Australia in 1978 and the Ph.D. in Economics at UCLA in 1982. I have held teaching appointments at the University of Western Ontario, University of Arizona, University of Melbourne, Stockholm School of Economics, University of Stockholm, University of New Mexico, the University of South Carolina, and the University of Central Florida. I have published over 200 articles in academic journals and volumes, including *Econometrica*, *Journal of Political Economy*, *American Economic Review*, *Journal of Law & Economics*, *the Economic Journal*, *the Rand Journal of Economics*, *Journal of the American Statistical Association*, *International Economic Review*, *the Scandinavian Journal of Economics*, *International Journal of Game Theory*, *Experimental Economics*, *Review of Economics & Statistics*, *American Journal of Public Health*, *Journal of Development Economics*, *World Bank Economic Review*, *Economics & Philosophy* and *Journal of Environmental Economics & Management*. I have been an Associate Editor of the *Journal of Environmental Economics and Management*, the *Journal of Regional Science*, and *Economics Letters*. I have also been a consultant for numerous government agencies and private bodies. These include the Reserve Bank of Australia, the California Energy Commission, the Atlantic Richfield Company, the World Bank (research into trade liberalization options for developing countries, as well as the global effects of the Uruguay Round), the Office of the U.S. Trade Representative (research into the global effects of agricultural trade wars, and quantitative assessment of negotiation options), Sandia National Laboratory, the American Petroleum Institute (a critical review of natural resource damage assessment procedures), the National Commission for Employment Policy (evaluating the employment effects of regulatory policy), the Swedish government (examining carbon tax proposals to reduce global warming), the United States Environmental Protection Agency (evaluating carbon tax proposals), the Danish

government (evaluating tax and deregulation policies), and I have provided expert opinion reports in legal cases, including reports on the health care costs of cigarette smoking in the litigation between the Attorney-Generals of a number of U.S states and tobacco companies. I am also currently retained by several Provinces in Canada as an expert witness in on-going tobacco litigation.

My academic and testifying experience in the Medicaid tobacco litigation in the United States led to peer-reviewed academic publications in the *American Journal of Public Health* and the *Journal of Forensic Accounting* describing the calculations and the methodologies employed. I was also involved in an academic study of the costs of smoking in Newfoundland, which was published in the peer-reviewed academic journal *Canadian Public Policy*. This article also received the 2003 John Vanderkamp Prize for the best article published that year in the journal.

My full Curriculum Vitae is available at <http://cear.gsu.edu/profile/glenn-harrison/>. Two popular, summary measures of the productivity and scholarly impact of research are the h index and the i10 index. According to *Google Scholar*, my scholarly publications have received 29,901 citations, generating a h index of 80 and an i10 index of 210. According to *Research.com*, I have am ranked #229 in the world in the field of Economics and Finance.

The calculations presented here use methodologies for calculating smoking-attributable health care expenditures that have appeared in peer-reviewed academic publications and been accepted for testimony in many courts in the United States.

The overall statistical methodology I used here is described in peer-reviewed academic articles that I have co-authored in the *American Journal of Public Health* in 2002, the *Journal of Forensic Accounting* in 2001, and *Canadian Public Policy* in 2003. These publications provide extensive discussion of the larger literature on the calculation of smoking-attributable health care expenditures from smoking in the United States and Canada.

I have reviewed the relevant statute governing this litigation in each province. All have similar provisions with respect to the quantum that can be recovered. To take one specific example, I reviewed the *Tobacco Damages and Health Care Costs Recovery Act* of the Province of New Brunswick, proclaimed on March 7, 2008, and it allows for recovery of the present value of the total expenditures for health care services, payments and other expenditures by the provinces resulting from tobacco-related disease. Disease is defined in the Act to include “general deterioration of health.”

My calculations follows the logic employed in the full reports prepared for litigation in New Brunswick, British Columbia, Alberta and Ontario. Accordingly, the calculations are undertaken in line with the following directions:

1. The analyses are limited to health care expenditures caused by smoking cigarettes.
2. Only using data available to the public, such as the Canadian Community Health Survey (“CCHS”) between 2000 and 2014 and the National Population Health Survey (“NPHS”) between 1994 and 1998.
3. Calculate the Smoking Attributable Fraction (“SAF”) for each of the following expenditures in each province and territory, based on data from the CCHS and NPHS and accepted, peer-reviewed statistical models:
 - a. Hospital service expenditures;
 - b. Physician expenditures;
 - c. Prescription drugs program; and
 - d. Additional health care services expenditures.

To the extent possible, mental health services expenditures should be excluded.
4. Calculate the provincial and territorial expenditures for Hospital services, Physician services, Prescription Drugs, and Additional Health Care services, based on the publicly available data between 1954 and 2019 from the Public Accounts of each province and territory.
5. Assume that January 4, 1954, the date of publication of “A Frank Statement to Cigarette Smokers,” is the date of the commencement of the legal breach.
6. Assume that March 1, 1996 is the date of the end of the legal breach.
7. Calculate the Smoking Attributable Expenditures (“SAE”) for each province and territory from 1954 to 2019.
8. Calculate the SAE from 2020 to 2050 for each province and territory as a statistical extrapolation of trends between 1954 and 2019.
9. Calculate the future SAE relating to nicotine dependence attributed to smoking within the breach period.
10. Calculate the present value in 2020 dollars of past (1954-2019) SAE using historical Canadian borrowing rates.
11. Calculate the present value in 2020 dollars of future (2020-2050) SAE, assuming that current interest rates persist.

Direction #3 means that I cannot use information obtained directly from provinces, such as Management Information Systems of provincial Health ministries, which would have been documented as part of the litigation. Direction #4 means that I cannot use information obtained directly from provinces to allow more refined allocations of total health care expenditures to the four identified components. In my judgement these limitations are unlikely to have a significant effect on the final apportionment calculation.

Access to public Legislative Libraries, which house the full set of Public Accounts documents, was constrained because of the coronavirus pandemic. The minor gaps that remain are, in my judgement, not significant for the final apportionment calculation.

The results of detailed calculations for each province and territory are logically

identical, and displayed later in this reports. Each result for each province and territory uses the same numbering of figures to allow me to describe the calculations for each step, as the reader examines specific results for any province or territory. Hence, when I refer to **Figure 1** below, I am referring to the **Figure 1** for each specific province or territory (e.g, page 46 for Alberta, page 54 for British Columbia, and so on). **Figure 9** through **Figure 16** are collected at the end, since they span all provinces and territories. The PDF version of this report has “navigation tabs” to the left to quickly access those specific results.

I. Health Care Expenditures Attributable to Smoking Cigarettes

The first step in the calculation is to collate public health expenditures for each province or territory between 1954 and 2019.¹ These are displayed in **Figure 1**, and Attachment A documents the sources of these data. The most striking feature is the rapid growth in expenditures starting in the 1980s, and generally sustained to the present.

When considering the plausibility of the resulting SAE, it is important to note the scale of the public health expenditures over the past 66 years, since the SAE is some fraction of those expenditures. In FY2019 alone, public health expenditures over all provinces and territories totaled \$143.8 billion in historical dollars. Between 1954 and 2020, public health expenditures totaled \$2,773 billion in historical dollars. In present value 2020 dollars, using interest rates described later, these amounts were \$150.6 billion and \$6,556 billion, respectively.

The data shown in Figure 1 come from the Public Accounts (PA) of each province or territory. In most cases I was able to obtain the PA for each year shown. To the extent possible, mental health expenditures have been removed. The “extent possible” here refers to variations across provinces, and over time within provinces, as to how mental health is recorded in the PA. There are also some understandable limitations in the detail provided in different PA: sometimes “community services” refers to mental health programs, and sometimes to included health services. And when specific hospitals are listed it is sometimes not possible to ascertain, without local historical knowledge, if it was primarily used for mental health or not. When in doubt, as in the litigation calculations, I made the conservative call and excluded an item.

Capital expenditures are generally included, again to the “extent possible.” Sometimes a capital expenditure on a health facility is not recorded in the PA for the

¹ Unless otherwise noted, all references to a year are to the fiscal year, which is typically between April 1 of the preceding calendar year and March 31 of the calendar year. Hence FY 2000 refers to April 1, 1999 through March 31, 2000. When I come to “breach period” calculations the expenditures from fiscal years are apportioned exactly to the relevant calendar dates.

provincial Department of Health. And occasionally it is not obvious from the PA which expenditure category a capital expenditure should fall under: in some rural areas, for example, equipment purchases might be for a regional hospital facility or for a physicians clinic. Again, when in doubt, and anticipating the differences in SAF values for the categories, I made the conservative call when assigning expenditures to a specific category.

The decomposition of health expenditures across the four categories is displayed in **Figure 2**, using historical dollars. Clearly Hospital expenditures is the lion's share, with Physician expenditures a clear second. Prescription Drugs has become more important in recent years, as provincial and territorial health programs have expanded their coverage. Considerable effort was expended on identifying the correct allocation of expenditures to these categories, anticipating differences in the SAF for each category discussed below.

II. The Smoking Attributable Fraction (SAF)

Using CCHS data between 2000 and 2014, I estimated the SAF for Hospitals for each province and territory. The results are shown in **Figure 3**, which displays the “point estimate” and 95% confidence interval. The general methodology for estimation here follows two peer-reviewed publications of mine:

- “Evaluating the Tobacco Settlement: Are the Damages Awards Too Much or Not Enough?” (with Maribeth Collier and Melayne Morgan McInnes), *American Journal of Public Health*, 92(6), June 2002, 984-989.
- “Cigarette Smoking and the Cost of Hospital and Physician Care” (with James Feehan, Alison C. Edwards, and Jorge Segovia), *Canadian Public Policy*, 29(1), March 2003, 1-19.

The former study is published in the premier public health journal in the world, and the latter study is an extended application to data from a specific Canadian province. Attachment D provides an introduction to the calculation and interpretation of the SAF.

A critical feature of these SAF estimates, for statistical and litigation reasons, is that in all cases the lower bound of the 95% confidence interval is well above zero. Hence I am able to say that there is statistically significant evidence that the SAE I calculate for Hospital services is indeed positive. It is important to stress that there is nothing in the statistical methods used here which “pre-ordained” this result: it is what the data says, in the context of the standard model and specification employed.

The SAF for Hospitals uses rich information in the CCHS on the smoking characteristics of individuals as well as their *self-reported* utilization of hospitals, measured by the number of nights spent in hospital in the past year. Attachment C documents the

CCHS data. Research undertaken for the New Brunswick and British Columbia litigation, conducted in Research Data Centers of *Statistics Canada* because of the confidential nature of the data, validated these estimates for those provinces against *actual, administrative data* on hospitalizations. Moreover, I estimated a SAF for Hospitals using “resource intensity weights,” which measure relative costs of visits rather than just the number of nights, and again validated the SAFs from the CCHS reported in Figure 3.

The SAF estimates across provinces reflect a host of characteristics of the population and provincial policy. First and foremost they reflect the smoking prevalence levels across provinces, as well as the time period of the CCHS data in terms of more recent, lower levels of smoking prevalence. The populations of some provinces simply smoke more than others. In particular, the smoking prevalence in all of the territories is extremely high, which accounts in part for their high SAF.²

A secondary factor, also of some significance for the SAF across provinces, can be called the “efficiency of the health system in delivering hospital care.” These efficiencies might be due to avoiding expensive rural hospitals, and having intensive care more centralized geographically. They might also be due to not having to pay for transportation to a province for many health services: a striking characteristic of the costs of health care in all of the territories. In sum, provinces that have been more efficient in the provision of health care would tend to have a lower SAF, *ceteris paribus* other factors. The figure on the next page illustrates these differences across provinces, based on *Statistics Canada* tabulations. Comparable values for hospital expenditures per capita for territories are literally “off the charts” by comparison.

Using the CCHS data between 2000 and 2014, I also estimated the SAF for Physician services for each province and territory. The results are shown in **Figure 4**, which again displays the “point estimate” and 95% confidence interval. In this case the CCHS survey specifically asks for self-reports of the number of visits³ in the past year with a family doctor, general practitioner, or any other medical doctor.

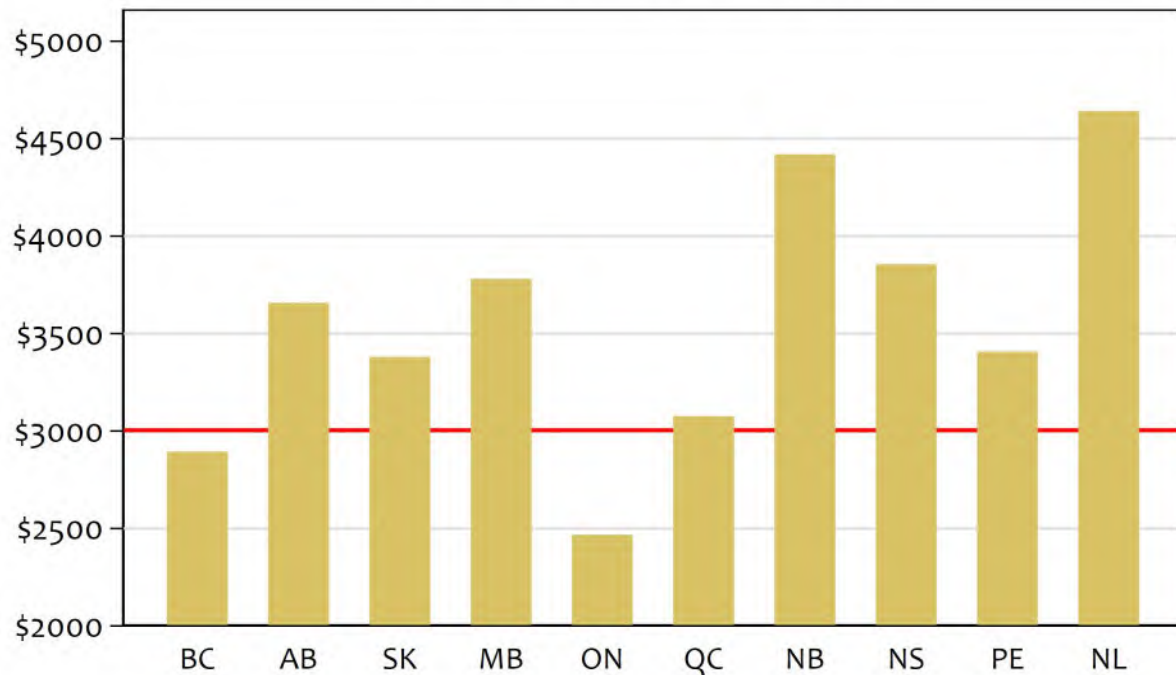
Again, a critical feature of these SAF estimates, for statistical and litigation reasons, is that in all cases the lower bound of the 95% confidence interval is well above zero. Hence I am able to say that there is statistically significant evidence that the SAE I calculate is indeed positive with respect to Physician expenditures.

² The SAF for each of the territories is in fact a SAF for all territories combined. The small sample sizes in the CCHS for each territory did not support estimation at the level of each territory on statistical grounds.

³ Or phone consultations.

Per Capita Expenditures on Hospital Services in 2017

Horizontal red line is Canadian average
Source: *Statistics Canada* tabulations



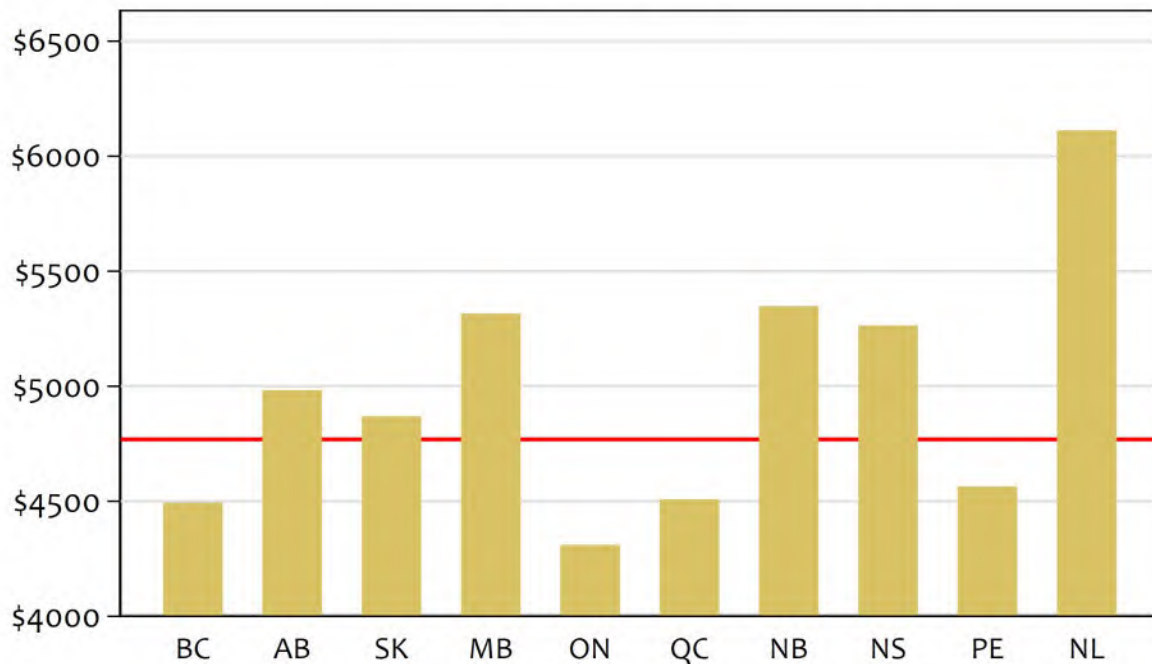
In general the SAF for Physician services is lower than the SAF for Hospital services. This is why it is important to spend time carefully allocating health expenditures to these categories, and a considerable amount of time was spent on this dimension of the calculations.

Again, research undertaken for the New Brunswick and British Columbia litigation, conducted in Research Data Centers of *Statistics Canada* because of the confidential nature of the data, validated these estimates for those provinces against *actual, administrative data* on the number of visits to physicians and other medical personnel. Moreover, I estimated a SAF for Physicians using dollar payments, which measure relative costs of visits rather than just the number of visits, and again validated the SAFs from the CCHS reported in Figure 4.

There is no tabulation by *Statistics Canada* of differences in Physician, or even non-Hospital, expenditures per capita across provinces. But the figure shown below shows that health expenditures as a whole also display significant disparities across provinces.

Per Capita Health Care Expenditures in 2017

Horizontal red line is Canadian average
Source: Statistics Canada tabulations



The calculations then show the effects, in **Figure 5**, of adjustments for higher smoking prevalence prior to 2000, and the effect of restricting the calculations to the breach-exposure window. In Figure 5 the vertical red line shows the end-breach date.⁴ Attachment E explains the determination of the quantum breach period 1983-2023. Each of these adjustments and restrictions are now explained in detail.

First, the SAF for Hospitals from the CCHS, reflecting smoking prevalence between 2000 and 2014, can be extended to years before 2000 to reflect well-known evidence of significantly higher smoking prevalence in earlier years. Public data on smoking prevalence in Canada for years prior to 2000 is used to infer the SAF for earlier years, exploiting the fact that the statistical model of the SAF identifies the role played by smoking prevalence and allows one to apply counter-factual values for prevalence in a rigorous manner. The solid black line in **Figure 5** illustrates the effect of this adjustment for historical smoking prevalence, with higher SAF values for earlier years consistent with “Mad Men” experience

⁴ In Figure 5 this date is literally January 1, 1996, for illustrative purposes. The actual calculations of the Breach SAE account for the end-breach date being March 1, 1996.

of heavy, general smoking in the 1950s and 1960s. For years beyond 2000 I assume the same prevalence levels; allowing for plausible trend reductions in prevalence would not make a significant difference to the final apportionment.

Second, I recognize that the legal breach is assumed to be defined between February 4, 1954 and March 1, 1996. The solid black line in Figure 5 reflects the assumption that defendants are responsible for all smoking, whether it occurred within the breach period or not. I refer to the solid black line as the Global SAF, to convey the sense that it reflects the effects of all smoking, and not just smoking within the breach period. The Global SAF, and by implication the Global SAE, has a well-defined role in the quantum calculations for litigation, consistent with the statutes promulgated in each province to define the scope of the litigation. But for present purposes I focus on the Breach Exposure SAF and Breach Exposure SAE. Hence the dashed black line in Figure 5 shows the SAF attributable to smoking that occurred within the breach period, and not to all smoking.

The Breach Exposure SAF reflects several calculations. Intuitively, the dashed Breach Exposure SAF line slowly rises from 0% in 1954 to the level of the Global SAF, around 1990, because smokers who began smoking after 1954 constitute a larger and larger fraction of all smokers. If smokers begin smoking in 1954 at 20, say, then in 1984 a (current or former) smoker that is 50 years old would have experienced about 30 years of smoking history; in 1994 about 40 years of smoking history, and so on.⁵ By 1994 we have picked up most of the smoking history after 1954 that drives the Global SAF, but it does take some decades to get to that point. On the other side of the breach window, after March 1, 1996, we pick up the effects of former smokers. I zero out any effects on expenditures, after March 1, 1996, of current smokers, since their current smoking is after the end-breach date. But I know from the CCHS data, as well as extensive medical evidence, that there are latent effects of smoking for some years after someone quits. So that effect of smoking is what is being picked up by the dashed Breach Exposure SAF after 1996, and which trails off to zero after some decades.

The extent to which the Breach Exposure SAF falls below the Global SAF reflects smoking behavior that is specific to each province or territory. Prior to 1996 it reflects the ages at which smokers in those regions started smoking, and whether or not, and how soon, they became former smokers rather than current smokers. After 1996 it reflects the number of years earlier that former smokers had stopped smoking.

The same logic can be used to infer a Global SAF for Physicians that reflect historical smoking prevalence as well as the effect of smoking during the breach period. **Figure 6**

⁵ The CCHS data provide information on the starting age of smoking for each respondent with a smoking history, and it is generally younger than age 20.

shows the Global SAF and Breach Exposure SAF for Physicians in each province or territory.

The **SAF for Prescription Drugs** is based on survey responses in the NPHS, which was a precursor to the CCHS and asked virtually the same questions about smoking history. The survey responses refer to the number of different drugs taken in the past two days, so is a utilization SAF.⁶ There are no questions in the CCHS on Prescription Drug use, or any medical drug use. The survey data in the NPHS refers to 1994, 1996 and 1998, with the majority of respondents from 1996. The sample sizes for each province are not sufficient to reliably estimate a Drugs SAF at that level, so I use a national Drugs SAF. The estimated SAF is 13.2%, with a 95% confidence interval between 11.0% and 15.3%. Again, the fact that the lower bound of the 95% confidence interval is greater than zero informs us that the SAE associated with Prescription Drug expenditures is statistically significantly positive.

These estimates, for 1994 through 1998, are adjusted to reflect different levels of smoking prevalence back to 1954 and forward to 2014, in the same manner as the adjustments to the CCHS-based Hospital and Physician SAF estimates. The historical Drugs SAF ranges between 16.5% in the 1950s to 12.5% in 2014.

This SAF can be validated in two ways. First, a Drugs SAF can be estimated for the United States, which obviously has a very different health system than Canada. The Medical Expenditure Panel Survey (MEPS) has data comparable to the data used from CCHS, but with the benefit of including expenditures for prescription drugs.⁷ Using data from the MEPS between 1996 and 2008, the estimated Drugs SAF is 5.9% with a 95% confidence interval between 4.3% and 7.4%. Second, research undertaken for the New Brunswick and British Columbia litigation, conducted in Research Data Centers of *Statistics Canada* because of the confidential nature of the data, validated these estimates for those provinces against *actual, administrative data* on provincial payments for prescription drugs.⁸ In New Brunswick, for example, the Prescription Drugs SAF using actual payments by the province exceeded 20%, with the preferred estimate being 21.0% with a 95% confidence interval between 13.7% and 28.2%.

A SAF for “Other” health care expenditures has been obtained from CCHS responses

⁶ The precise question is, “In the last two days, how many different medications did you take?” This comes in the survey after a long series of specific questions about things such as diet pills, birth control pills, laxatives, and so on. Hence it is not limited to prescription drugs.

⁷ A distinction between expenditures and charges is of great importance in the United States. Charges are the phony price that health care providers list on bills, and expenditures are what the patient actually pays. All of the major health insurance schemes in the United States, which span private and public schemes, negotiate their own prices in relation to the phony price. Hence the SAF defined over expenditures reflects those negotiated prices.

⁸ It was also possible to filter out drugs that were for the treatment of mental health diagnoses.

to questions about the number of consultations with certain health professionals other than medical doctors. Specifically, for most survey years,⁹ questions were asked about the number of consultations, defined as a visit or phone conversation, in the past year with a nurse, a chiropractor, a physiotherapist, or a speech, audiology or occupational therapist. I exclude consultations with psychologists, social workers, or counselors.

The “Other” SAF estimate for Canada is 2.1%, with a 95% confidence interval between 0.8% and 3.4%. In the time available it was not possible to estimate this SAF at the level of the province or territory.¹⁰ Nor was there time to adjust it for higher smoking prevalence in years before 2000, resulting in the use of a conservative “Other” SAF for the breach period.

The Breach Exposure SAF correctly reflects the medical and physiological fact that even if all cigarettes vanished from Canada tomorrow, there would still be former smokers clinically presenting for Hospital and/or Physician services tomorrow, the day after that, and likely for some years into the future. With the rich data in the CCHS on smoking history, I can put some numerical values to these facts, as shown in Figures 5 and 6 after 1996.

III. Smoking Attributable Expenditures (SAE)

In order to infer the SAE after 1996, I need to know health care expenditures after 1996. Since 1996 is such an early year for an end-breach calculation, I have the benefit of having observed actual health expenditures between 1997 and 2019, and hence the Global SAE associated with those health care expenditures. Beyond 2019 I extrapolate based on a simple statistical model of trends prior to 2019. This extrapolation is illustrated in **Figure 7** for each province or territory.

The solid dots in Figure 7 reflect actual, observed data on SAE. The vertical dashed line shows the point at which future extrapolation starts. The solid line, running “more or less” through the actual, observed data prior to 2020, and extending beyond 2020, is the prediction of the statistical model used for extrapolating beyond 2020. The “more or less” here is the usual statistical sampling error, but one can see that the trend is easy to predict and the sampling error is small (by comparison to many other macroeconomic variables).

This Baseline Projection just assumes that there is no reason to expect the recent historical trend to suddenly drop to zero. Having said that, an alternative, dramatically

⁹ These questions were not asked in survey years 2011, 2012 and 2013.

¹⁰ Coverage by provincial health care schemes varies, in ways that could in principle be accounted for. For example, the services of chiropractors was covered in Ontario until 2004, but not after that; they are covered up to a certain number of visits in Alberta; and have never been covered in New Brunswick. And many provinces cover certain health care services for the elderly or very poor, but not for the general population.

conservative, assumption is that the SAE “flatlines” after 2019, at the 2019 levels. In the end, I show that this Flatline Projection generates comparable aggregate SAE and apportionment shares.

I now have all of the ingredients to calculate the Breach Exposure SAE, displayed in **Figure 8**. The solid line shows the SAE using the Global SAF, with the cumulative SAE value shown in the box in the top left corner. The dashed line shows the Breach Exposure SAE using the Breach Exposure SAF, again with the cumulative Breach Exposure SAE value shown in the box in the top left corner.

IV. Present Value of Health Care Cost Expenditures

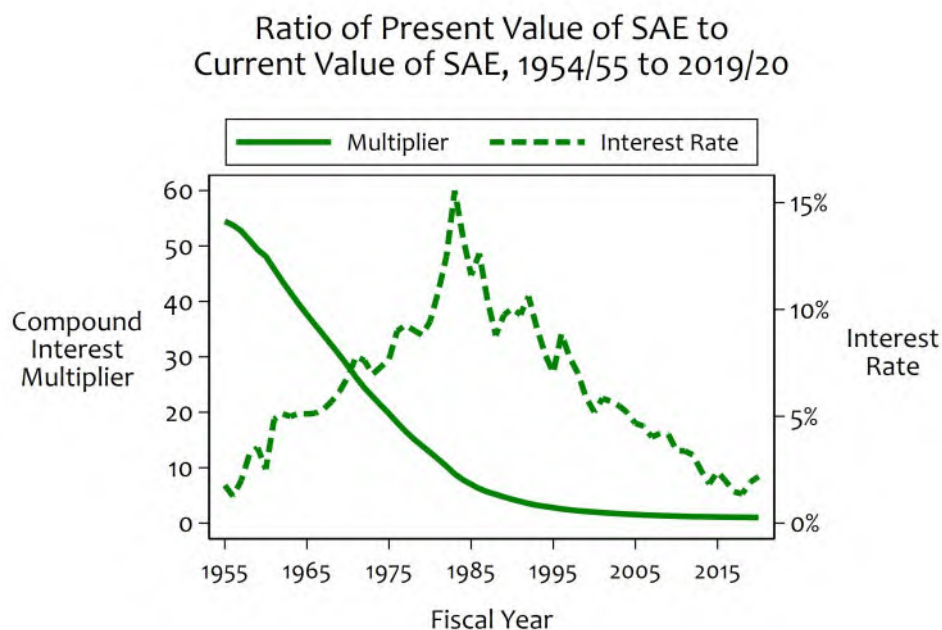
Each of these SAE are presented and displayed in nominal or historical dollars, and must be converted into present value 2020 dollars. To undertake this conversion Canadian interest rates, reflecting longer-term borrowing, were used. Attachment B documents the source of these interest rates, which were obtained from the International Monetary Fund and the OECD. The figure below shows these interest rates over the 1954 to 2020 period (using the vertical axis on the right for the values of the interest rate). The relatively high interest rates of the 1970s, 1980s and 1990s is clearly displayed, and take on some importance when recalling the significant growth in public health expenditures during the 1980s and 1990s (see **Figure 1**).

Given these interest rates, I can calculate the implied Compound Interest Multiplier¹¹ that is used to convert historical dollars to present value 2020 dollars. By definition this multiplier is 1 for current 2020 dollars, and larger than 1 for historical dollars for previous years. The figure below shows that the multiplier is very large for historical dollars as far back as 1954, as one would expect.

When discounting future dollars, between 2021 and 2050, back to 2020 dollars, the multiplier is less than 1. I assume that existing borrowing rates in 2020 persist into the future, and calculate the discount factor accordingly.

The final line in the box in the top left corner of **Figure 9** shows the cumulative Breach Exposure SEA in present value 2020 dollars, applying these multipliers.

¹¹ Also generally called a Discount Factor in economics and finance.



It is possible to collate the cumulative Breach Exposure SAE in present 2020 dollars across all provinces and territories, and this is what **Figure 9** does. The totals for each province or territory are displayed above the appropriate bar, and are the same values listed numerically in **Figure 8**. The aggregate cumulative Breach Exposure SAE, across all provinces and territories, is displayed in the top right corner. This national total is \$643.5 billion.

Converting the Breach Exposure SAE in Figure 9 into shares is a simple matter, but obviously central to the goal of apportionment across provinces and territories. This is what **Figure 10** does, again with the percent share displayed above the appropriate bar.

The significant growth in future Global SAE displayed in Figure 8 could give the impression that the statistical extrapolation behind it, documented in Figure 7, might be driving the Breach Exposure SAE. In fact, it is not. The Breach Exposure SAF for Hospitals declines sharply after the end-breach date: see Figure 5. Similarly, the Breach Exposure SAF for Physicians declines steadily after the end-breach date: see Figure 6. The combination of these declines leads to a persistent decline in the Breach Exposure SAE after the end-breach date: compare the dashed Breach Exposure line in Figure 8 with the solid Global SAE line in Figure 8. Thus the growth in Global SAE is largely offset by the reduction in the fraction of the SAE that is attributable to the breach period exposure. Moreover, the Compound Interest Multiplier is below 1 after 2020, by definition, and declining further with every extra year into the future.

A direct way to see this logic is to assume that there is no growth whatsoever in

public health expenditures after 2020, hence no growth in the Global SAE after 2020. In Figure 7 this would mean that the solid line after 2020 is horizontal, rather than steadily increasing. Working through all of the calculations with this Flatline Projection generates the apportionment and aggregate Breach Exposure SAE shown in **Figure 11**. The aggregate Breach Exposure SAE is \$638.6 billion over all provinces and territories, which is just slightly smaller than the \$643.5 billion for the Baseline Projection (from Figures 9 and 10).

V. Nicotine Dependence

An additional source of SAE attributable to breach exposure between January 4, 1954 and March 1, 1996 derives from the effect that the exposure has by making individuals nicotine dependent. This is a well-studied effect of exposure to cigarettes. There are also good data on the connection between the characterization of someone being nicotine dependent and the number of years since the onset of smoking. **Figure 12** displays the best-available, recent data on this dependence, using methods employed by me in “Behavioral Responses to Surveys About Nicotine Dependence,” *Health Economics*, 26, 2017, 114-123. The long-term dependence illustrated here is not surprising, given the knowledge of the effects of nicotine.

The formal definition of nicotine dependence only applies if someone is a current daily smoker, so the SAF applicable in this case is the one appropriate for that sub-sample of smokers, and they are only a fraction of all smokers. Hence the implied SAF is much lower than the regular SAF for all smokers.¹² But, as Figure 12 shows, the longevity of dependence means that this can be a significant pathway to future SAE from past breach exposure.

The cumulative Breach Exposure SAE from nicotine dependence is collated for each province and territory in **Figure 13** and **Figure 14**. A major reason for some provinces or territories to have larger or smaller shares in this instance is the relative growth the Global SAE in recent years (recall Figure 7). If a province had a slower growth rate of public health care expenditures than another province in recent years, this would mean that their projected future SAE would be smaller, all else being equal.

¹² For Saskatchewan the implied SAF for Hospitals by current daily smokers was +1.8%, with a 95% confidence interval between -2.7% and +6.3%. So this SAF was conservatively set to zero for these calculations.

VI. The Aggregate Quantum

Figure 15 and **Figure 16** add together the two pathways to Breach Exposure SAE:

- the Breach Exposure SAE attributable to smoking between January 4, 1954 and March 1, 1996 (Figures 9 and 10); and
- the Breach Exposure SAE attributable to smoking after 1996 by current smokers who became nicotine dependent because of the breach exposure between January 4, 1954 and March 1, 1996 (Figures 13 and 14).

The aggregate quantum over all provinces and territories is calculated to be \$944.5 billion in present value 2020 dollars. This aggregate includes \$643.5 billion attributable to smoking and expenditures between January 4, 1954 and March 1, 1996: Figure 10 displays the shares for this pathway for the SAE. The aggregate also includes \$301.0 billion attributable to smoking and expenditures after March 1, 1996 that are due to nicotine dependence from smoking prior to 1996: Figure 14 displays the shares for this pathway for the SAE. The aggregate \$944.5 billion is the sum of \$643.5 billion and \$301.0 billion. Figure 15 displays the aggregate SAE for each province and territory, and Figure 16 the implied percent shares.

Only one decimal point is used in the displays in Figures 15 and 16, and with such large amounts of money the decimals can matter, particularly for smaller provinces and the territories. Hence **Table 1** below displays these values numerically with more precision.

Finally, to get some perspective it is worth returning to the totals for 2019 and 1954-2020 from Figure 1, over all provinces and territories, and comparing these to the SAE. For simplicity, just focus on the historical health care expenditures and the Global SAE. Recall that for 2019 total expenditures were \$143.8 billion in historical dollars and \$150.6 billion in 2020 dollars. The corresponding Global SAE were \$18.5 billion and \$19.2 billion, respectively, for an implied overall SAF of 12.9% and 12.9%. And for the 1954-2020 period total expenditures were \$2,773 billion in historical dollars and \$6,556 billion in 2020 dollars. The corresponding Global SAE were \$381.1 billion and \$958.2 billion, respectively, for an implied overall SAF of 13.7% and 14.6%.

Table 1: Numerical Values for Apportionment Calculations

Province or Territory	Abbreviation	Quantum in \$ billions	Percent Share
British Columbia	BC	136.681	14.4710
Alberta	AB	119.266	12.6272
Saskatchewan	SK	27.190	2.8787
Manitoba	MB	42.741	4.5252
Ontario	ON	271.796	28.7761
Quebec	QC	253.365	26.8248
New Brunswick	NB	22.779	2.4117
Nova Scotia	NS	29.979	3.1740
Prince Edward Island	PE	6.239	0.6605
Newfoundland & Labrador	NL	20.280	2.1471
Yukon	YT	3.753	0.3973
Northwest Territories	NT	6.866	0.7269
Nunavut	NU	3.584	0.3795
NATIONAL		944.519	100.0000%

Note: these numbers correspond to those displayed and defined formally in Figure 15 and Figure 16.

Attachment A: Documentation of Expenditures Data

All data reflect public information and can be found online or in the respective provincial legislative libraries.

In order to categorize public expenditures in healthcare for each province, a detailed review of the line items contained in the public accounts, and corresponding Annual Reports of the appropriate Ministry or Department, was undertaken. For the purposes of this report, expenses were categorized as one of Hospital Expenditures or Physician Expenditures. When facility-based Mental Health services and Long-term Care were provided by the Ministry of Health, they were included in the Hospital category. Prescription Drug Expenditures and “Other” Health Expenditures were itemized separate from Hospital and Physician Expenditures and are excluded from this analysis, although some overlap between the categories likely exists. For example, Drugs administered in hospitals are frequently captured by Hospital Expenditures line items, as are emergency room or in-hospital Physicians Expenditures.

Detailed displays of the expenditures are provided in Figures 1 and 2 in the attachments for each Province or Territory.

Attachment B: Documentation of Interest Rates Data

The borrowing rates used for determining current dollar values are obtained from publicly available data for Canada published by the International Monetary Fund and the OECD. These data can be found at the following URLs:

<https://fred.stlouisfed.org/series/INTGSTCAM193N> (Treasury Bills; 1950 - 2017)

<https://fred.stlouisfed.org/series/IRLTLT01CAM156N> (10-Year Bonds; 1960 - 2019)

From 1983 to 2019, I use the “Long-Term Government Bond Yields: 10-year: Main (Including Benchmark) for Canada, Percent, Monthly, Not Seasonally Adjusted” series, the latter of the two links listed above. These data are reported on a monthly basis and were converted to annual rates, by fiscal year, by taking an arithmetic average of the twelve monthly rates from April through March. The 2019 rate is used for discounting future smoking attributable expenditures. All rates are lagged one year such that the actual rate for 2019 is recorded as FY2018 in Table B1. This facilitates establishing 2019 as the base year and calculating the corresponding current dollar values correctly.

Table B1: Lagged Canadian Borrowing Rates 1983-2023

FY Ending	Interest Rate
1983	11.60263
1984	12.62579
1985	10.41108
1986	8.783708
1987	9.742958
1988	10.04425
1989	9.7625
1990	10.61108
1991	9.134458
1992	7.911375
1993	7.027833
1994	8.857516
1995	7.750209
1996	7.023376
1997	5.871908
1998	5.201485
1999	5.838385
2000	5.699718
2001	5.495409
2002	5.177517
2003	4.671142

2004	4.54007
2005	4.031507
2006	4.199304
2007	4.16243
2008	3.401286
2009	3.375644
2010	3.196621
2011	2.463947
2012	1.843655
2013	2.400094
2014	1.974012
2015	1.465372
2016	1.37577
2017	1.914663
2018	2.183114
2019	0
2020	2.183114
2021	2.183114
2022	2.183114
2023	2.183114

Attachment C: Documentation of the Public CCHS Database

The Canadian Community Health Survey (CCHS) is conducted by *Statistics Canada*, and began in 2000. It originally consisted of two cross-sectional surveys conducted over a two-year repeating cycle. The first survey was designed to collect data from a sample of more than 125,000 respondents to provide information on a wide variety of topics such as health status, health care utilization and determinants of health. The second survey collected data from a smaller sample of approximately 30,000 respondents, and provided information to provinces on a specific health topic, such as mental health or nutrition. The first, general, survey is referred to as “cycle 1,” and the second, specific survey as “cycle 2.” Cycle 1.1 was collected in 2000/2001, cycle 2.1 in 2003, and cycle 3.1 in 2005. From 2007 on, the general surveys were collected annually. The variable names vary slightly from year to year, although the definitions usually stay constant.

Documentation on the CCHS is provided through *Statistics Canada*, and can be accessed via online links to their website. For example, the websites

Cycle 1.1: <http://www.statcan.gc.ca/concepts/health-sante/index-eng.htm>

Cycle 2.1: http://www.statcan.gc.ca/concepts/health-sante/cycle2_1/index-eng.htm

Cycle 3.1: http://www.statcan.gc.ca/concepts/health-sante/cycle3_1/index-eng.htm

provides documentation and links for the first three cycles, and

www.statcan.gc.ca/imdb-bmdi/3226-eng.htm

provides documentation for the latest CCHS 2014 survey. Data files may be obtained directly from *Statistics Canada*, via links provided on these websites.

Sample sizes for Canada were roughly 130,000 in 2000/2001, 2003, 2005 and 2007/2008, and roughly 63,000 in 2009, 2010, 2011, 2012, 2013 and 2014. For Canada as a whole the CCHS sample between 2000 and 2014 was 906,443.

Sample sizes in each province are designed to allow inferences to be made at the provincial and “regional health region” level within provinces. Using British Columbia as an example, the CCHS collected responses from around 15,500 to 18,300 residents of British Columbia in each survey between 2000/2001 and 2007/2008, and around 7,600 for each survey since 2009. For CCHS survey years 2000/1, 2003, 2005, 2007/8, 2009, 2010, 2011, 2012, 2013 and 2014 respectively, the CCHS sample in British Columbia consisted of 18301, 16058, 15407, 15903, 7599, 7751, 7896, 7517, 7710 and 7703 individuals, for a total sample of 111,846. Using New Brunswick as another example, for CCHS survey years 2000/1, 2003, 2005, 2007/8, 2009, 2010, 2011, 2012, 2013 and 2014, respectively, the CCHS sample in New Brunswick consisted of 4,996, 4,929, 5,100, 5,509, 2,486, 2,429, 2,329, 2,457, 2,501 and 2,459 individuals,

for a total sample of 35,195.

The sample sizes for Canada are very large for the statistical objective here, a quantitative characterization of the smoking attributable fraction. The sample sizes for each of the individual Provinces and Territories are also large for the same purpose. However, these sample sizes are slightly larger than those that can be used in certain statistical models that contain covariates. One reason that there may be some missing data for some respondents. There are various formal ways to handle this issue of “missing data,” but the problem is not severe for these samples. Another reason for smaller samples in the statistical model compared to the original CCHS sample is that the CCHS sample included children and teenagers from the ages of 12 and up. I restrict my statistical analysis to those 15 or over, dropping roughly 4% of the sample.

The sample frame is described in Statistics Canada [2010; p. 4] as follows, referring to the 2010 CCHS survey:

The CCHS data is always collected from persons aged 12 and over living in private dwellings in the 117 health regions covering all provinces and territories. Excluded from the sampling frame are individuals living on Indian Reserves and on Crown Lands, institutional residents, full-time members of the Canadian Forces, and residents of certain remote regions. The CCHS covers approximately 98% of the Canadian population aged 12 and over.

Thus the CCHS provides a representative sample of the Canadian population over 12, with the exclusions noted.

The Public CCHS data I use comes from the Public Use Microdata File (PUMF). This is an edited version of the detailed CCHS data that is collected, to ensure confidentiality of respondents. The CCHS data provided to each of the provincial health authorities contains much more detailed information on individual respondents than provided in the PUMF, and is referred to as the Share File. Recent changes in policy with respect to the distribution of the PUMF version of the CCHS files allows them to be made available.

The Public CCHS data are converted into the variables used in the statistical model explained in Attachment D. To illustrate for cycle 3.1, referring to survey year 2005, consider the variable that measures whether the respondent has ever smoked 100 cigarettes in their life. This variable is originally coded as **SMKC_01A**, and contains the following data for Canada as a whole:

Smoked 100 or more cigarettes - life			
	Freq.	Percent	Cum.
-----	-----	-----	-----
YES	66,504	50.30	50.30
NO	65,185	49.30	99.60
DON'T KNOW	278	0.21	99.81
REFUSAL	254	0.19	100.00
-----	-----	-----	-----
Total	132,221	100.00	

In the Data Dictionary provided with these data, one finds the documentation in Figure C1 for this variable. Thus one can see that the original CCHS question was named **SMK_Q201A**, that the actual question asked was “In your lifetime, have you smoked a total of 100 or more cigarettes (about 4 packs)?,” that it was asked of all respondents and not a selected sample, and how to interpret the numeric data provided. Of the national sample of 132,221, representing a population of 27,126,165, there were 66,504 respondents that said “yes,” 65,185 that said “no,” 278 that did not recall, and 254 that declined to answer. In this instance I created a variable called smoke100 that was set to 0 for those coded here as 2, equal to 1 for those coded here as 0, and set to “missing” for those coded here as 7 or 8.

Figure C1: Extract from CCHS Documentation

Variable Name	SMKE_01A	Length	1	Position	824
Question Name	SMK_Q201A				
Concept	Smoked 100 or more cigarettes - life				
Question	In your lifetime, have you smoked a total of 100 or more cigarettes (about 4 packs)?				
Universe	All respondents				
Note					
<u>Content</u>		<u>Code</u>		<u>Sample</u>	<u>Population</u>
YES		1		66,504	12,621,228
NO		2		65,185	14,367,639
DON'T KNOW		7		278	69,626
REFUSAL		8		254	67,672
	Total			132,221	27,126,165

The tabulation I generated had “labels” associated with these numbers, and displayed them for ease of interpretation. In my model a variable that is set to missing is normally dropped from the analysis, and the entire record for that subject dropped. Thus, the variable smoke100, which appears in the statistical model in Attachment D, contains these data:

Smoked 100 or more cigarettes - life			
	Freq.	Percent	Cum.
0	65,185	49.30	49.30
1	66,504	50.30	99.60
.	532	0.40	100.00
Total	132,221	100.00	

The variables constructed from the Public CCHS data are listed here, and used in the statistical models documented in Attachment D:

variable name	type	format	label	variable label
hospdays	byte	%8.0g	HCUAG01A	No./nights as patient - (G)
medcons	byte	%8.0g	LABL	No. of consultations/med. doctors - (G)
smoke100	byte	%8.0g	LABA	Smoked >=100 cigarettes
smokgr1	byte	%9.0g		Smokes daily or occasionally
smokgr2	byte	%9.0g		Former smoker
cigprday	byte	%8.0g	LABB	# cigarettes per day (daily smoker)
cigdaysq	int	%9.0g		Cigprday squared
cigoccas	byte	%8.0g	LABB	# cigarettes per day (occasional smoker)
cigoccsq	int	%9.0g		Cigoccas squared
cigforme	byte	%8.0g	LABB	# cigarettes per day (former daily)
cigforsq	int	%9.0g		Cigforme squared
smokyear	byte	%8.0g	LABQ	Number of years smoked - (D)
smokyrsq	int	%9.0g		Smokyear squared
agegr3	byte	%8.0g		Aged 20 to 24 years
agegr4	byte	%8.0g		Aged 25 to 29 years
agegr5	byte	%8.0g		Aged 30 to 34 years
agegr6	byte	%8.0g		Aged 35 to 39 years
agegr7	byte	%8.0g		Aged 40 to 44 years
agegr8	byte	%8.0g		Aged 45 to 49 years
agegr9	byte	%8.0g		Aged 50 to 54 years
agegr10	byte	%8.0g		Aged 55 to 59 years
agegr11	byte	%8.0g		Aged 60 to 64 years
agegr12	byte	%8.0g		Aged 65 to 69 years
agegr13	byte	%8.0g		Aged 70 to 74 years
agegr14	byte	%8.0g		Aged 75 to 79 years
agegr15	byte	%8.0g		Aged 80 or older
male	byte	%9.0g		Male
spouse	byte	%9.0g		Married or common-law
incomgr2	byte	%9.0g		Income between \$15,000 and \$29,999
incomgr3	byte	%9.0g		Income between \$30,000 and \$49,999
incomgr4	byte	%9.0g		Income between \$50,000 and \$79,999
incomgr5	byte	%9.0g		Income more than \$80,000
educagr2	byte	%9.0g		Secondary school graduation
educagr3	byte	%9.0g		Some post-secondary education
educagr4	byte	%9.0g		Post-secondary graduation
bmi	double	%10.0g	LABI	Body Mass Index - (D, G)
bmisq	float	%9.0g		BMI squared

doctor	byte	%8.0g	LABA	Has regular medical doctor
drnkreg	byte	%9.0g		Regular drinker
drnkocc	byte	%9.0g		Occasional drinker
drnkfor	byte	%9.0g		Former drinker
drnkgr2	byte	%9.0g		2 to 5 drinks weekly
drnkgr3	byte	%9.0g		6 to 9 drinks weekly
drnkgr4	byte	%9.0g		10 to 13 drinks weekly
drnkgr5	byte	%9.0g		14 to 17 drinks weekly
drnkgr6	byte	%9.0g		18 to 21 drinks weekly
drnkgr7	byte	%9.0g		22 or more drinks weekly

The first two variables are the “left hand side” dependent variables to be modeled with the CCHS data. The second block is the set of variables characterizing smoking behavior. The third block is the set of core socio-demographic variables. The fourth block is a set of alcohol consumption variables.

Reference

Statistics Canada, *Canadian Community Health Survey (CCHS) Annual Component: User Guide 2009 and 2009-2010 Microdata Files*, June 2011.

Attachment D: Documentation of the SAF Calculations

The objective of the statistical analysis presented here is to characterize the effect of smoking on utilization of medical services, and to control for other factors which might cause differences between the use of medical services by smokers and non-smokers, to the extent possible using the available data.

Arithmetic, Statistics and the SAF

For explanatory purposes it may be useful to start with some arithmetic based on the Public CCHS data, and then see how the calculations change when one allows for some of the obvious factors. It will then be possible to see:

- that there is nothing assumed in the statistical model about the SAF being positive, and that finding a positive SAF in the estimates is because the positive effect of smoking on medical utilization is “in the data,”
- that the simple arithmetic is quite consistent with the statistical claim, and the epidemiological conclusion, that there is a positive SAF;
- that the full-blown statistical analysis is just an extension of the arithmetic that allows one to control for some obvious factors.

The overall goal is to show that the careful statistical analysis used in the report is just a more elaborate version of some simple arithmetic.

What is the Simple Arithmetic SAF?

The Simple Arithmetic SAF will be calculated for the Public CCHS sample of respondents between 2000 and 2010. First, calculate the (unweighted) average number of hospital days in the past year for the individuals that are *non-smokers*. For expository purposes I use here a simple dichotomy of “smoker” and “non-smoker,” defined immediately below. The full statistical analysis takes into account several aspects of the smoking history of the individual, as discussed later. Second, do the same for *all* individuals, whether or not they are smokers. Third, take the difference between these numbers, to get the *difference between the average number of hospital days and the average number of hospital days by non-smokers*. Fourth, divide this difference by the average number of hospital days for all individuals, and *express it as a percentage*. This last step allows one to simply multiply the SAF by Hospital Expenditures to calculate back the excess expenditures due to smoking.

To take a specific numerical example, using some real numbers which are drawn from the Public CCHS database for British Columbia:

1. Calculate the average number of hospital days for individuals in the CCHS who say that they have *never smoked*: 0.46.
2. Calculate the average number of hospital days for *all* individuals in the CCHS, including smokers and non-smokers: 0.60.
3. Subtract the first number from the second to get the difference between the average number of hospital days of smokers *and* non-smokers and the number of hospital days of non-smokers: $0.60 - 0.46 = 0.14$.
4. Divide this excess number of hospital days by the average number of hospital days, 0.60, and express as a percentage: $0.14 \div 0.60 = 0.233$, and then I get $100 \times 0.233 = 23.3\%$.

So the Simple Arithmetic SAF here is 23.3%. Note for future reference that the average number of hospital days for individuals who *have ever smoked* is 0.72. Hence the difference in the average number of hospital days of smokers and non-smokers is $0.26 = 0.72 - 0.46$. This difference is used below, when relating this arithmetic to the statistical approach.

The overall average number of hospital days with smokers and non-smokers is 0.60, with smokers having an average of 0.72 and non-smokers having an average of 0.46, as noted above. The overall average is a *weighted* average of the 0.72 and 0.46 values, where the weight is the fraction of smokers in the population. Hence the Arithmetic SAF implicitly reflects information on smoking prevalence.

Apples and Oranges, and Where Statistics Comes In

The main problem with the Simple Arithmetic SAF is that I am really comparing apples and oranges when I undertake the above comparisons. What happens when one refines this arithmetic a bit to allow for some of the other factors that might be affecting the average number of hospital days listed above?

Consider age differences. The average age of the “non-smoking” person in the above comparison was 45.2 years, but the average age of the “smoking” person was 51.2 years. So the average smoker was 6 years older than the average non-smoker. If one intuitively expects that older people are more likely to have higher medical utilization, all other things being equal, then it is possible that some of the difference in medical utilization due to age is masking the difference due to smoking. In other words, one would expect the “smoking” group to have more hospital days just because they are older, quite apart from the effect that they are smokers. In fact, this difference in age between smokers and non-smokers is entirely due to the broader definition of a smoker used here, to include current *and* former smokers. If one uses a more narrow definition, in terms of current smokers or others, the average age of smokers in British Columbia is several years *less* than others. The full statistical model includes allowances for these nuances in the interpretation of smoking

history.

This difference in age of the average smoker and non-smoker, using the broader definition of smoking, enables one to see the error of just relying on the Simple Arithmetic SAF. It is as if one were comparing the average medical utilization of a youthful non-smoker and a geriatric smoker, and claiming that the difference in utilization is solely due to whether they currently smoke.

Controlling for Other Factors

To see how one uses statistics to control for factors other than smoking, one can start by demonstrating how statistical methods can be used to get *the same answers* that I obtained above when *only* looking at smoking. Although this may not seem like progress, it provides an important check that the statistical methods are not doing anything that plain old arithmetic cannot do, at least in the simplest possible case.

Let an individual's number of hospital days be referred to as Y , and let the variable SMOKE tells us if that person is a "non-smoking" person (if SMOKE = 0) or a "smoking" person (if SMOKE = 1). Then I can write out the following equation

$$Y = \alpha + \beta \text{ SMOKE}$$

to represent how I explain the number of hospital days and the effect on it of smoking. This just says in words that the number of hospital days is predicted to be equal to some constant α plus some coefficient β multiplied by the variable SMOKE.

Continuing with the earlier example, I use "ordinary least squares" regression to estimate that

$$Y = 0.46 + (0.26 \times \text{SMOKE})$$

for the sample of individuals in the CCHS database. This says that the average number of hospital days for a non-smoker was 0.46, since if someone is a non-smoker I know that SMOKE = 0 and so the equation just becomes

$$Y = 0.46 + (0.26 \times 0) = 0.46.$$

If the person smokes, then SMOKE = 1, and the average number of hospital days would be

$$Y = 0.46 + (0.26 \times 1) = 0.72,$$

or 0.26 higher on average. These are exactly the same 0.46, 0.72 and 0.26 noted earlier. So this statistical approach is just a more general way of doing the arithmetic I was doing earlier, and allows us to quickly see what the excess number of hospital days are when someone is a smoker.

If this gives the same answer, why bother with the equation and the statistics? Because this statistical approach can be extended to include the other factors that might confound inferences about the effect of smoking on number of hospital days, whereas the simple arithmetic approach cannot.

To include age, for example, extend the general equation as follows:

$$Y = \alpha + \beta \text{ SMOKE} + \gamma \text{ AGE}$$

where AGE gives the age of the individual in years and γ is just another coefficient to be calculated. In the Public CCHS database I only know age in intervals of 5 years for most people, but one can take midpoints of those intervals and use that for present purposes. The coefficient γ multiplies AGE, just like the coefficient β multiplies SMOKE. When one uses the computer to estimate this equation I get

$$Y = -0.35 + (0.149 \times \text{SMOKE}) + (0.018 \times \text{AGE}).$$

This equation can be read much as the last one, except that now the coefficients have changed on the constant term and the SMOKE variable. Once I allow for the age of the person, the excess number of hospital days due to their smoking is found to be 0.15 (≈ 0.149) instead of 0.26 in the previous equation.

Why did the excess number of hospital days due to smoking go *down* when I added in AGE? Precisely because of the simple logic mentioned earlier: the “smoking” residents of British Columbia were on average older than the “non-smoking” residents, and so what I was previously picking up when I included SMOKE and did not include AGE was an age-effect as well as a smoking-effect. And the age effect must have been exacerbating the smoking effect, since older individuals are more likely on average to have more number of hospital days, as one might expect on common sense grounds. In fact, this last equation tells us that every year of age causes the number of hospital days to go up by 0.018 on average for every extra year older, confirming that intuition.

By using statistics, it is as if one can now compare the average number of hospital days of a middle-aged smoker and a middle-aged non-smoker. Hence one is better able to see the pure effect of smoking on the number of hospital days. In this simple example, the average number of hospital days for the typical 43 year old smoker are 0.15 higher than the average number of hospital days for a 43 year old non-smoker.

When I use the appropriate “hurdle model” and statistical estimation procedure, discussed in the next section of this attachment, I estimate the following SAF and decomposition when I only allow for smoking:

hospdays	Coef.	Std. Err.	z	P> z	[95% Conf. Interval]	
psML	.0875537	.0010233	85.56	0.000	.085548	.0895593
pnsML	.0733921	.0013452	54.56	0.000	.0707554	.0760287
pdifffML	.0141616	.0009153	15.47	0.000	.0123677	.0159555
totsML	6.682683	.0990329	67.48	0.000	6.488582	6.876784
totnsML	6.333212	.153428	41.28	0.000	6.032499	6.633926
totdifffML	.3494702	.1017986	3.43	0.001	.1499486	.5489918
saf_h	.205584	.0163153	12.60	0.000	.1736066	.2375615

The SAF is estimated here to be 20.6%, close to the 23.3% calculated above. The smokers in this under-specified model do have a higher likelihood of having a hospitalization ($0.0142 = 0.0875 - 0.0734$), and when in hospital they spend more days there ($0.350 = 6.683 - 6.333$).

And when I extend the hurdle model to include age I obtain

hospdays	Coef.	Std. Err.	z	P> z	[95% Conf. Interval]	
psML	.0852855	.001022	83.45	0.000	.0832824	.0872885
pnsML	.0742471	.0013686	54.25	0.000	.0715647	.0769295
pdifffML	.0110383	.0009378	11.77	0.000	.0092003	.0128764
totsML	6.211081	.0993988	62.49	0.000	6.016263	6.405899
totnsML	6.009439	.1502649	39.99	0.000	5.714925	6.303952
totdifffML	.2016428	.099377	2.03	0.042	.0068675	.3964181
saf_h	.1576911	.0176244	8.95	0.000	.1231478	.1922344

This shows that the SAF is now inferred to be 15.8%, that it has a 95% confidence interval between 12.3% and 19.2%, and has virtually no statistical chance of being equal to 0. Once I correct for the confounding effect of age, smokers are seen to have a higher probability of a hospitalization ($+0.011$) and to spend more days in hospital when admitted ($+0.202$).

This example also illustrates that controlling for other factors than smoking can sensibly result in a lower SAF estimate. Adding statistical controls does not always reduce the smoking attributable fraction. If I repeated the same calculation for most other Canadian provinces, or for Canada as a whole, then adding a statistical control for age would lead to an increase in the SAF estimate.

What is really useful about the statistical approach is that one can keep adding pertinent variables to correct for other things, apart from smoking, that might be affecting

the number of hospital days. It is then possible to see what effect things other than age might have had.

When I control for both age and gender at the same time, I estimate this equation:

$$Y = \alpha + \beta \text{ SMOKE} + \gamma \text{ AGE} + \delta \text{ GENDER},$$

where GENDER is coded as a 1 for men and 0 for women. Ordinary least squares regression techniques estimate this equation as

$$Y = -0.33 + (0.153 \times \text{SMOKE}) + (0.018 \times \text{AGE}) + ((-0.041) \times \text{GENDER})$$

so the excess number of hospital days due to smokers increases slightly from +0.149 to +0.153 when I continue to allow for these “other factors.”

Essentially one just keeps adding other things in an attempt to control for as many factors as possible. Although the effects of allowing for age and gender were to decrease the SAF compared to having neither included, many of the factors I include increase the SAF. I just looked at these two factors as examples here since they are so widely used in the public health field and are so obviously relevant.

Allowing for Smoking Intensity

Another advantage of the statistical approach is that one can take into account the intensity of smoking. The CCHS database contains detailed information on smoking history and intensity. This information leads to variables which can be included in the statistical specification, just as age and gender were included above. In this manner the preferred statistical model, described below, incorporates a great deal of information about the smoking history of the individual.

Allowing for Interval Censoring

One of the features of the reports of open-ended questions in surveys is that the responses are often classified into intervals. An example is the age of the respondent: although this is asked about in years, and those responses are in the Master CCHS data for 2013/2014 in variable **dhh_age**, for confidentiality reasons they are reported in multi-year intervals in the Public CCHS as variable **dhhgage**: 12 to 14, 15 to 17, 19 to 19, 20 to 24, and so on up to 80 years or older. The first categories are referred to as “interval censored” observations, and the last category is referred to as a “right censored” observation.

For our purposes an important example of an interval-censored variable is the reported number of nights spent in hospital in the past 12 months. Whenever a responses greater than 31 is received it is coded as a response of 31, and of course that fact is well

documented in the CCHS. The same issue arises with the number of visits to a physician, but is much less pronounced.

The Statistical Model for British Columbia

To illustrate the manner in which Full Information Maximum Likelihood (FIML) estimates of the statistical model can be interpreted, consider again the estimation of a SAF for hospital days using data for British Columbia from the Public CCHS, for all survey years between 2000 and 2014. The dependent variable is the number of hospital days, and the independent variables characterize smoking history and socio-demographic characteristics. These variables were defined in Attachment D. The “hurdle model” assumes that there is one statistical process governing whether an individual has any hospital visits or none, and that there is another statistical process governing how many hospital days there are conditional on there being any. The coefficient vector for the former process is referred to below as “beta” and constitutes a “probit specification.” The coefficient vector for the latter process is referred to below as “r” and constitutes a constrained “interval regression specification.” The FIML model estimates are as follows, where the excluded observations in the sub-population employed here are individuals under the age of 15:

Number of strata	=	140	Number of obs	=	86,371
Number of PSUs	=	86,371	Population size	=	24,889,922
			Subpop. no. obs	=	81,858
			Subpop. size	=	23,639,207
			Design df	=	86,231
			F(36, 86196)	=	30.13
			Prob > F	=	0.0000

	Linearized					
	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]	

beta						
smoke100	-.138174	.1476737	-0.94	0.349	-.4276132	.1512652
smokgr1	.4084913	.1496171	2.73	0.006	.1152431	.7017395
smokgr2	.2607577	.1487717	1.75	0.080	-.0308336	.5523489
cigprday	-.0000982	.0076444	-0.01	0.990	-.0150811	.0148847
cigdaysq	.000114	.000166	0.69	0.493	-.0002115	.0004394
cigoccas	.0186452	.0318038	0.59	0.558	-.0436901	.0809804
cigoccsq	-.0010094	.0017931	-0.56	0.574	-.0045239	.0025052
cigforme	.0001681	.0028611	0.06	0.953	-.0054396	.0057758
cigforsq	.0001038	.0000486	2.13	0.033	8.41e-06	.0001991
smokyear	.0006361	.006704	0.09	0.924	-.0125037	.0137758
smokyrsg	-.0000218	.0001024	-0.21	0.832	-.0002225	.000179
agegr3	.2969664	.0768418	3.86	0.000	.1463571	.4475757
agegr4	.2777325	.0721988	3.85	0.000	.1362234	.4192416
agegr5	.3697049	.074665	4.95	0.000	.223362	.5160477
agegr6	.1845355	.0718316	2.57	0.010	.0437462	.3253249
agegr7	-.0670616	.0732005	-0.92	0.360	-.2105339	.0764107
agegr8	-.0338449	.0827994	-0.41	0.683	-.1961311	.1284413
agegr9	-.0775986	.0746492	-1.04	0.299	-.2239104	.0687132
agegr10	.0598408	.072924	0.82	0.412	-.0830897	.2027713

agegr11		.0737776	.0712321	1.04	0.300	-.0658368	.213392
agegr12		.2706555	.080184	3.38	0.001	.1134955	.4278154
agegr13		.3801939	.0733222	5.19	0.000	.236483	.5239049
agegr14		.4590278	.070509	6.51	0.000	.3208307	.5972249
agegr15		.6976365	.0674018	10.35	0.000	.5655296	.8297434
male		-.2313248	.0239201	-9.67	0.000	-.278208	-.1844416
spouse		.0943362	.0286762	3.29	0.001	.038131	.1505414
incomgr2		-.1025398	.0351377	-2.92	0.004	-.1714095	-.0336701
incomgr3		-.0922842	.0369631	-2.50	0.013	-.1647316	-.0198369
incomgr4		-.1656335	.0372863	-4.44	0.000	-.2387144	-.0925527
incomgr5		-.2273064	.0333183	-6.82	0.000	-.2926099	-.1620028
educagr2		-.0920804	.0383767	-2.40	0.016	-.1672984	-.0168624
educagr3		-.1062675	.0458784	-2.32	0.021	-.1961888	-.0163463
educagr4		-.0902794	.0324786	-2.78	0.005	-.1539372	-.0266216
bmi		-.0131214	.0140113	-0.94	0.349	-.0405834	.0143405
bmisq		.0004596	.000235	1.96	0.050	-9.98e-07	.0009202
doctor		.4692542	.0432152	10.86	0.000	.3845529	.5539556
_cons		-1.866954	.2028552	-9.20	0.000	-2.264548	-1.469336

r							
smoke100		2.353791	1.358657	1.73	0.083	-.309165	5.016747
smokgr1		1.064083	.9723977	1.09	0.274	-.841808	2.969974
smokgr2		-3.201378	1.388852	-2.31	0.021	-5.923515	-.4792405
cigprday		.068639	.1094847	0.63	0.531	-.1459502	.2832281
cigdaysq		.0015064	.002397	0.63	0.530	-.0031917	.0062045
cigoccas		-1.084571	.4807039	-2.26	0.024	-2.026746	-.1423952
cigoccsq		.0426442	.0229381	1.86	0.063	-.0023142	.0876026
cigforme		.0897992	.0313695	2.86	0.004	.0283152	.1512832
cigforsq		-.0008861	.0004529	-1.96	0.050	-.0017738	1.72e-06
smokyear		-.2460234	.122885	-2.00	0.045	-.486877	-.0051699
smokyrsq		.0029822	.0017425	1.71	0.087	-.0004332	.0063975
agegr3		-.27271	1.539432	-0.18	0.859	-3.289984	2.744564
agegr4		-.6512396	1.572653	-0.41	0.679	-3.733627	2.431147
agegr5		-.3195951	1.432176	-0.22	0.823	-3.126649	2.487459
agegr6		.5044844	1.444801	0.35	0.727	-2.327313	3.336282
agegr7		1.469679	1.622418	0.91	0.365	-1.710247	4.649605
agegr8		.850261	1.474009	0.58	0.564	-2.038785	3.739307
agegr9		1.339996	1.419313	0.94	0.345	-1.441844	4.121837
agegr10		2.232656	1.452548	1.54	0.124	-.6143261	5.079639
agegr11		1.401723	1.409509	0.99	0.320	-1.360902	4.164349
agegr12		1.481328	1.475438	1.00	0.315	-1.410518	4.373174
agegr13		2.685057	1.404185	1.91	0.056	-.0671326	5.437247
agegr14		3.122598	1.388815	2.25	0.025	.4005326	5.844663
agegr15		4.769218	1.33655	3.57	0.000	2.149592	7.388845
male		.4122818	.3582341	1.15	0.250	-.2898541	1.114418
spouse		-1.558004	.3725295	-4.18	0.000	-2.288158	-.8278489
incomgr2		-.7201281	.4879522	-1.48	0.140	-1.67651	.236254
incomgr3		-1.68871	.5151871	-3.28	0.001	-2.698472	-.6789475
incomgr4		-.5619011	.6193079	-0.91	0.364	-1.775739	.6519372
incomgr5		-2.072322	.4650263	-4.46	0.000	-2.98377	-1.160875
educagr2		.77065	.5382048	1.43	0.152	-.2842268	1.825527
educagr3		.5471378	.6554909	0.83	0.404	-.7376188	1.831894
educagr4		-.105638	.3638981	-0.29	0.772	-.8188752	.6075991
bmi		-.3871845	.1748562	-2.21	0.027	-.7299012	-.0444678
bmisq		.0069683	.002812	2.48	0.013	.0014569	.0124797
doctor		1.254902	.6027146	2.08	0.037	.0735867	2.436218
_cons		10.11168	2.53769	3.98	0.000	5.137831	15.08553

sigma							
_cons		1.995069	.0274741	72.62	0.000	1.94122	2.048918

Some of the smoking variables are individually statistically significant for each process, as shown by the p -values in the $P>|z|$ column being less than some critical value, normally taken to be 0.05, or 5%. On the other hand, some of the smoking variables are not individually statistically significant, so one would want to then know if they are jointly statistically significant. This is a simple matter to check with FIML estimates, and it turns out that these variables are jointly significant for the first and second processes, each with a p -value less than 0.0001.¹³

An immediate corollary of this type of FIML estimation is that one can infer the estimated SAF and its statistical significance as well. Evaluating the SAF with the above estimates at the sample means of all variables, I obtain these results:

hospdays	Coef.	Std. Err.	z	P> z	[95% Conf. Interval]	
-----+-----						
saf_all_h	.215391	.0268034	8.04	0.000	.1628574	.2679246
-----+-----						

The SAF is estimated to be 21.5% with a 95% confidence interval between 16.3% and 26.8%. A test of the hypothesis that the SAF is not statistically significantly different from 0 can be rejected with a p -value of less than 0.0001. It is also possible to decompose the positive SAF into the two processes, leading to the following estimates of the levels and differences in the probability of a hospital visit in the past year and the number of days of any hospitalization:

hospdays	Coef.	Std. Err.	z	P> z	[95% Conf. Interval]	
-----+-----						
psML	.0653775	.0015743	41.53	0.000	.0622918	.0684631
pnsML	.0536285	.0019472	27.54	0.000	.049812	.057445
pdifffML	.011749	.0011356	10.35	0.000	.0095233	.0139748
-----+-----						
totsML	5.439496	.1806681	30.11	0.000	5.085393	5.793599
totnsML	5.201202	.2535666	20.51	0.000	4.70422	5.698183
totdifffML	.2382943	.1408752	1.69	0.091	-.0378159	.5144046
-----+-----						

So we see that both processes are positively affected by smoking: on average, there is a 1.17 percentage point increase in hospitalizations, and the number of extra days is 0.239. The former is statistically significantly different from 0, with 95% confidence intervals with lower

¹³ These two joint tests could have been undertaken with Limited Information Maximum Likelihood (LIML) procedures, albeit with less statistical precision, but would leave one uncertain about the overall effect of smoking variables on the entire two-process model. The LIML approach is to estimate one statistical model for the process, and a separate statistical model for the second process. This is where the FIML estimation of the same model allows one to directly answer the question of the overall significance of the estimated SAF, by undertaking a *joint* significance test of the smoking variables across both processes. In this case the p -value has a value less than 0.0001, implying that these smoking variables do significantly affect the overall two-stage process.

bounds well above zero; the latter is significantly different from zero at the (two-sided) 10% level, but not at the (two-sided) 5% level. Of course, the statistical significance of the SAF is an interaction of these two differences. So the fact that one of the two differences is not statistically significant at the 5% level, even if it is statistically significant at the 10% level, implies nothing necessarily about the statistical significance of the SAF.

Comparable FIML estimates for medical consultations leads to the following SAF estimates

medcons	Coef.	Std. Err.	z	P> z	[95% Conf. Interval]	
saf_all_m	.0629943	.0076115	8.28	0.000	.048076	.0779125
psML	.8490344	.0023476	361.66	0.000	.8444331	.8536356
pnsML	.8381483	.0036545	229.35	0.000	.8309857	.8453109
pdifffML	.0108861	.0024229	4.49	0.000	.0061374	.0156348
totsML	4.839945	.038548	125.56	0.000	4.764392	4.915498
totnsML	4.594296	.0535312	85.82	0.000	4.489377	4.699215
totdiffML	.2456491	.0345118	7.12	0.000	.1780073	.313291

So we conclude that the SAF for physician visits is 6.3% with a 95% confidence interval between 4.8% and 7.8%, that the SAF is again statistically significantly greater than zero, and that each process contributes towards the positive SAF.

The CCHS surveys have weights that indicate how representative each survey respondent is in terms of the target population. For instance, a weight of 10 would imply that this person should be viewed as representing 9 *additional* Canadians, and a weight of 100 would imply that this person should be viewed as representing 99 *additional* Canadians. These weights are derived by *Statistics Canada* using information from the census on the detailed demographic mix of the population. The average survey weight over the entire CCHS database is 264.8, and the range is between 1.07 and 26,332.6. The statistical models I use allow one to include these survey weights in the estimation process, and for the effects of these statistical weights to apply to the derived calculations such as those illustrated above for the SAF estimate. I also recognize the stratification of the CCHS survey with respect to provinces and health regions within provinces. Furthermore, the estimates for British Columbia above are formally implemented by including the entire survey for Canada, and recognizing British Columbia as a sub-population of Canada, to ensure that the complex survey design for the nation is correctly characterized when estimating coefficients and standard errors for British Columbia.

The concept of a “p-value” is explained earlier in this report. The concept of a confidence interval tells us the range of estimates for which I can have 95% confidence in them containing the true estimate of the SAF. This degree of confidence, or lack of precision, comes entirely from the statistical model being used to estimate the SAF. If I were

measuring the average height of Canadians from a sample of 100, I might have considerable variation as I take the average from one sample of 100 and then take the average from another sample of 100, even if they were random samples from the population. If I had samples of 100,000 in each case, and they were again random, I would expect to have less variation in the two averages calculated from each sample. Hence the precision of an estimate will depend on the sample size in an intuitive manner. I would then expect that the 95% confidence interval in the larger sample to be much tighter: for me to have a more precise idea what the true average height is. When I say that the 95% confidence interval for the Hospital SAF is 16.3% $\leftrightarrow$ 26.8%, I am saying that the precision of my estimate implies that there is only a 2.5% chance of the true SAF being *below* 16.3% and a 2.5% chance of the true SAF being *above* 26.8%. Hence there is a 5% chance of it *not* being *between* 16.3% and 26.8%.

Effect of Alcohol Consumption

It is possible to evaluate the robustness of the estimated SAF to include potential confounds characterizing drinking behavior. The data collected on drinking are documented in Attachment C, and consists of the following information:

- an indicator to flag regular drinkers (more than one drink per month in the past year);
- an indicator to flag occasional drinkers (less than one drink per month in the past year);
- an indicator to flag former drinkers (nothing in the past year, but some in the past);
- an indicator of someone drinking 2 to 5 drinks on a weekly basis;
- an indicator of someone drinking 6 to 9 drinks on a weekly basis;
- an indicator of someone drinking 10 to 13 drinks on a weekly basis;
- an indicator of someone drinking 14 to 17 drinks on a weekly basis;
- an indicator of someone drinking 18 to 21 drinks on a weekly basis; and
- an indicator of someone drinking 22 or more drinks on a weekly basis.

These variables were added to the model of the SAF for British Columbia. The Hospital SAF is estimated to be 26.9% with a 95% confidence interval of 21.8% $\leftrightarrow$ 31.9%, and the Physicians SAF is estimated to be 7.8% with a 95% confidence interval of 6.2% $\leftrightarrow$ 9.4%. So the effect of allowing for alcohol consumption is to significantly increase the estimated SAF: an increase of 5.5 *percentage points* for Hospitals, and an increase of 1.5 *percentage points* for Physicians. Omitting controls for alcohol consumption is therefore conservative with respect to estimates of smoking attributable expenditures.

The same qualitative effect of adding controls for alcohol consumption is found in the models for all other provinces.

Attachment E: Selecting the Quantum Period 1983 to 2023

I have reviewed the relevant statute governing this litigation in each province. All have similar provisions with respect to the quantum that can be recovered. To take one specific example, I reviewed the *Tobacco Damages and Health Care Costs Recovery Act* of the Province of New Brunswick, proclaimed on March 7, 2008, and it allows for recovery of the present value of the total expenditures for health care services, payments and other expenditures by the provinces resulting from tobacco-related disease. Disease is defined in the Act to include “general deterioration of health.” I refer to this amount as the **Full SAE** when necessary for clarity. I am also aware that the statutes allow for the possibility of recovery of the proportion of the Full SAE that is associated with the exposure caused by the “tobacco-related wrong” defined by the statutes. I therefore also consider the calculation of historical SAE, as well as SAE into the future attributable to the latent effects of those wrongs. I have been asked to consider an assumed beginning and end date for the exposure to tobacco attributable to these wrongs, solely to illustrate how my model can quantify the SAE arising from these exposures. These procedures demonstrate how to calculate the effect on attributable expenditures of smoking that occurred after or before a certain date, and I refer to them as the **Breach Exposure SAE** when necessary for clarity. The same model allows calculations that can be adjusted for different dates.

In this Attachment I undertake one such Breach Exposure SAE calculation and use it to evaluate if calculation of the Full SAE calculation over a limited historical period, 1983 to 2023, reasonably represents the Breach Exposure SAE. One reason for selecting a limited historical period is to be able to compare SAE across provinces with comparable data. Another reason for selecting a limited historical period and calculating the Full SAE for it is that the Full SAE is arguably more transparent than the Breach Exposure SAE, making it easier to evaluate the reliability of the calculations.

The manner in which the Breach Exposure SAF and Breach Exposure SAE are calculated exploits rich data about smokers collected in the CCHS. Intuitively, data from the CCHS allows me to statistically model the age at which a now-current smoker or now-former smoker started smoking, as well as to statistically model the age at which they will quit smoking or quit smoking, respectively. These models then allow one to calculate how much smoking started after a certain date (the beginning of the breach period), as well as how much of that smoking ended before a certain date (the end of the breach period). This calculation is conservative in the sense that it does not account for those smokers that started smoking during the breach period, and who continued to smoke after the breach period because they had become dependent on nicotine during the breach period.

Figures 5 and 6 in the detailed displays for each Province and Territory illustrate the effect of this breach calculation over time on the SAF for Hospitals and Physicians, respectively. As one might expect, it takes some time after the initial breach of January 1954

for the Breach Exposure SAF to become positive and significant, but eventually it approaches the Full Exposure SAF. Similarly, soon after the end of the breach period there is a reduction in the Breach Exposure SAF compared to the Full Exposure SAF, with the Breach Exposure SAF eventually tapering off: there is a latent effect of smoking that occurred during the breach period on health utilization after the breach period. The displays make it clear that there is a large period of time for which the Breach Exposure SAF is the same as the Full Exposure SAF.

Focusing on Hospitals, displayed in Figure 5 for each Province and Territory, between roughly 1970 and 1982 there is a significant Breach Exposure SAF that is being completely ignored when I limit the quantum to 1983-2023. The Breach Exposure SAF is smaller than the Full Exposure SAF, but not by much. For roughly 10 years after 1983, up to about 1993, the Breach Exposure SAF is below the Full Exposure SAF, but by very small amounts. Between roughly 1993 and 2007 the Breach Exposure SAF is identical to the Full Exposure SAF. After 2007 the Breach Exposure SAF is below the Full Exposure SAF. And after 2023 the Breach Exposure SAF is positive for many years but is completely ignored when I limit the quantum to 1983-2023. It is apparent that the amounts by which the Breach Exposure SAF are below the Full Exposure SAF during the 1983-2023 period are more than compensated by the amounts by which the Breach Exposure SAF is positive, but being implicitly set to zero prior to or after the 1983-2023 period. This compensation is particularly large prior to 1983, back to roughly 1970. I conclude from these observations that using the Full Exposure SAF for the 1993-2023 period provides a reliable measure of the quantum for Hospitals that would have been generated by applying the Breach Exposure SAF over the entire period between 1954 and 2060.

Focusing on Physicians, displayed in Figure 6 for each Province and Territory, the only differences are that the Breach Exposure SAF is much closer to the Full Exposure SAF in the years immediately after 1983, and that the Breach Exposure SAF falls below the Full Exposure SAF at a much slower rate immediately after 2007. Hence I conclude from these observations that using the Full Exposure SAF for the 1993-2023 period provides a reliable measure of the quantum for Physicians that would have been generated by applying the Breach Exposure SAF over the entire period between 1954 and 2060.

It is also easy to see that later end-breach periods would make minor differences to this conclusion.

The Breach Exposure SAE for the 1983-2023 period, shown in Figure 8 for each Province and Territory, is conservative. It does not consider the positive and significant Breach Exposure SAE prior to 1983 and after 2023. It therefore is a significant understatement of the quantum of the Breach Exposure SAE.

The Provincial and Territorial Present Value of Smoking Attributable Expenditures

CALCULATIONS FOR EACH PROVINCE AND TERRITORY

Glenn Harrison

Alberta

Figure 1: Public Health Expenditures for Alberta, 1954/55 through 2019/20

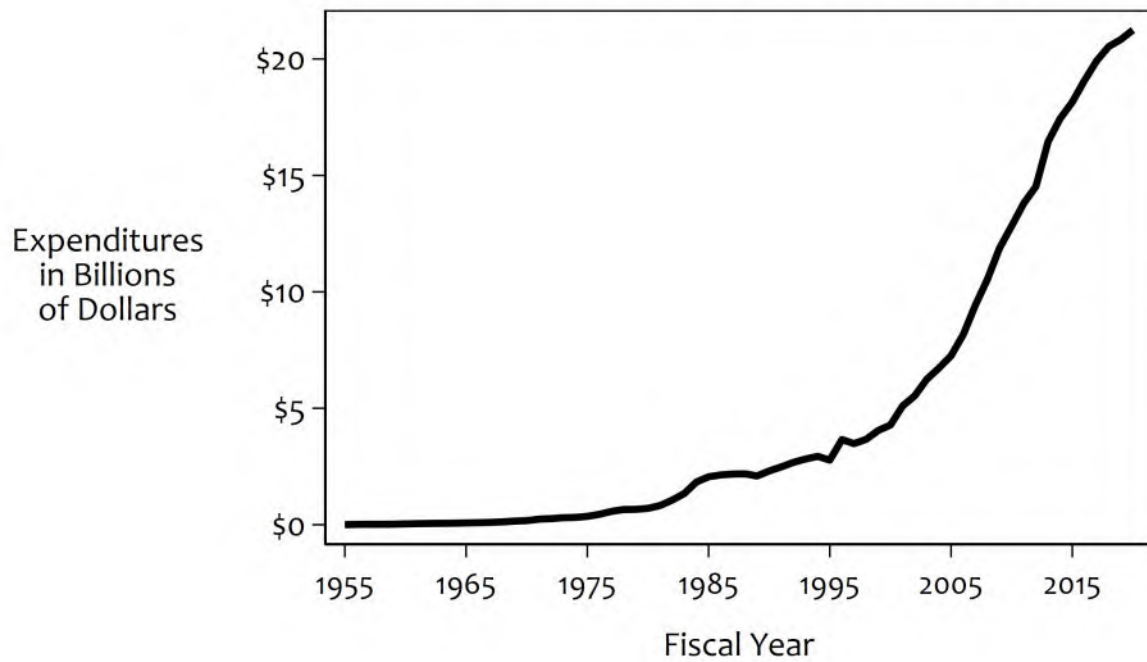


Figure 2: Share of Health Expenditures in
Alberta, 1954/55 through 2019/20

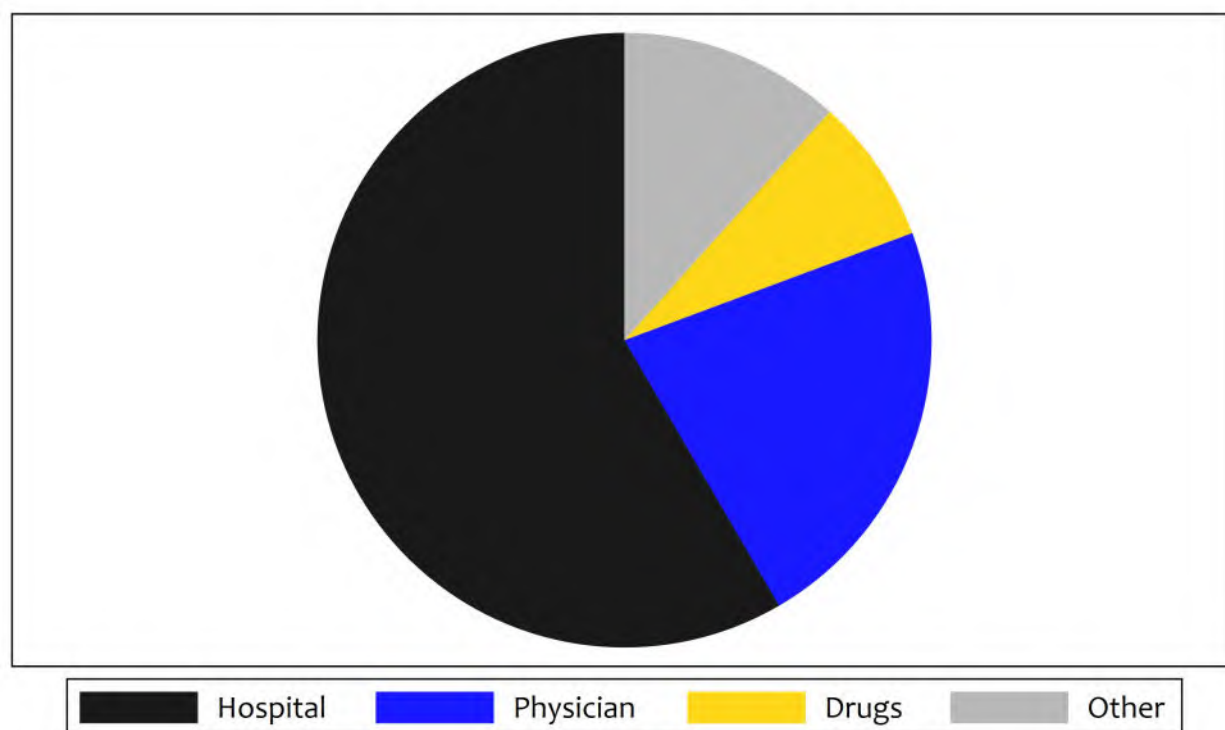


Figure 3: Estimates of Hospital SAF

Estimates from Public CCHS data between 2000 and 2014

Point Estimate and 95% Confidence Interval

Canadian average marked by dashed, red line

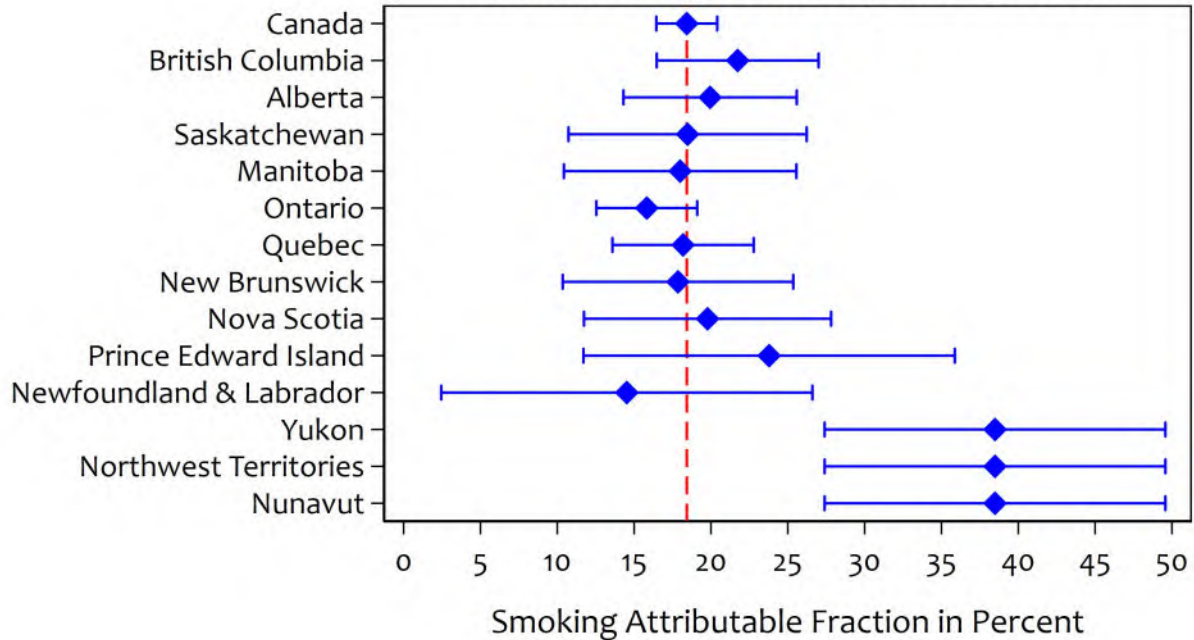


Figure 4: Estimates of Physician SAF

Estimates from Public CCHS data between 2000 and 2014

Point Estimate and 95% Confidence Interval

Canadian average marked by dashed, red line

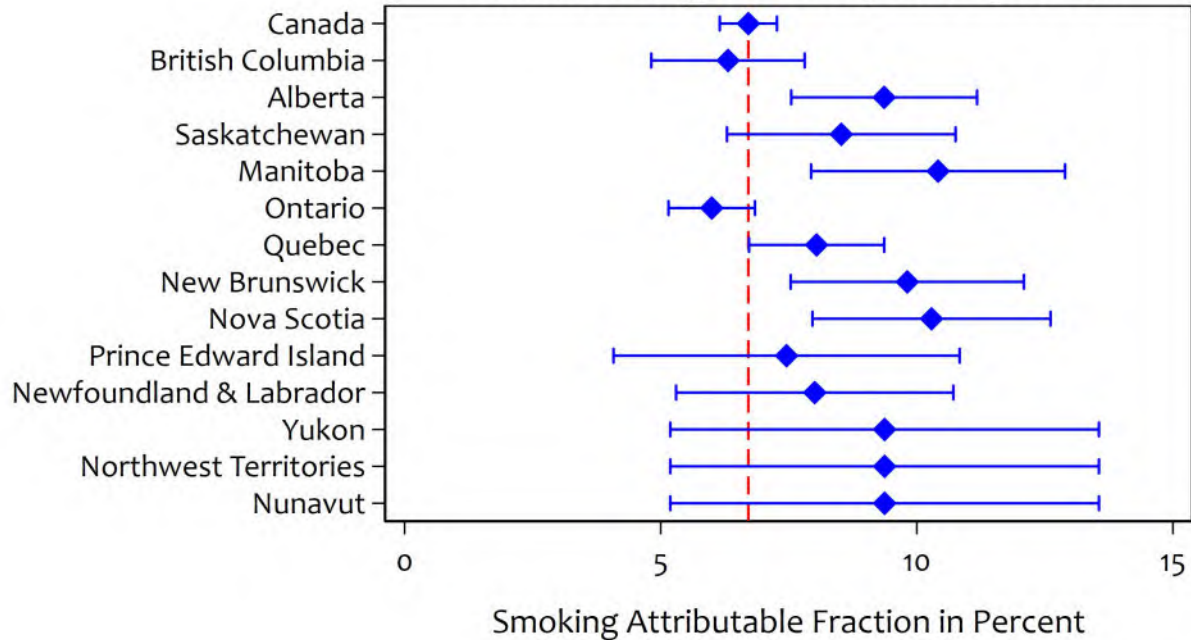


Figure 5: Hospital SAF for Alberta
Allowing for the Breach Exposure Period
1954-1995 and Latent Hospital Utilization

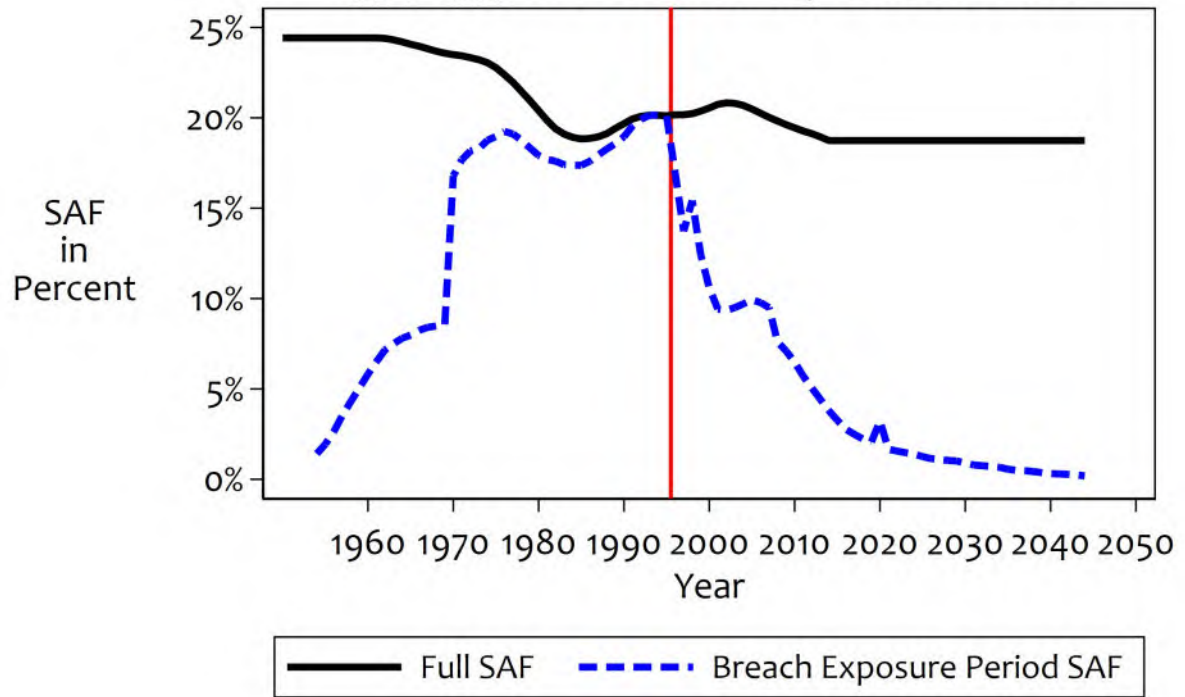


Figure 6: Physician SAF for Alberta
Allowing for the Breach Exposure Period
1954-1995 and Latent Physician Utilization

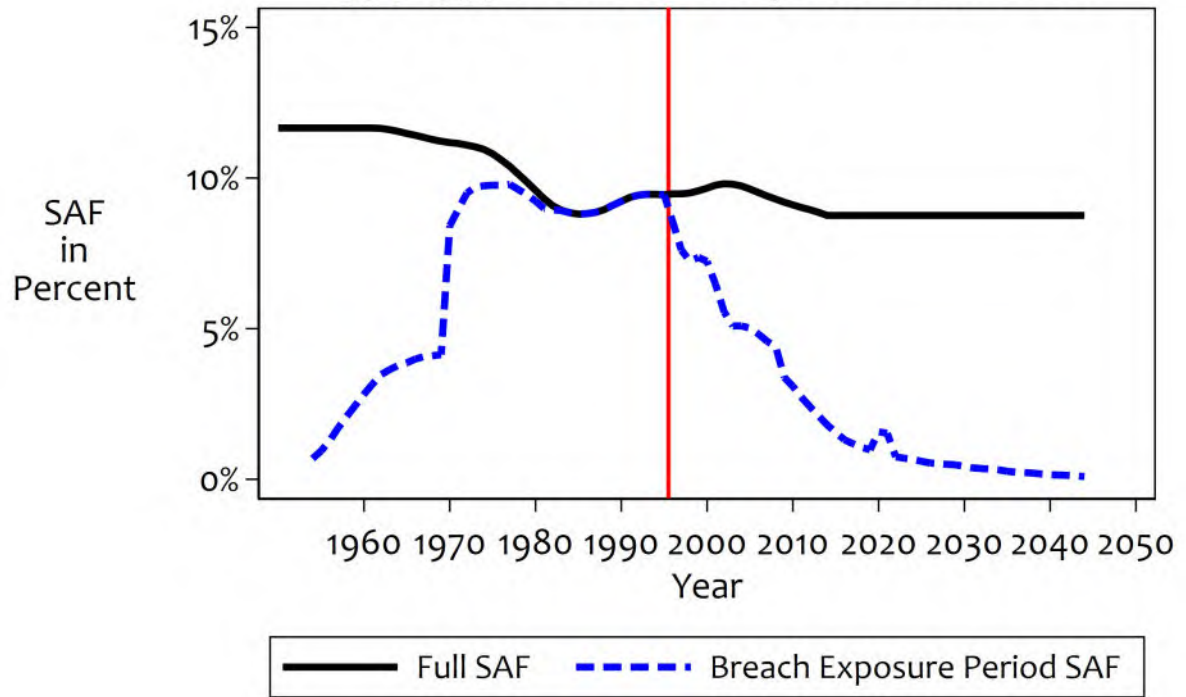


Figure 7: Historical and Projected Smoking Attributable Expenditures for Alberta

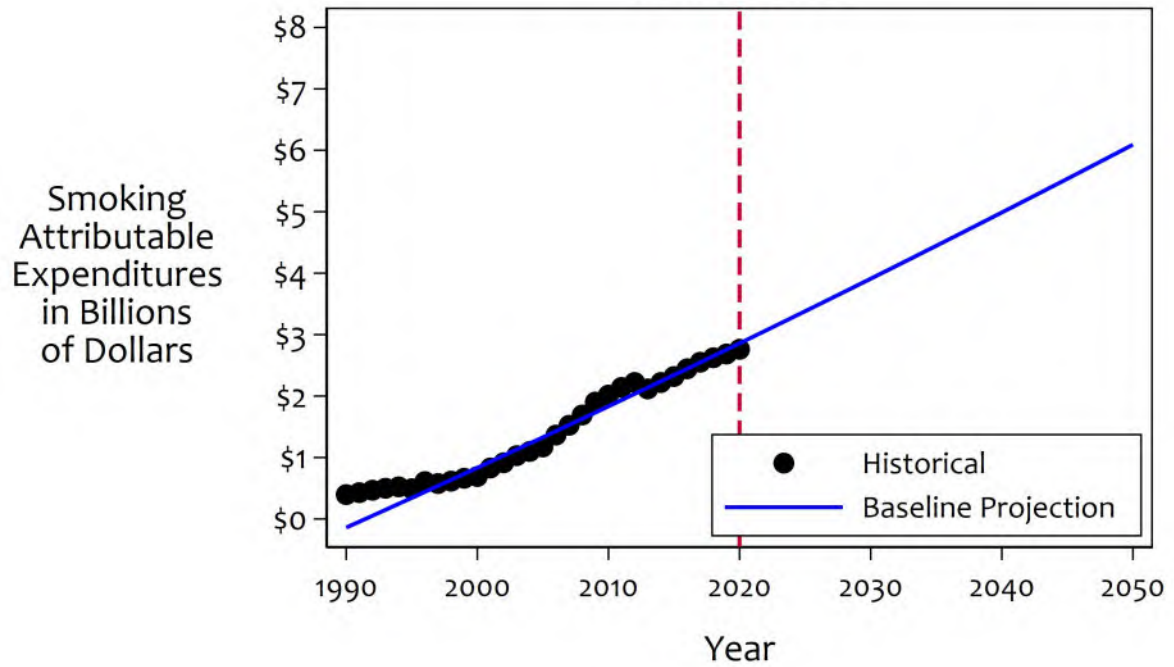
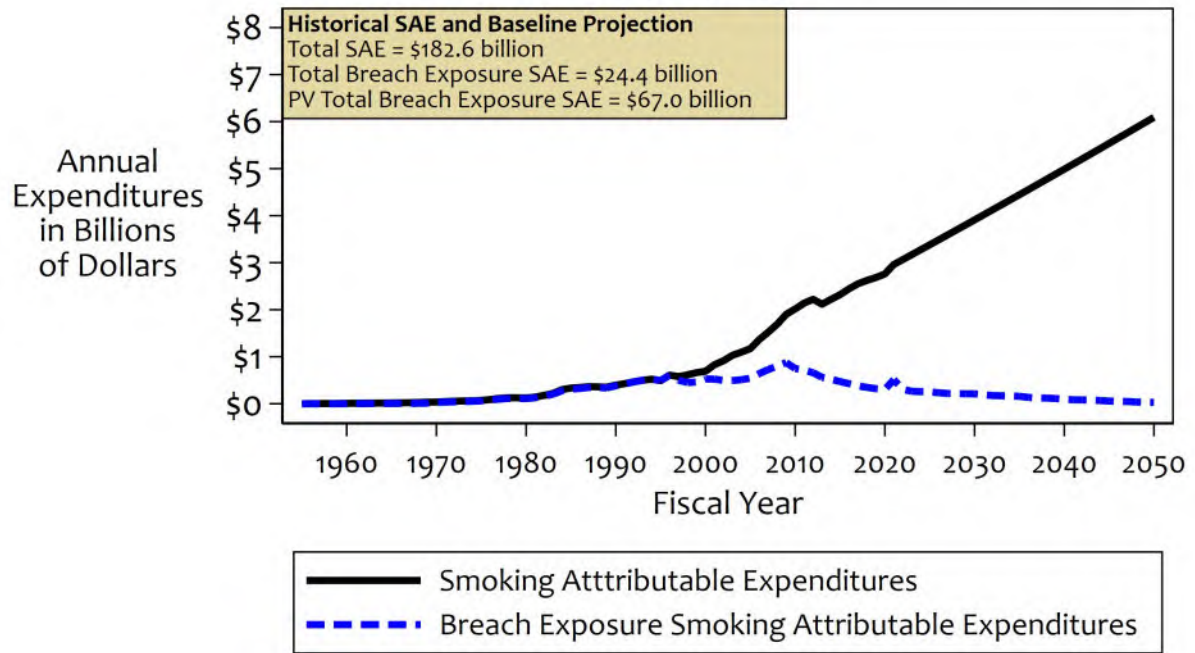


Figure 8: Smoking Attributable Expenditures
and Breach Exposure Period 1954-1996
Smoking Attributable Expenditures
in Alberta



British Columbia

Figure 1: Public Health Expenditures for British Columbia, 1954/55 through 2019/20

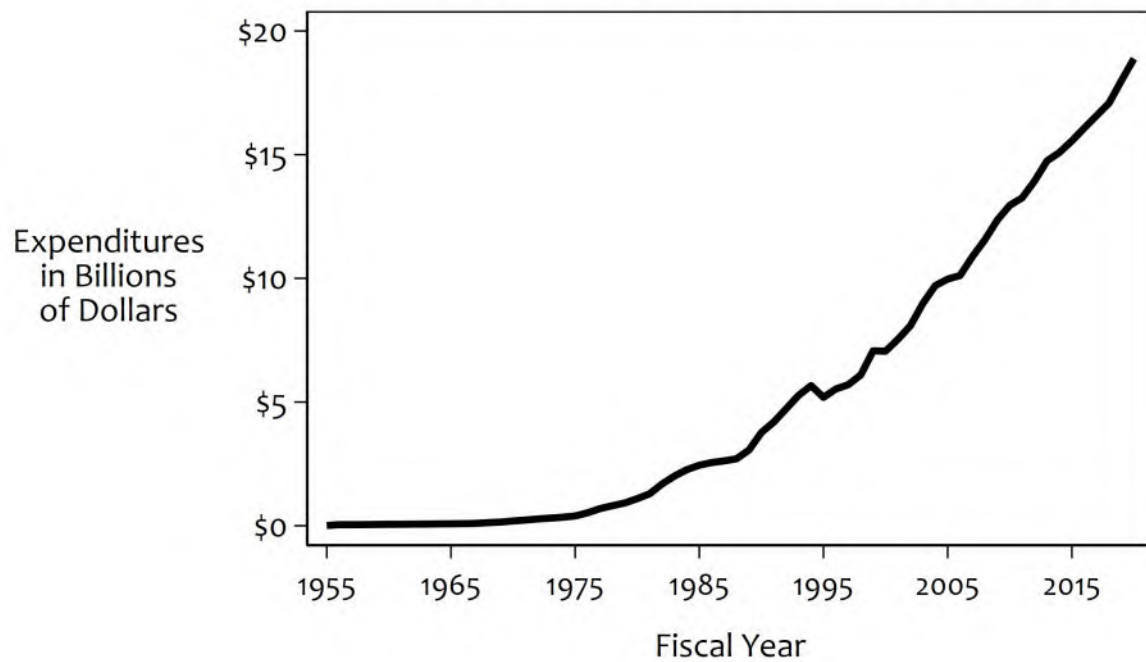


Figure 2: Share of Health Expenditures in British Columbia, 1954/55 through 2019/20

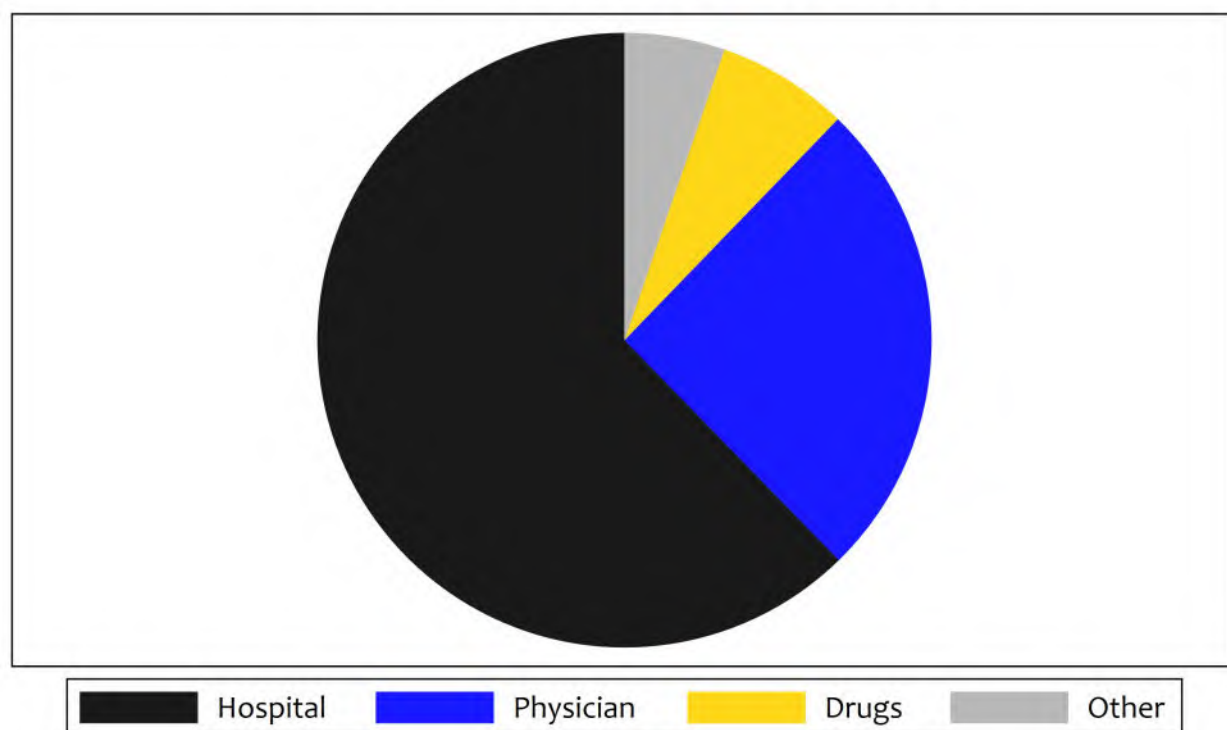


Figure 3: Estimates of Hospital SAF

Estimates from Public CCHS data between 2000 and 2014

Point Estimate and 95% Confidence Interval

Canadian average marked by dashed, red line

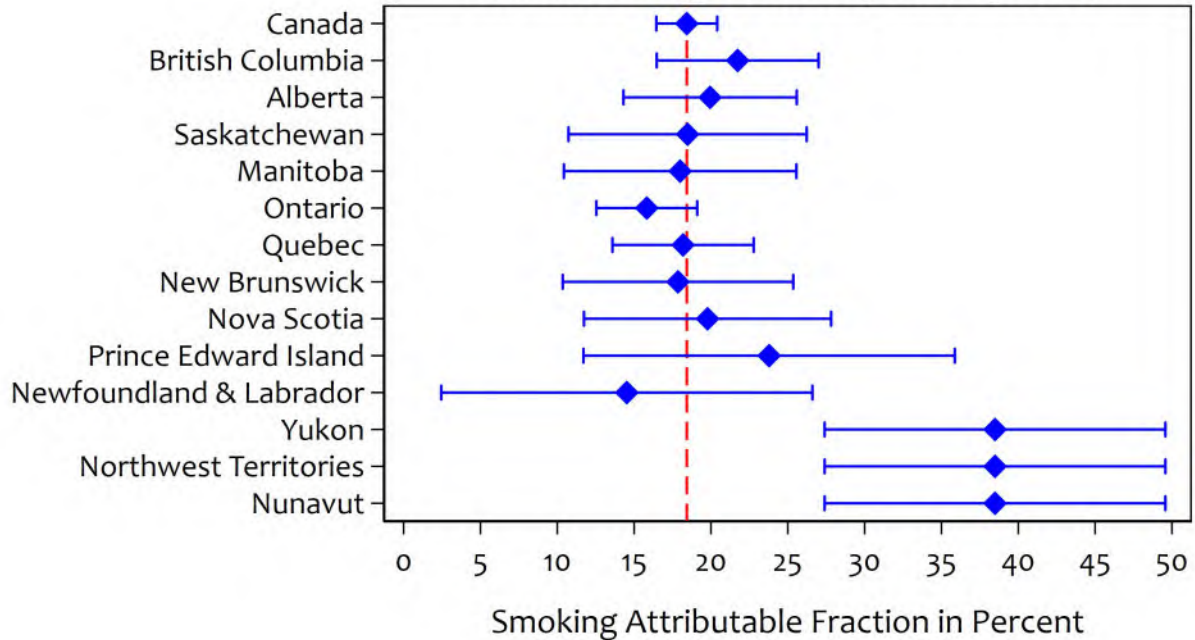


Figure 4: Estimates of Physician SAF

Estimates from Public CCHS data between 2000 and 2014

Point Estimate and 95% Confidence Interval

Canadian average marked by dashed, red line

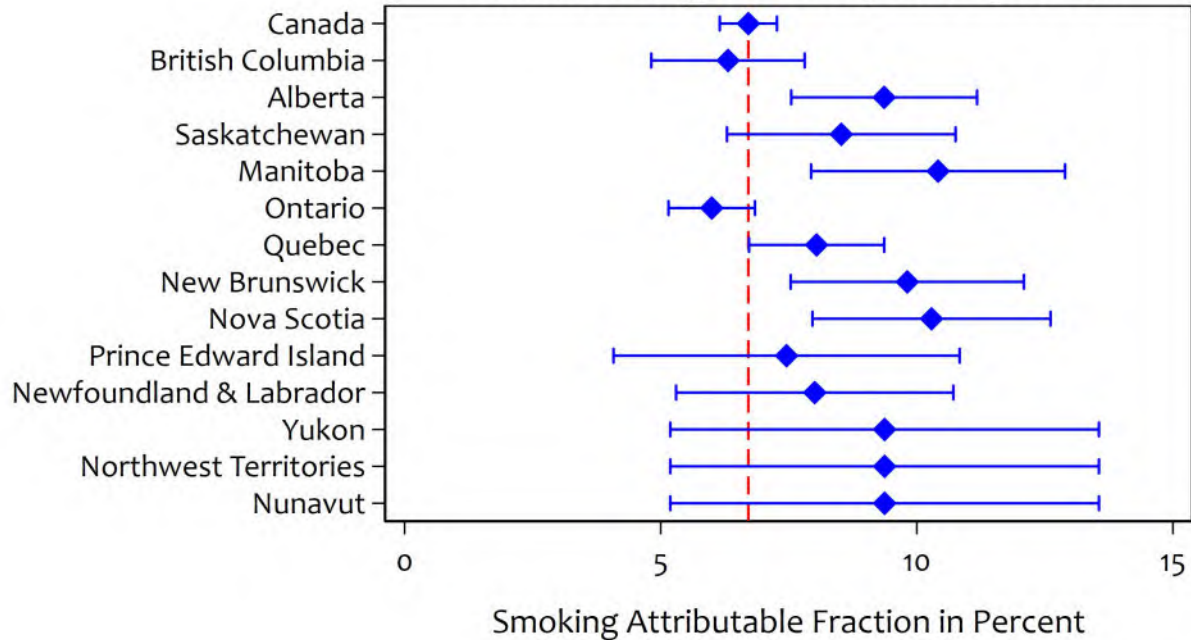


Figure 5: Hospital SAF for British Columbia
Allowing for the Breach Exposure Period
1954-1995 and Latent Hospital Utilization

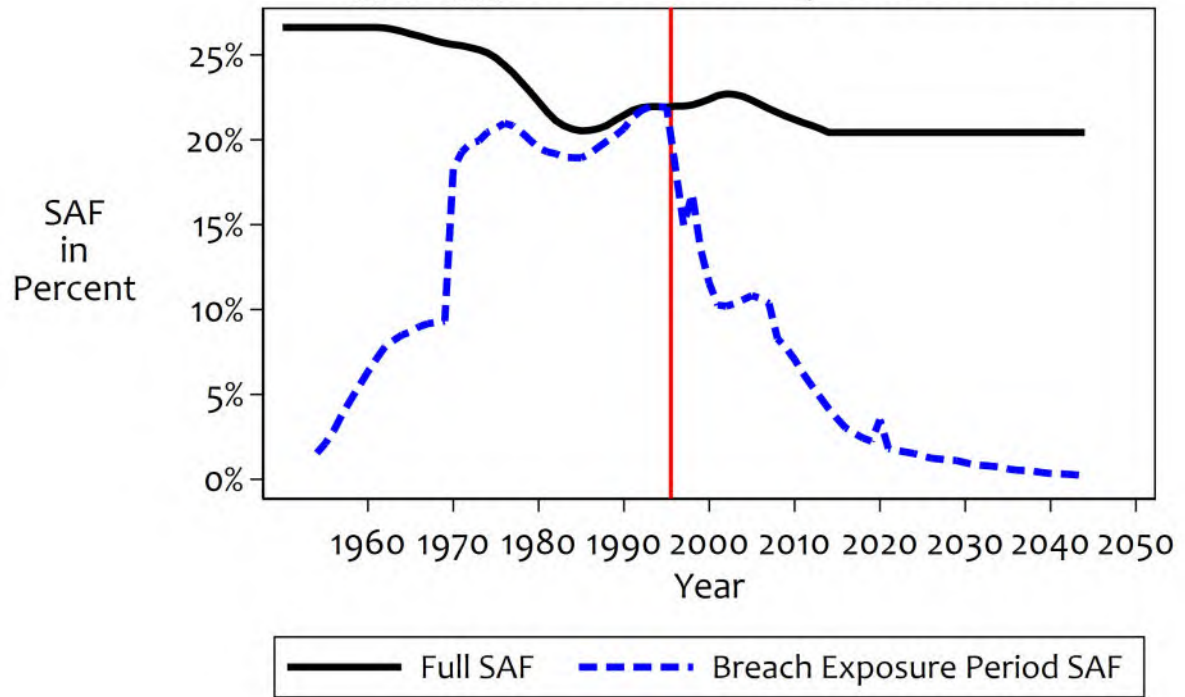


Figure 6: Physician SAF for British Columbia
Allowing for the Breach Exposure Period
1954-1995 and Latent Physician Utilization

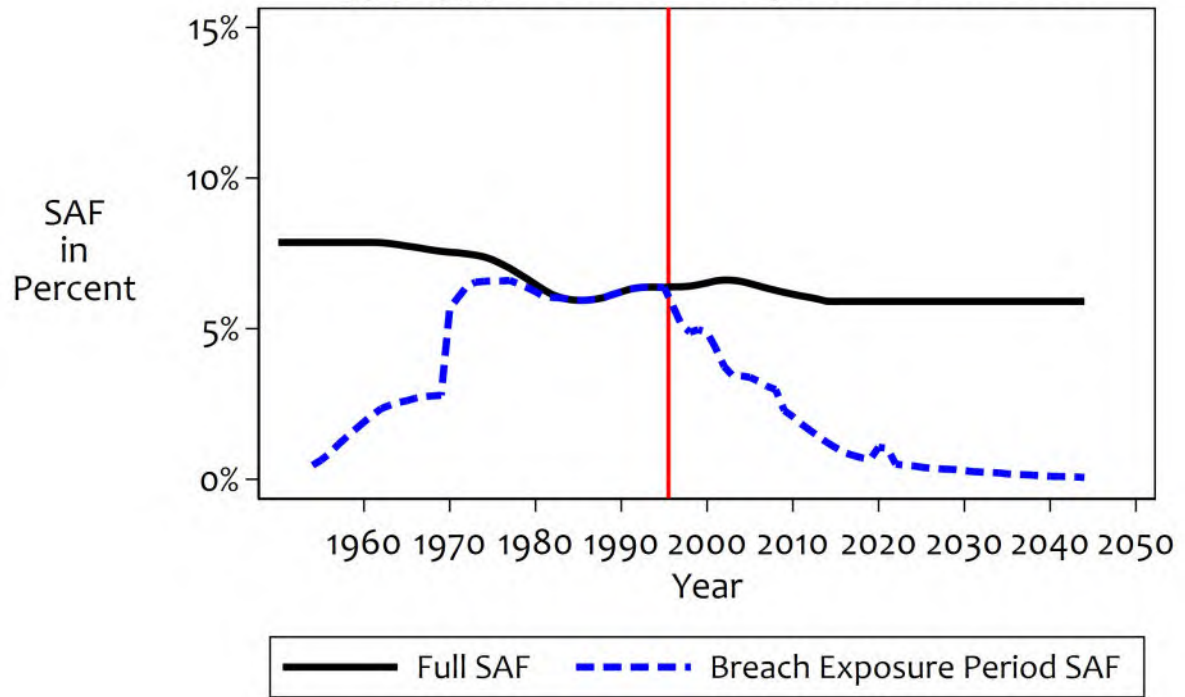


Figure 7: Historical and Projected Smoking Attributable Expenditures for British Columbia

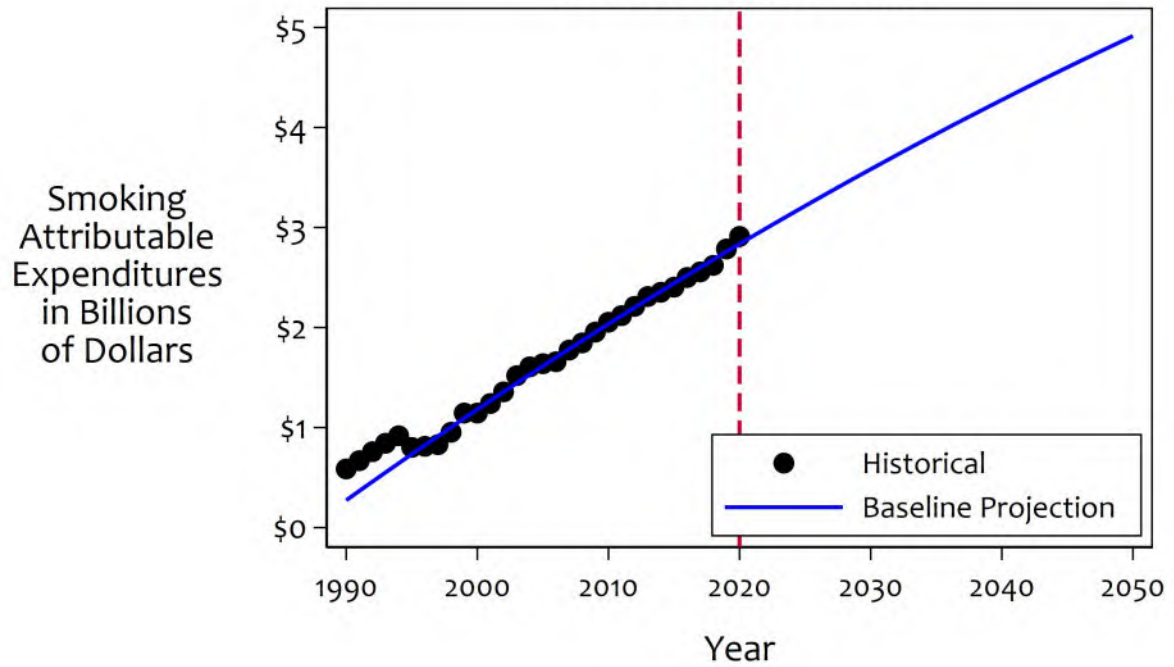
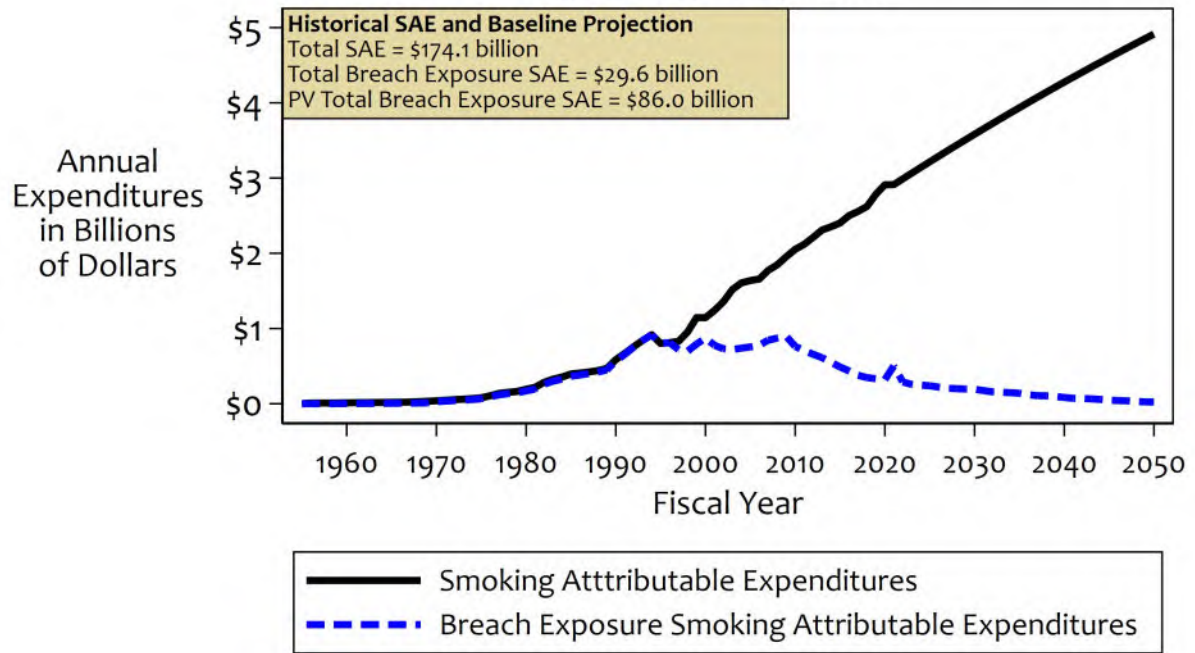


Figure 8: Smoking Attributable Expenditures
and Breach Exposure Period 1954-1996
Smoking Attributable Expenditures
in British Columbia



Manitoba

Figure 1: Public Health Expenditures for Manitoba, 1954/55 through 2019/20

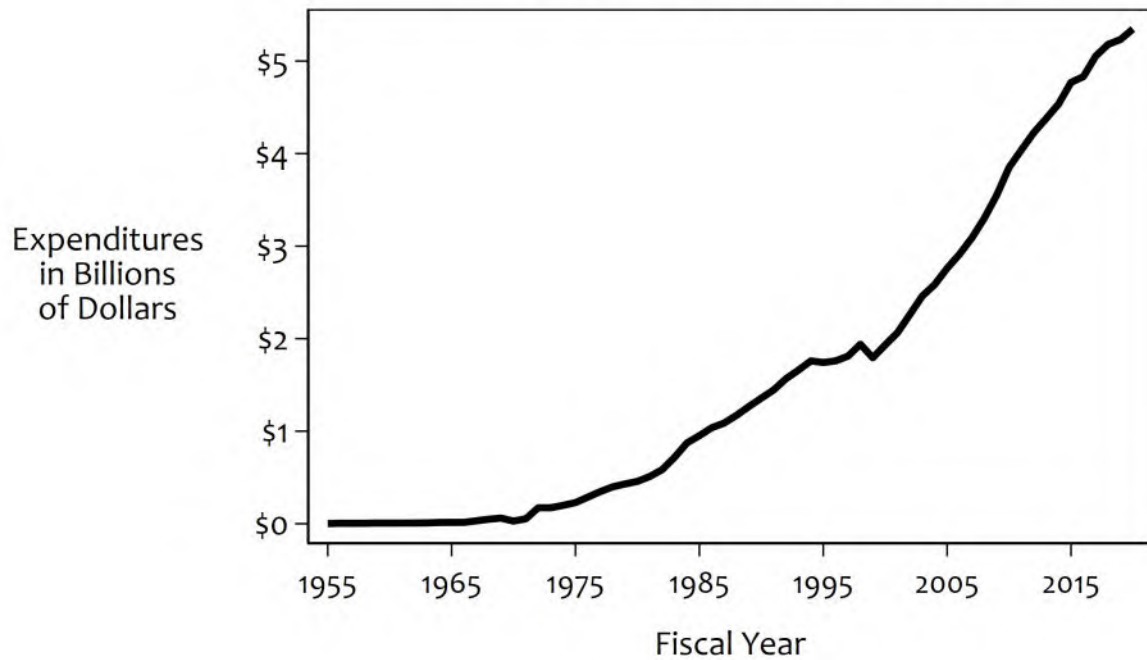


Figure 2: Share of Health Expenditures in
Manitoba, 1954/55 through 2019/20

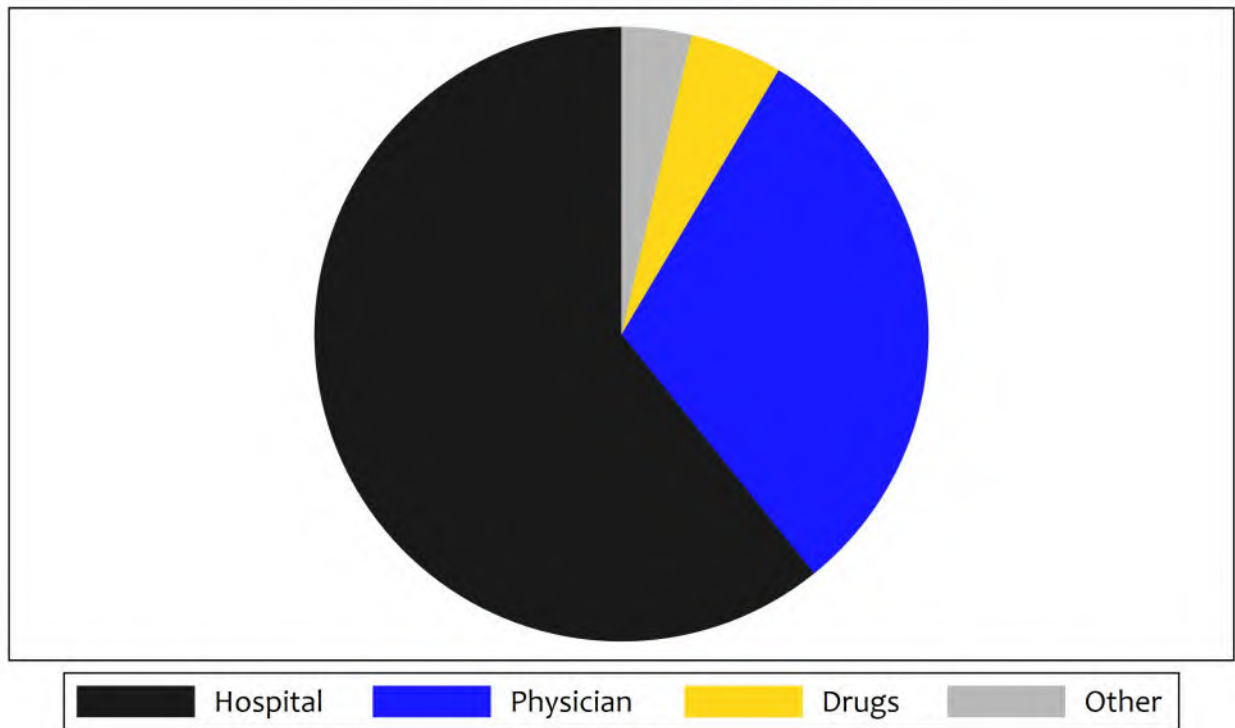


Figure 3: Estimates of Hospital SAF

Estimates from Public CCHS data between 2000 and 2014

Point Estimate and 95% Confidence Interval

Canadian average marked by dashed, red line

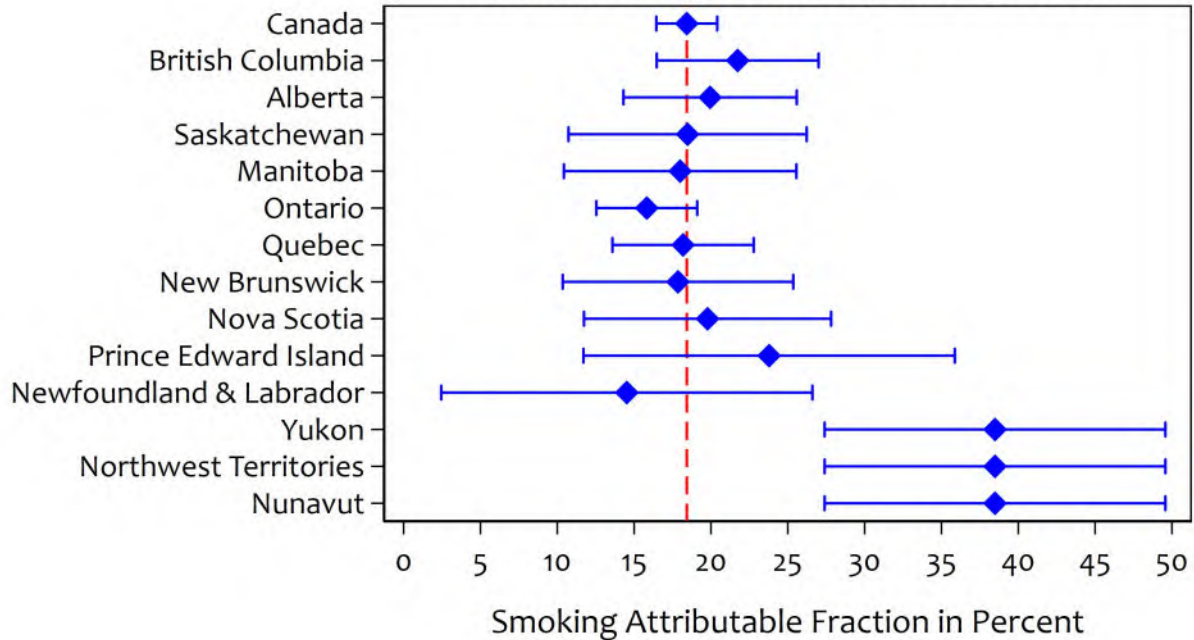


Figure 4: Estimates of Physician SAF

Estimates from Public CCHS data between 2000 and 2014

Point Estimate and 95% Confidence Interval

Canadian average marked by dashed, red line

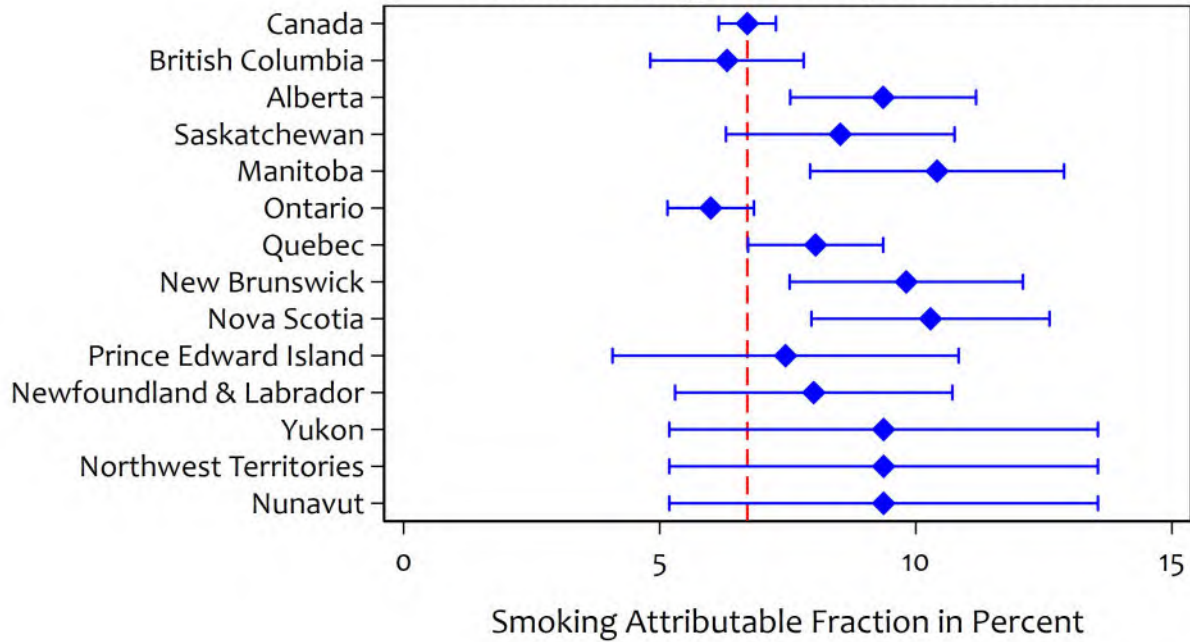


Figure 5: Hospital SAF for Manitoba
Allowing for the Breach Exposure Period
1954-1995 and Latent Hospital Utilization

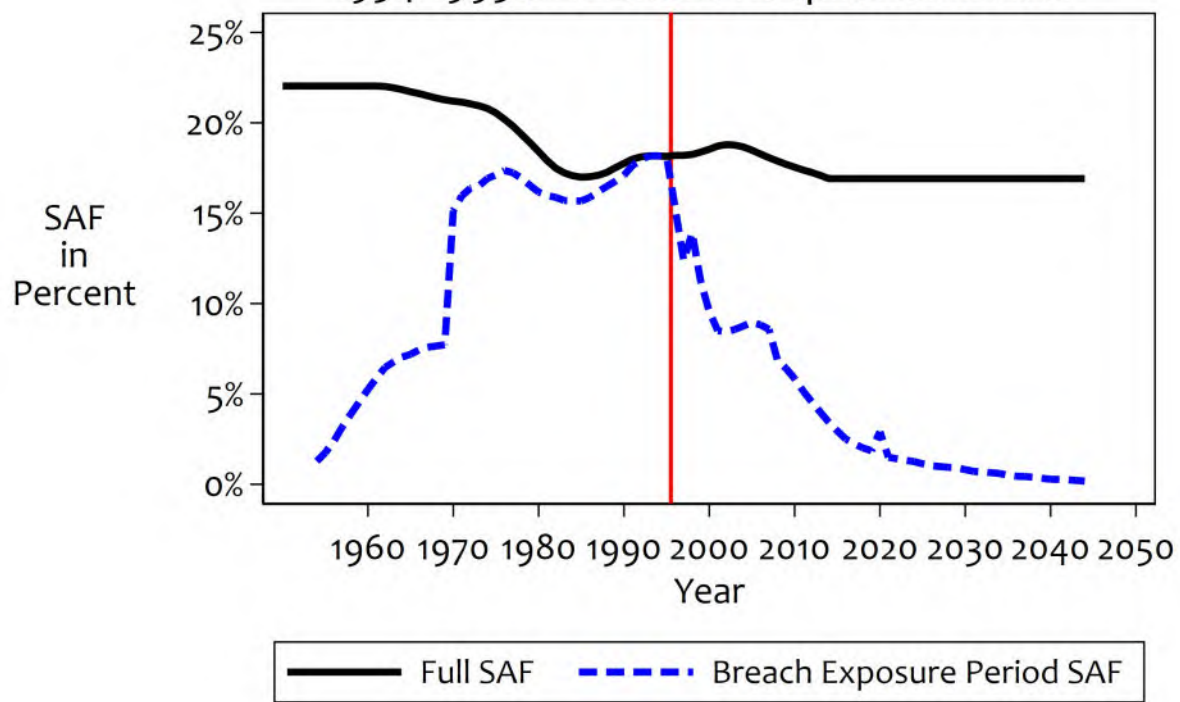


Figure 6: Physician SAF for Manitoba
Allowing for the Breach Exposure Period
1954-1995 and Latent Physician Utilization

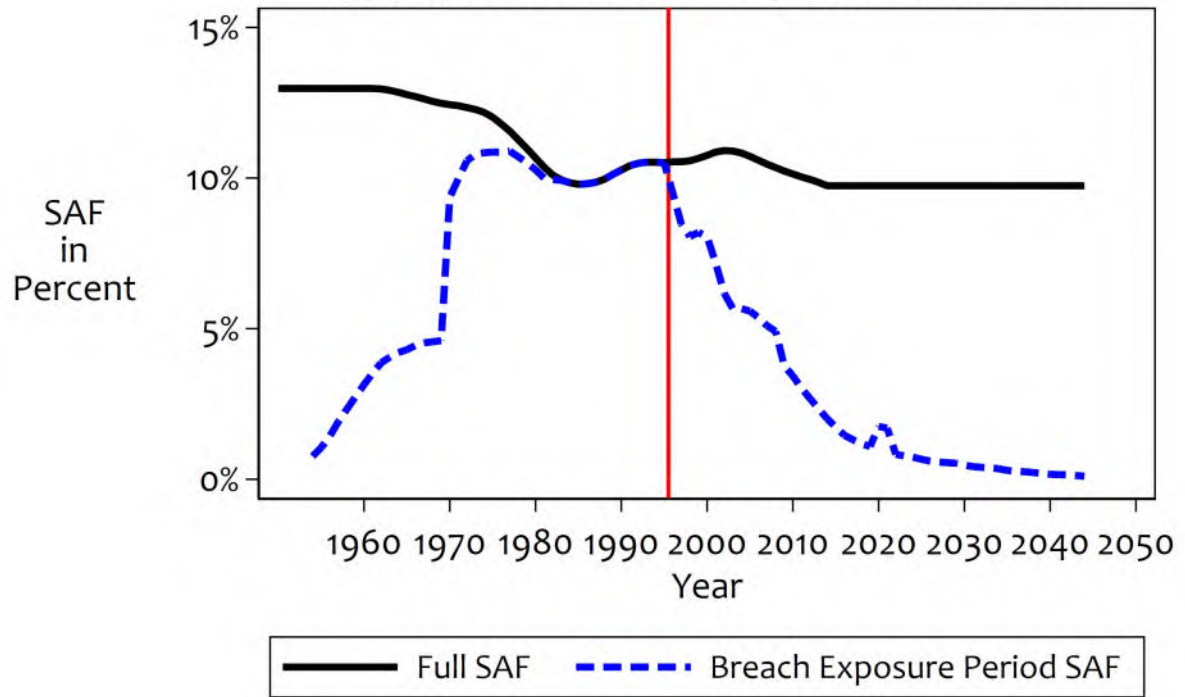


Figure 7: Historical and Projected Smoking Attributable Expenditures for Manitoba

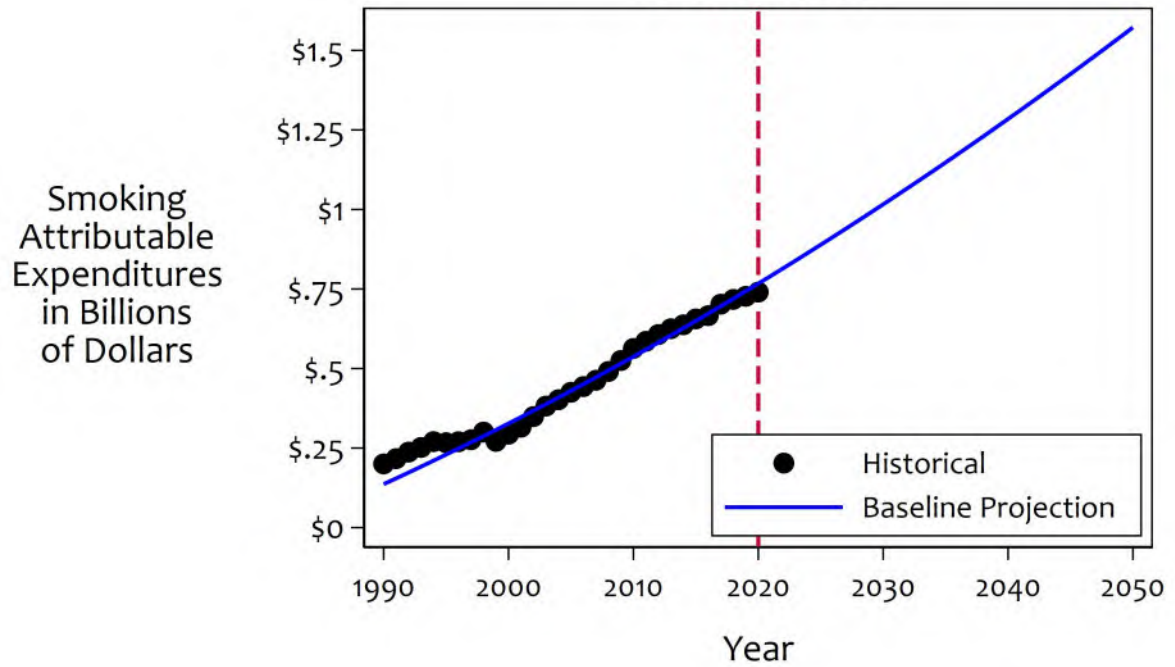
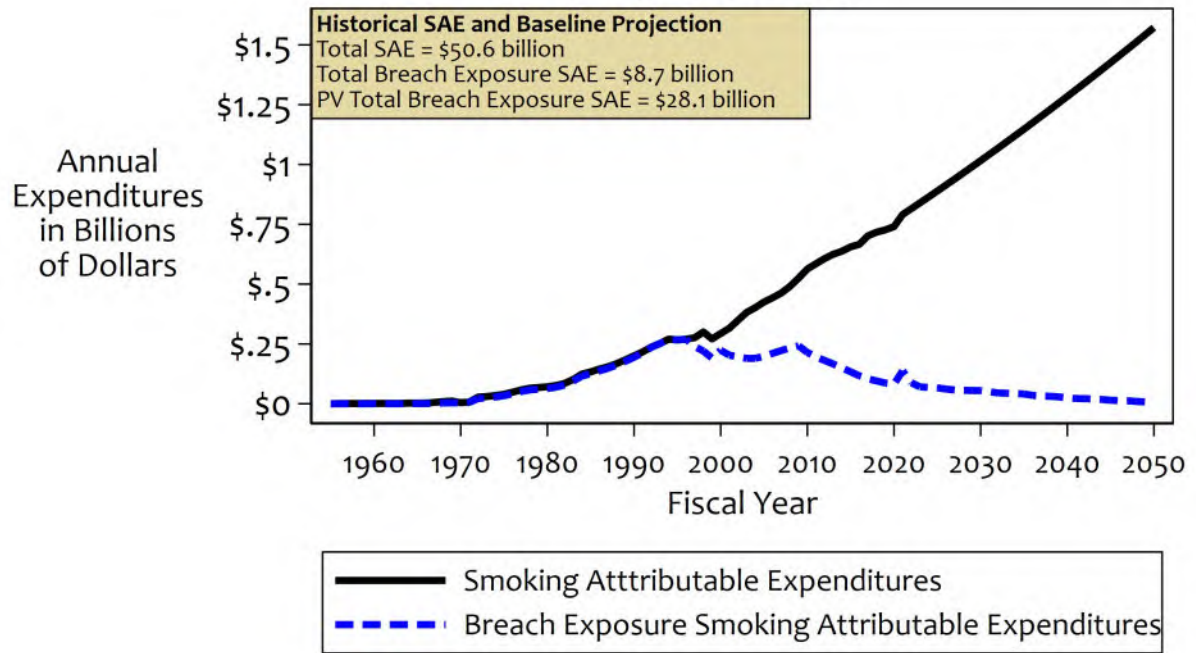


Figure 8: Smoking Attributable Expenditures
and Breach Exposure Period 1954-1996
Smoking Attributable Expenditures
in Manitoba



New Brunswick

Figure 1: Public Health Expenditures for New Brunswick, 1954/55 through 2019/20

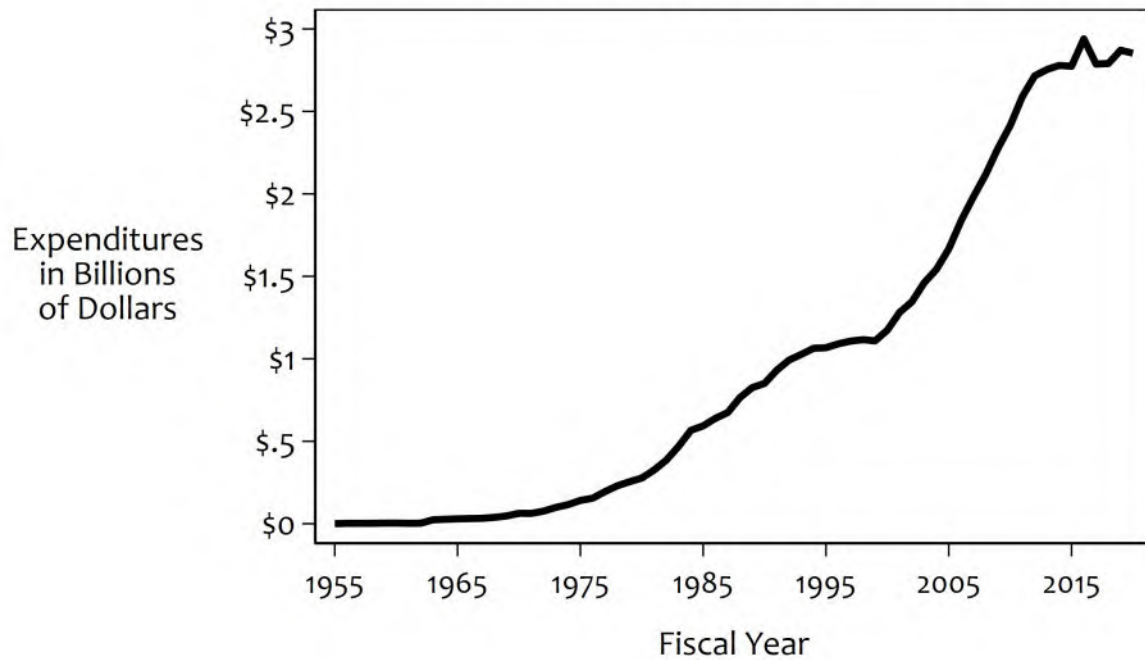


Figure 2: Share of Health Expenditures in New Brunswick, 1954/55 through 2019/20

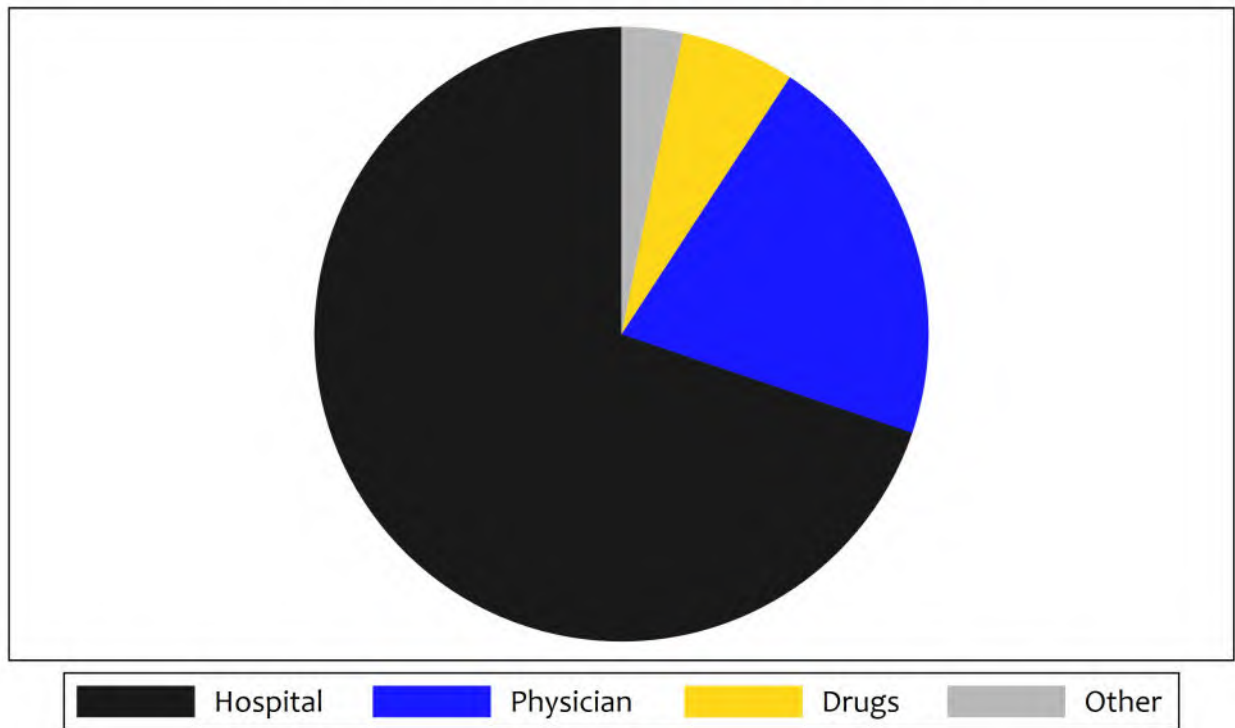


Figure 3: Estimates of Hospital SAF

Estimates from Public CCHS data between 2000 and 2014

Point Estimate and 95% Confidence Interval

Canadian average marked by dashed, red line

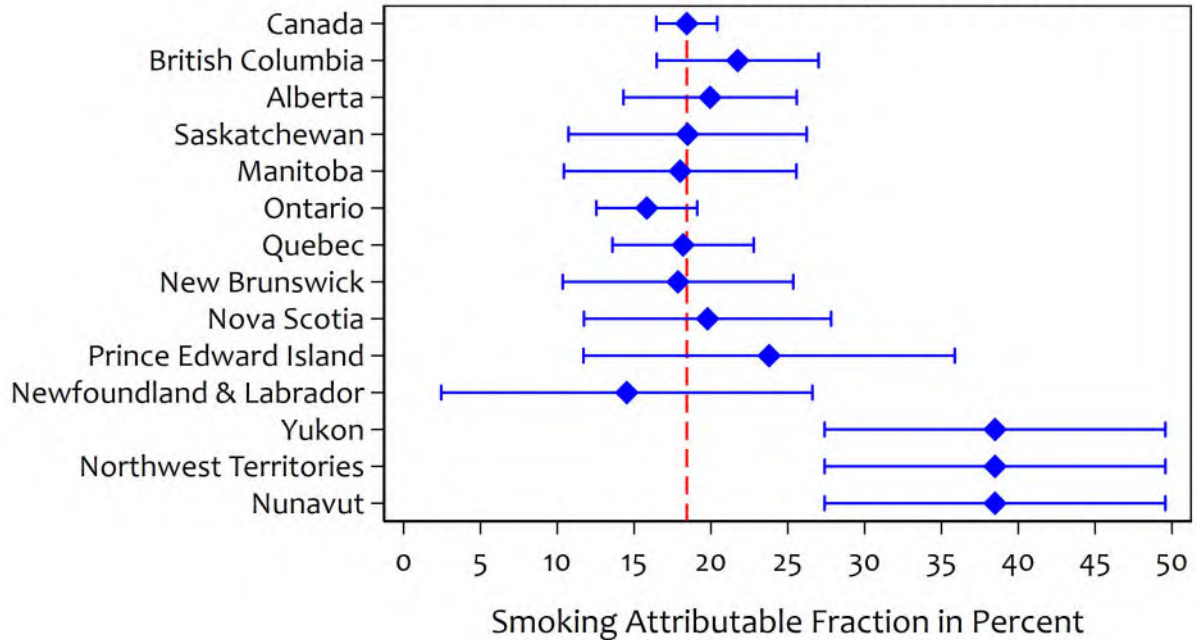


Figure 4: Estimates of Physician SAF

Estimates from Public CCHS data between 2000 and 2014
Point Estimate and 95% Confidence Interval
Canadian average marked by dashed, red line

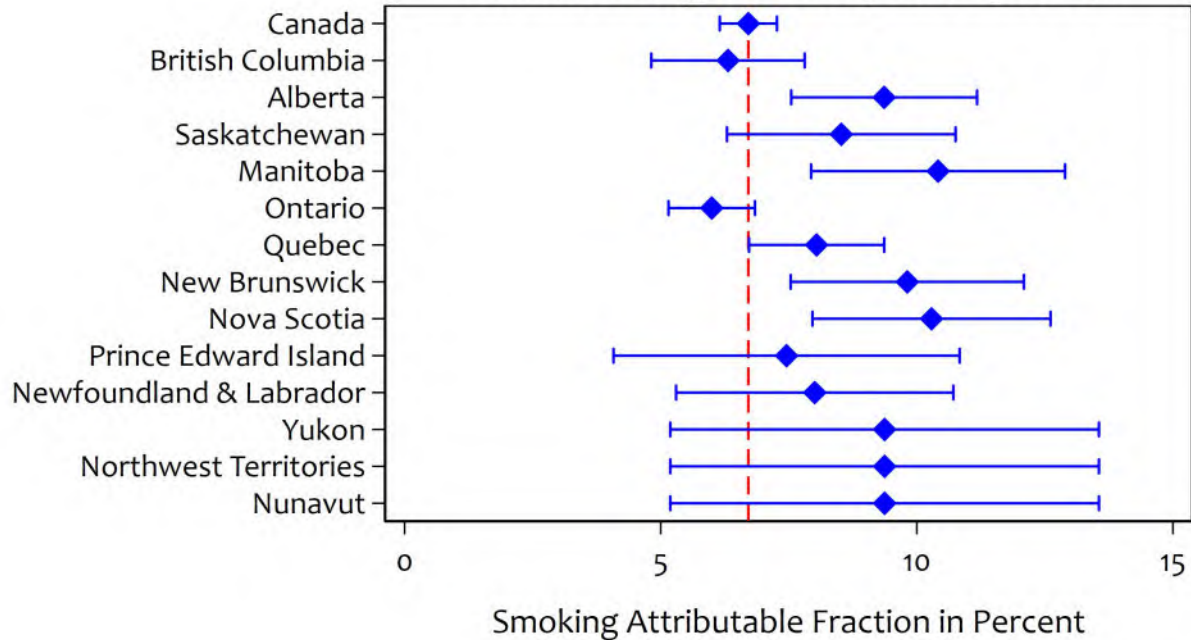


Figure 5: Hospital SAF for New Brunswick
Allowing for the Breach Exposure Period
1954-1995 and Latent Hospital Utilization

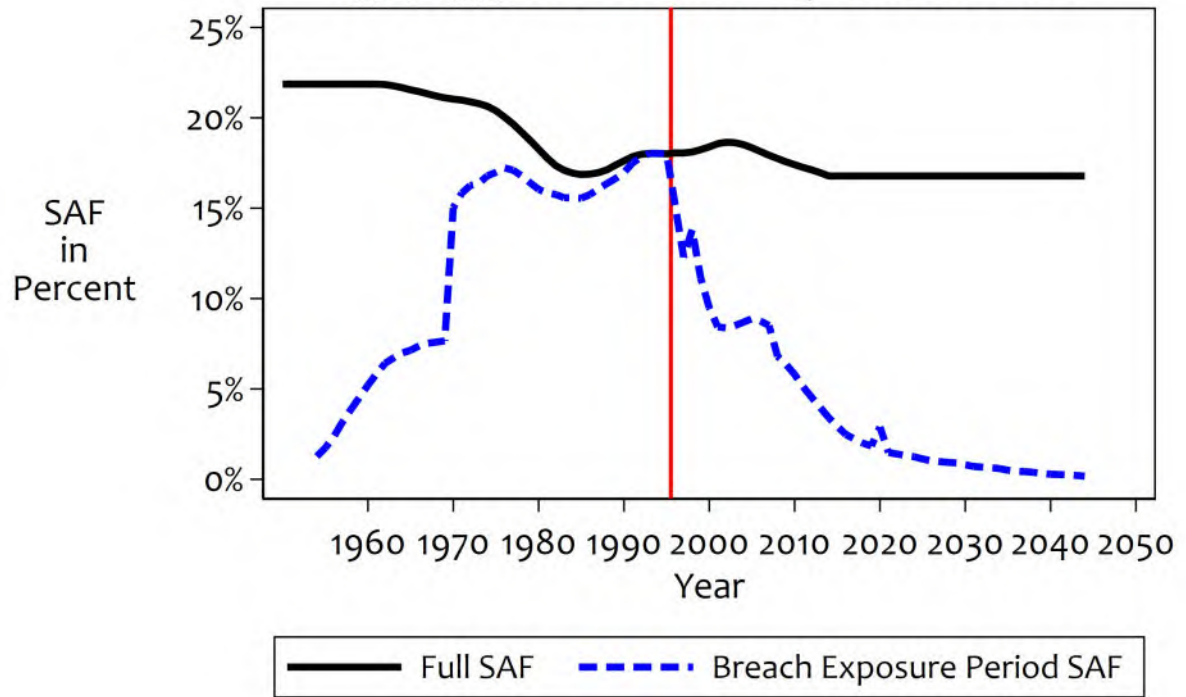


Figure 6: Physician SAF for New Brunswick
Allowing for the Breach Exposure Period
1954-1995 and Latent Physician Utilization

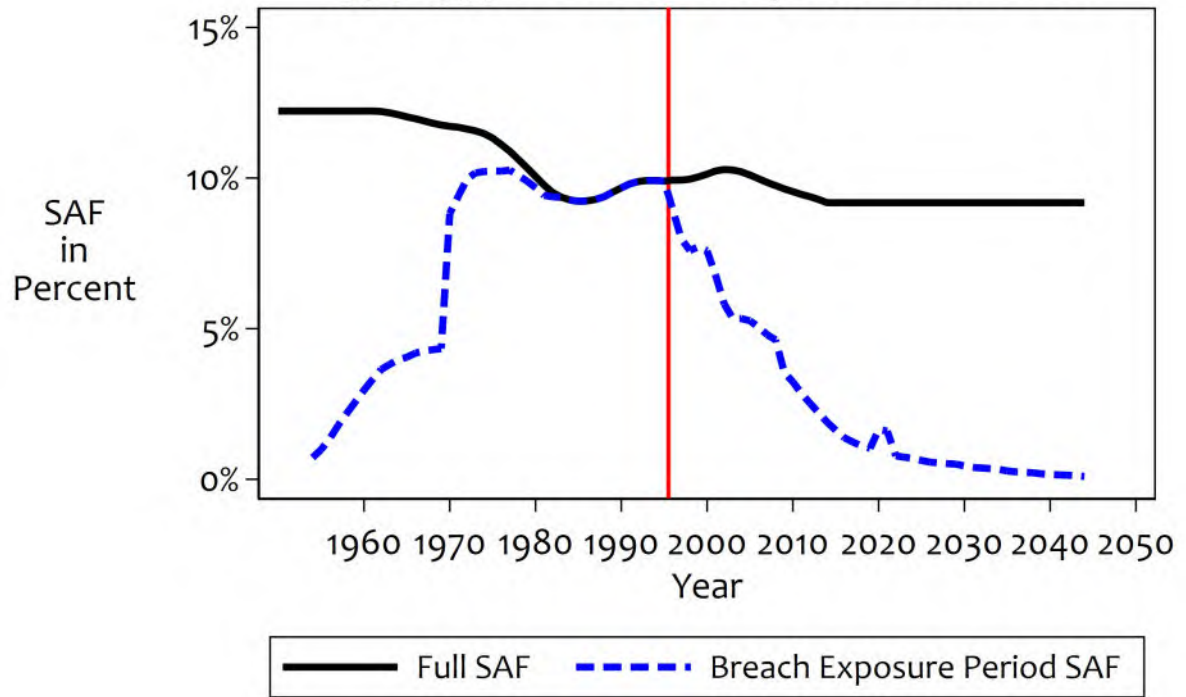


Figure 7: Historical and Projected Smoking Attributable Expenditures for New Brunswick

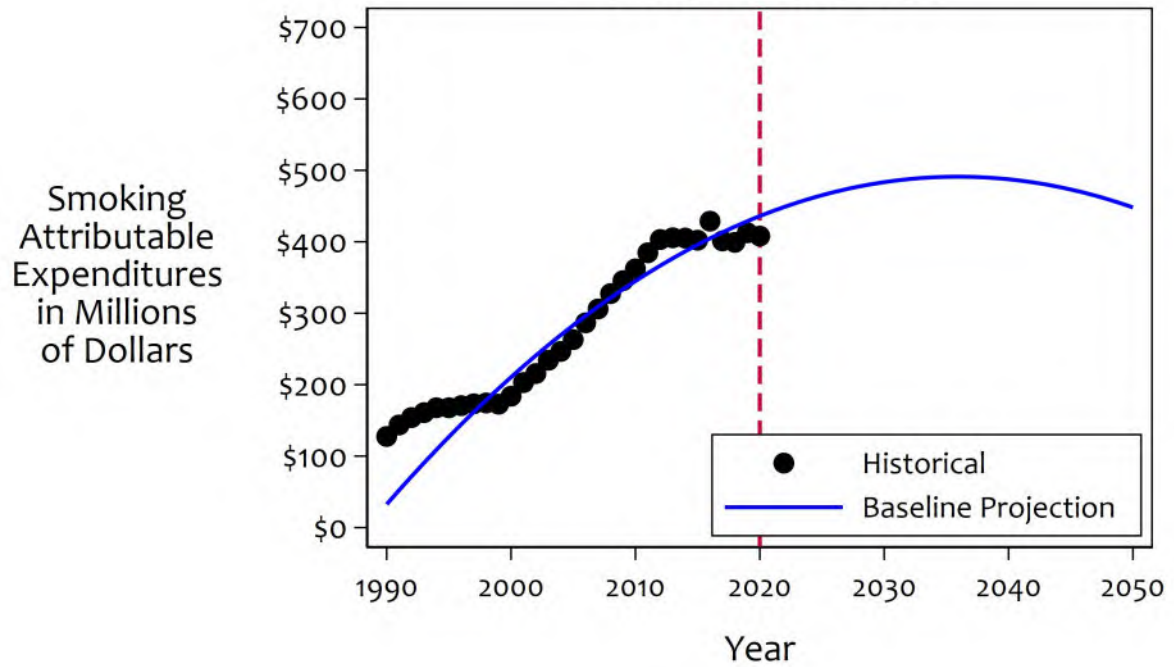
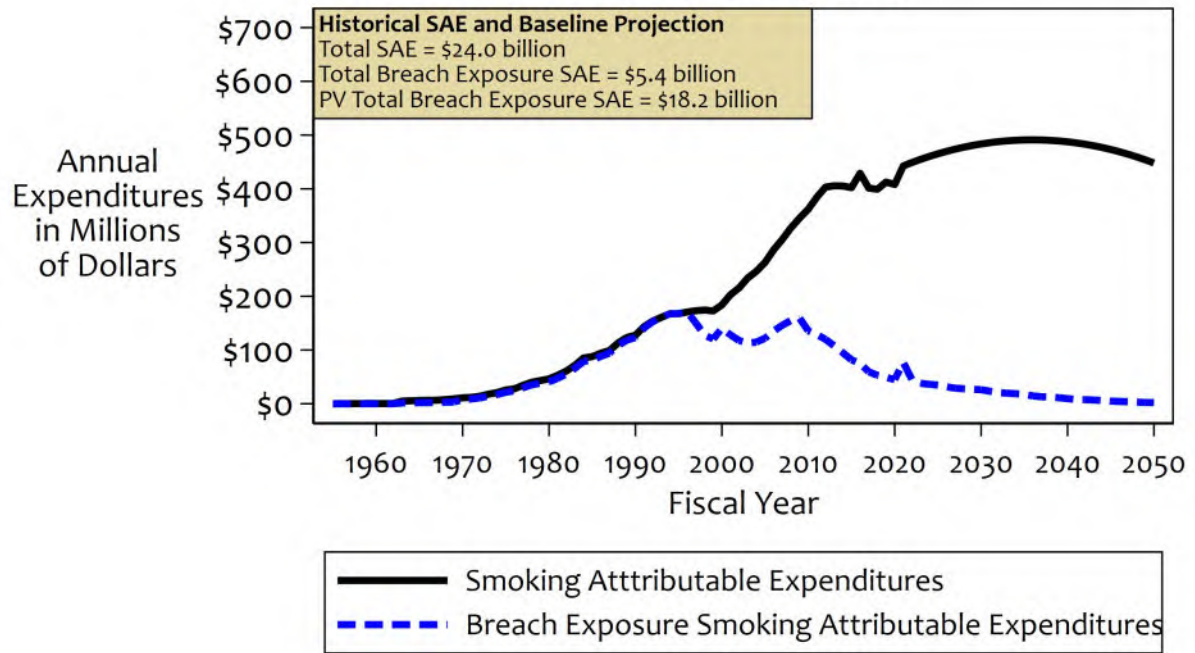


Figure 8: Smoking Attributable Expenditures
and Breach Exposure Period 1954-1996
Smoking Attributable Expenditures
in New Brunswick



Newfoundland and Labrador

Figure 1: Public Health Expenditures for Newfoundland & Labrador, 1954/55 through 2019/20

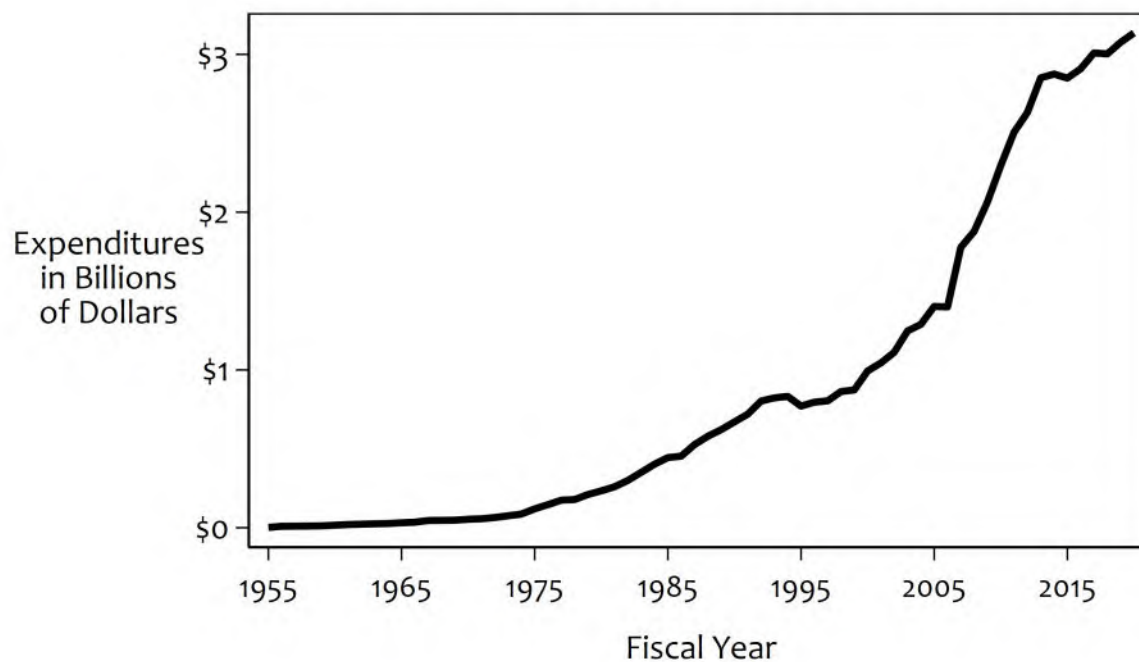


Figure 2: Share of Health Expenditures in
Newfoundland & Labrador, 1954/55 through 2019/20

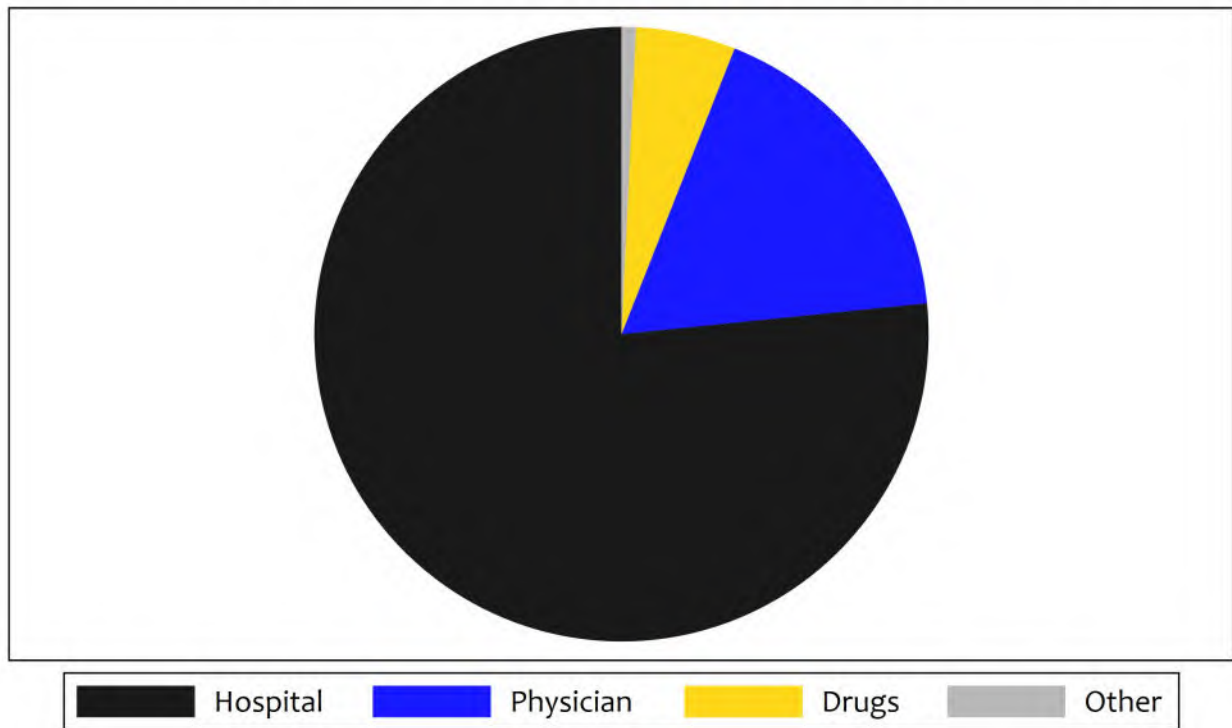


Figure 3: Estimates of Hospital SAF

Estimates from Public CCHS data between 2000 and 2014

Point Estimate and 95% Confidence Interval

Canadian average marked by dashed, red line

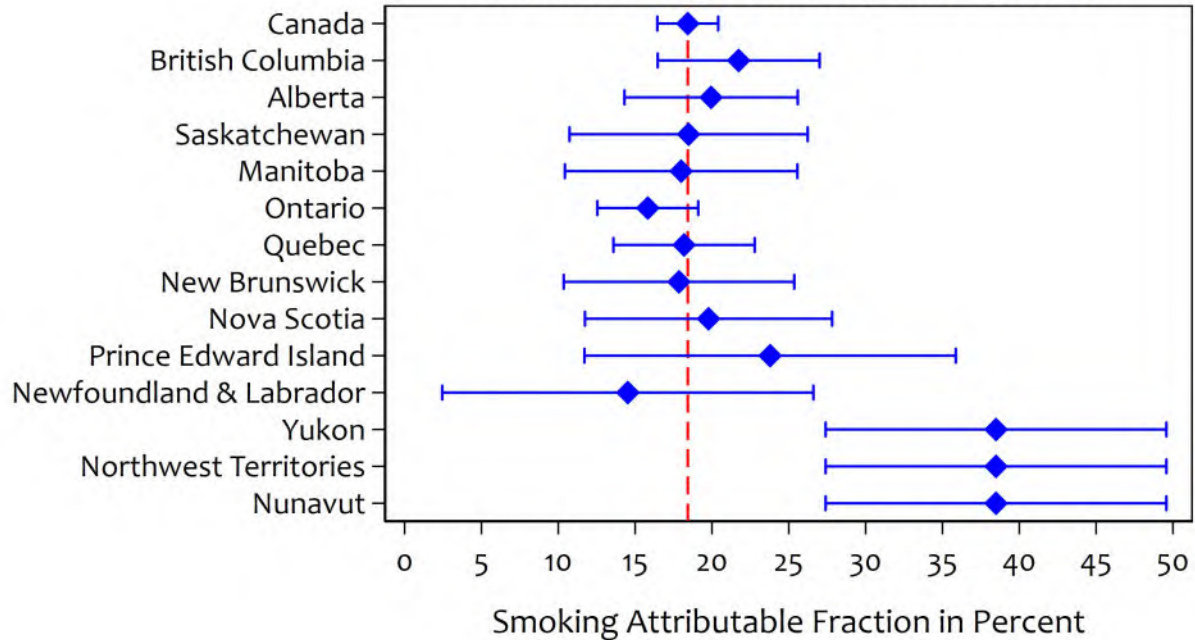


Figure 4: Estimates of Physician SAF

Estimates from Public CCHS data between 2000 and 2014

Point Estimate and 95% Confidence Interval

Canadian average marked by dashed, red line

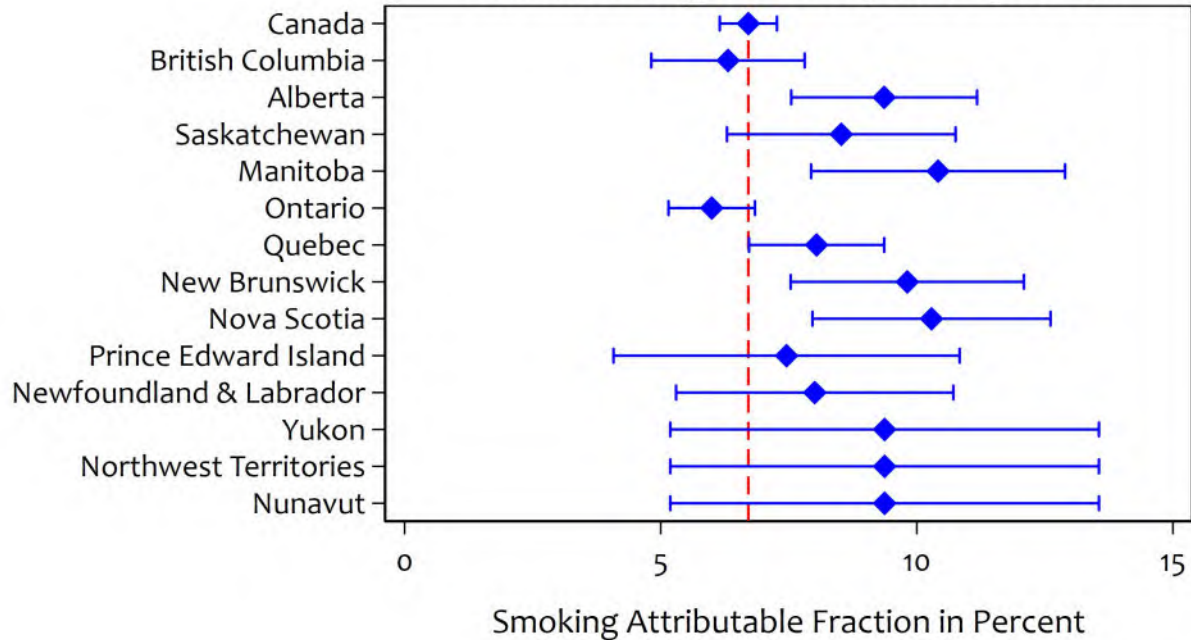


Figure 5: Hospital SAF for Newfoundland
Allowing for the Breach Exposure Period
1954-1995 and Latent Hospital Utilization

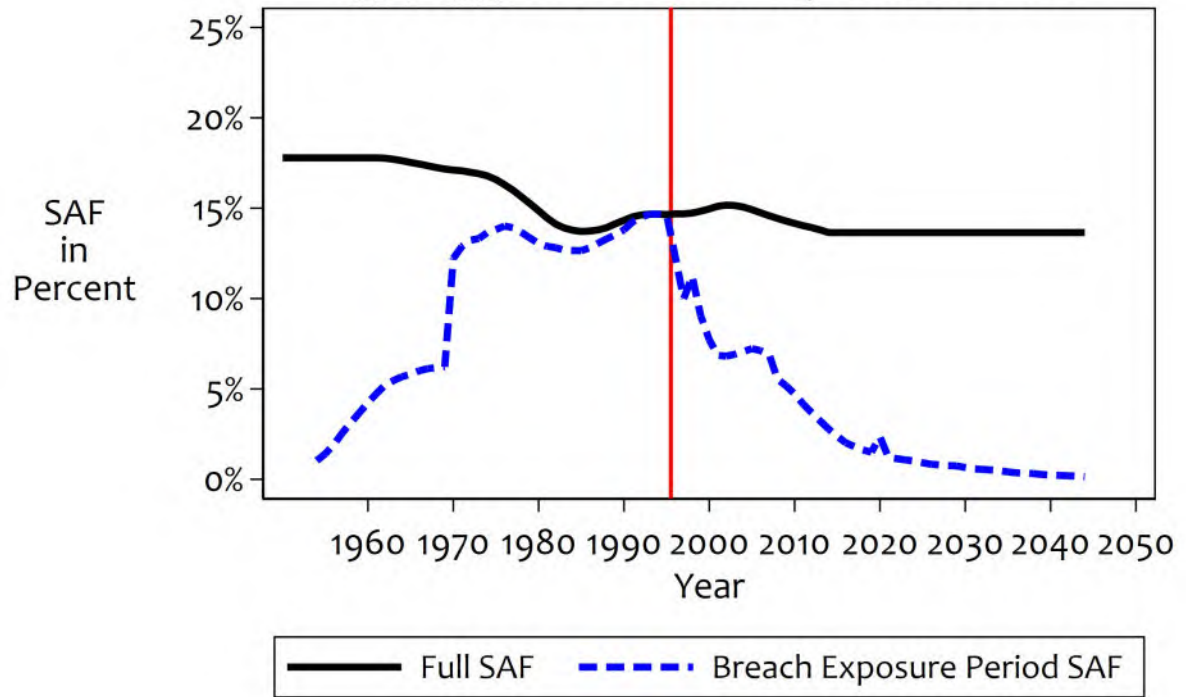


Figure 6: Physician SAF for Newfoundland
Allowing for the Breach Exposure Period
1954-1995 and Latent Physician Utilization

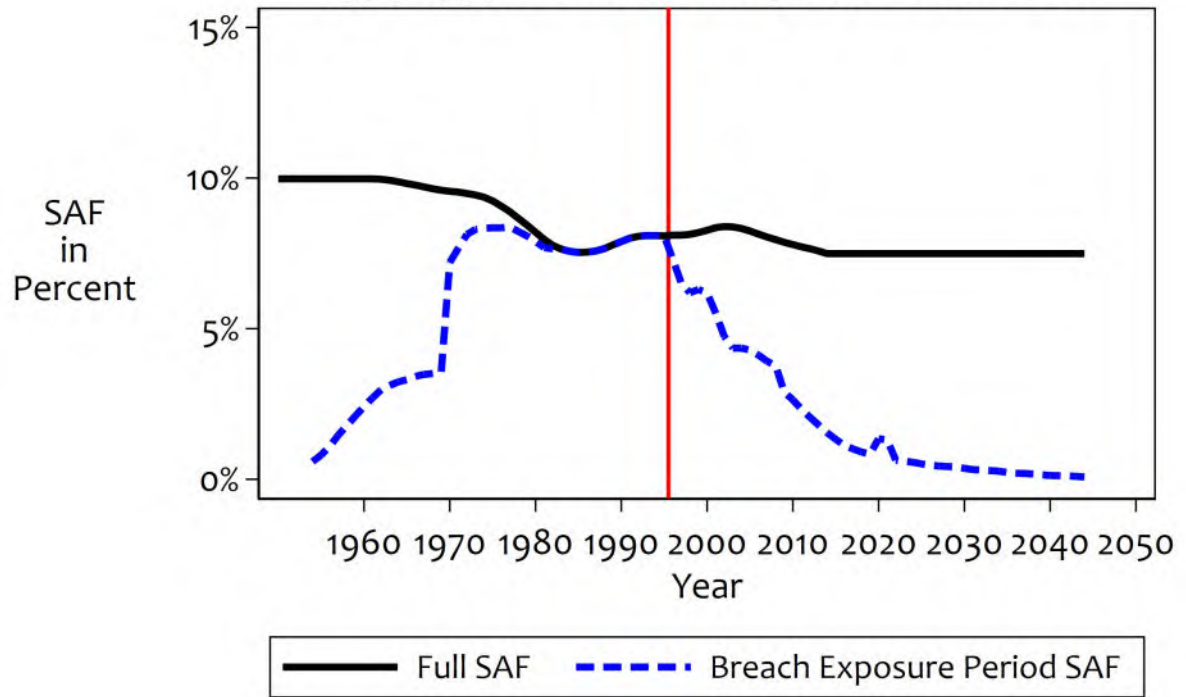


Figure 7: Historical and Projected Smoking Attributable Expenditures for Newfoundland & Labrador

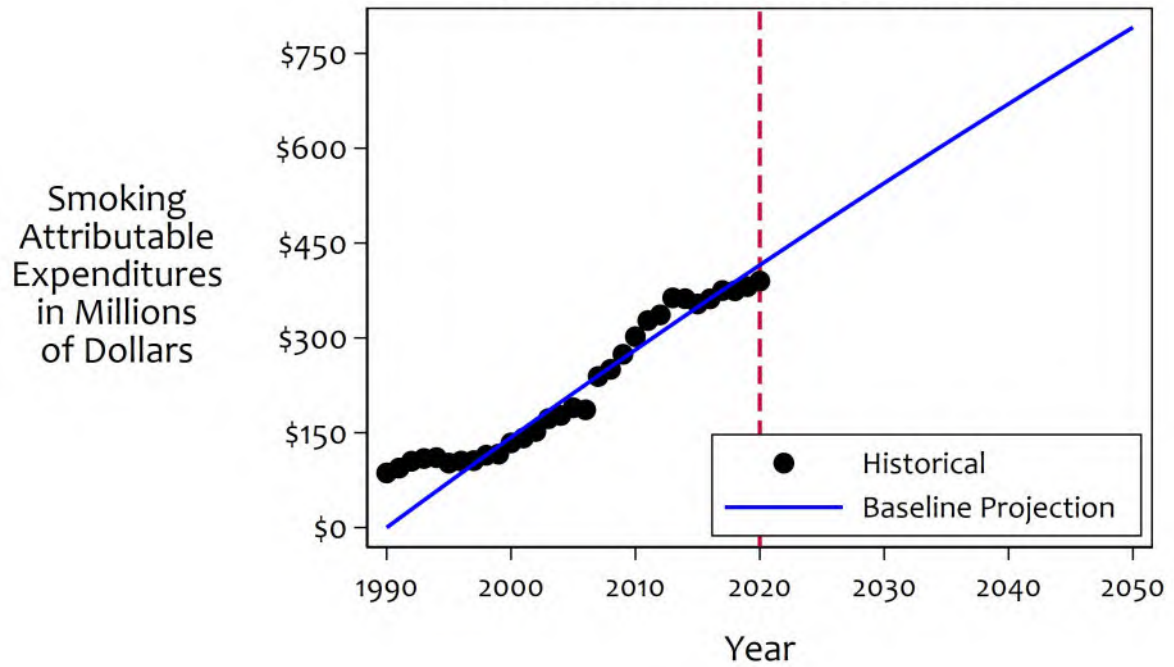
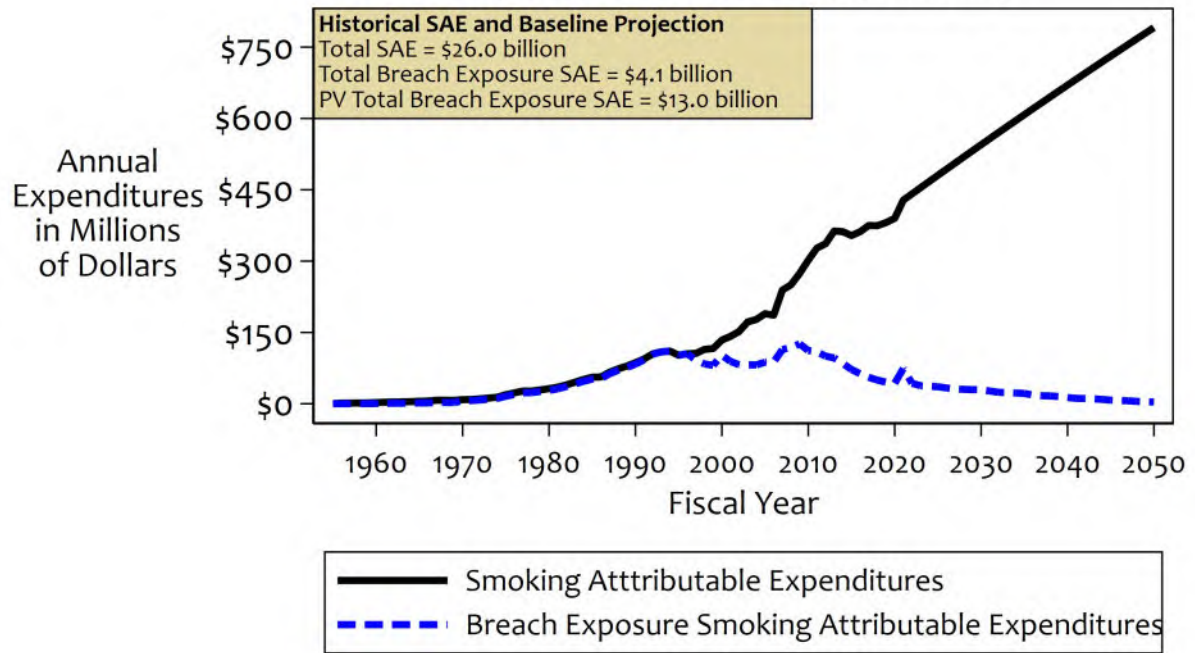


Figure 8: Smoking Attributable Expenditures
and Breach Exposure Period 1954-1996
Smoking Attributable Expenditures
in Newfoundland & Labrador



Northwest Territories

Figure 1: Public Health Expenditures for Northwest Territories, 1983/84 through 2019/20

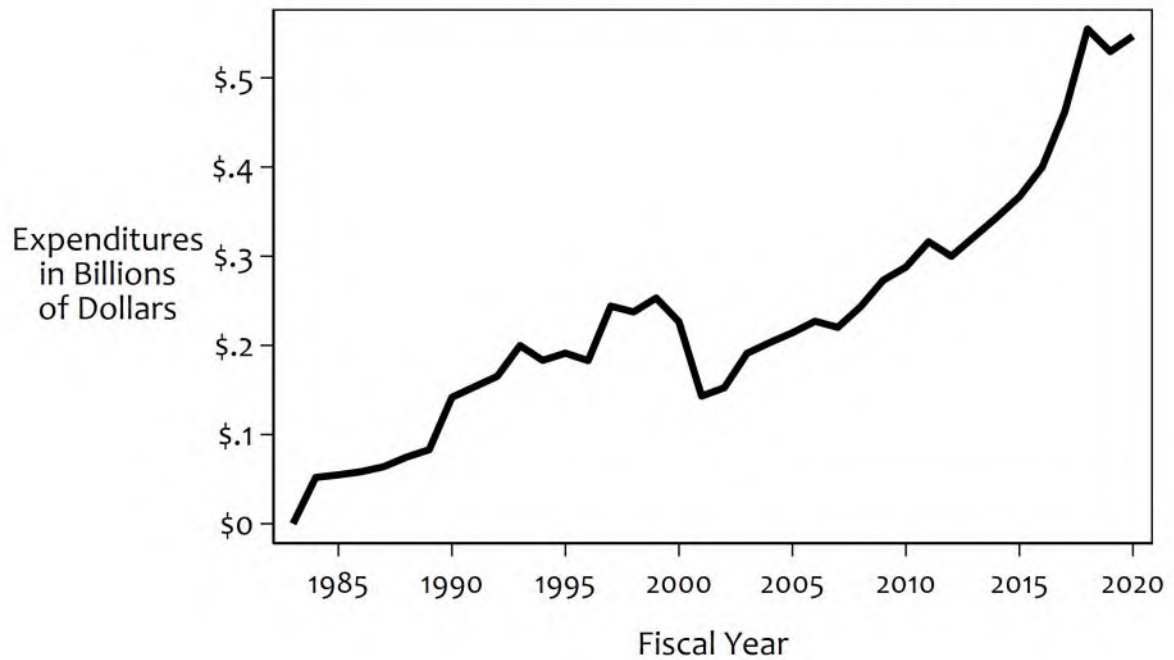


Figure 2: Share of Health Expenditures in Northwest Territories, 1983/84 through 2019/20

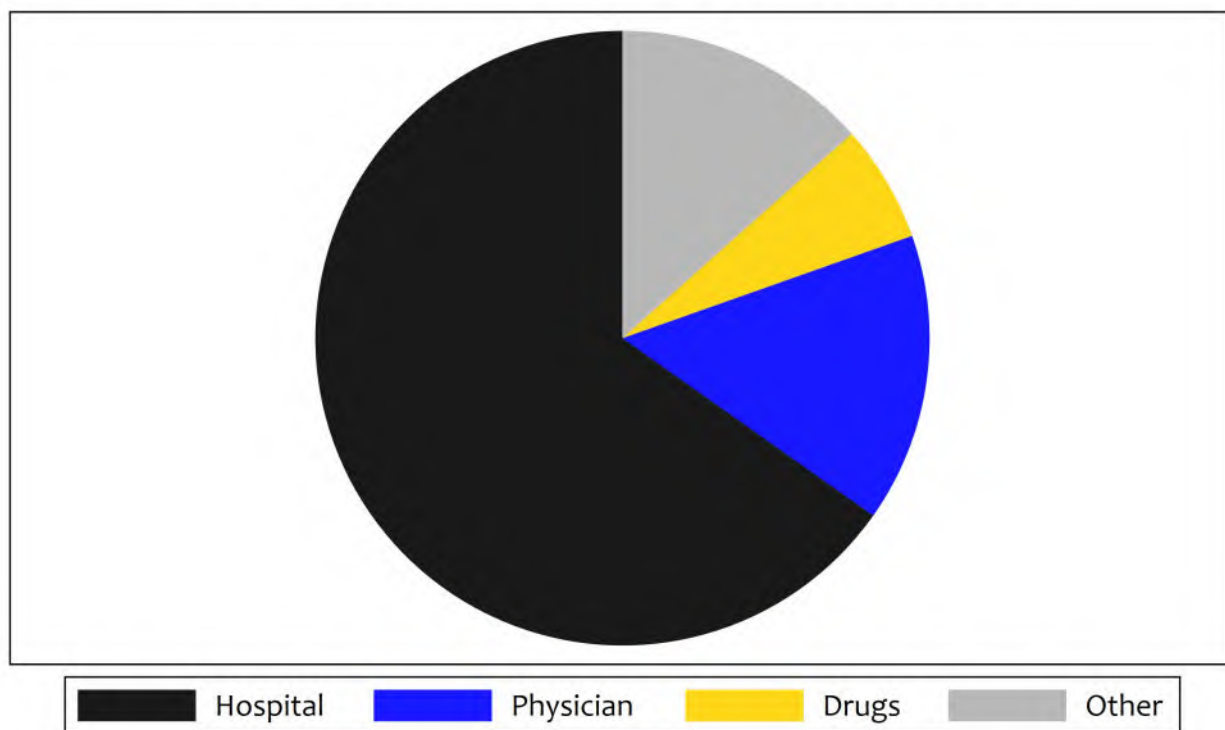


Figure 3: Estimates of Hospital SAF

Estimates from Public CCHS data between 2000 and 2014

Point Estimate and 95% Confidence Interval

Canadian average marked by dashed, red line

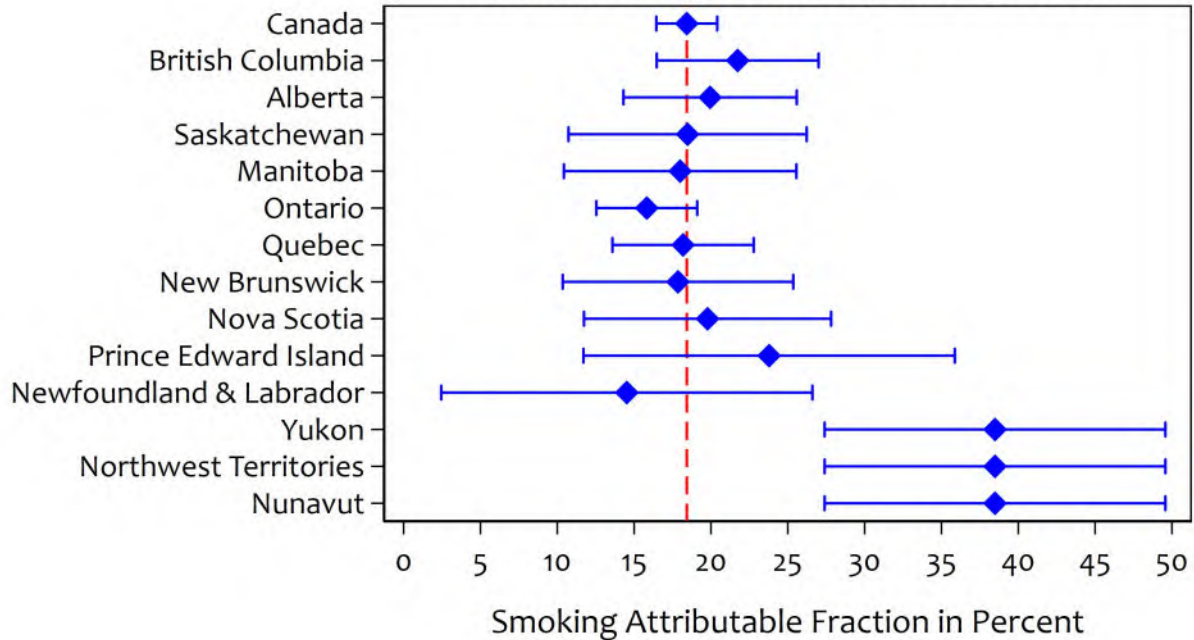


Figure 4: Estimates of Physician SAF

Estimates from Public CCHS data between 2000 and 2014

Point Estimate and 95% Confidence Interval

Canadian average marked by dashed, red line

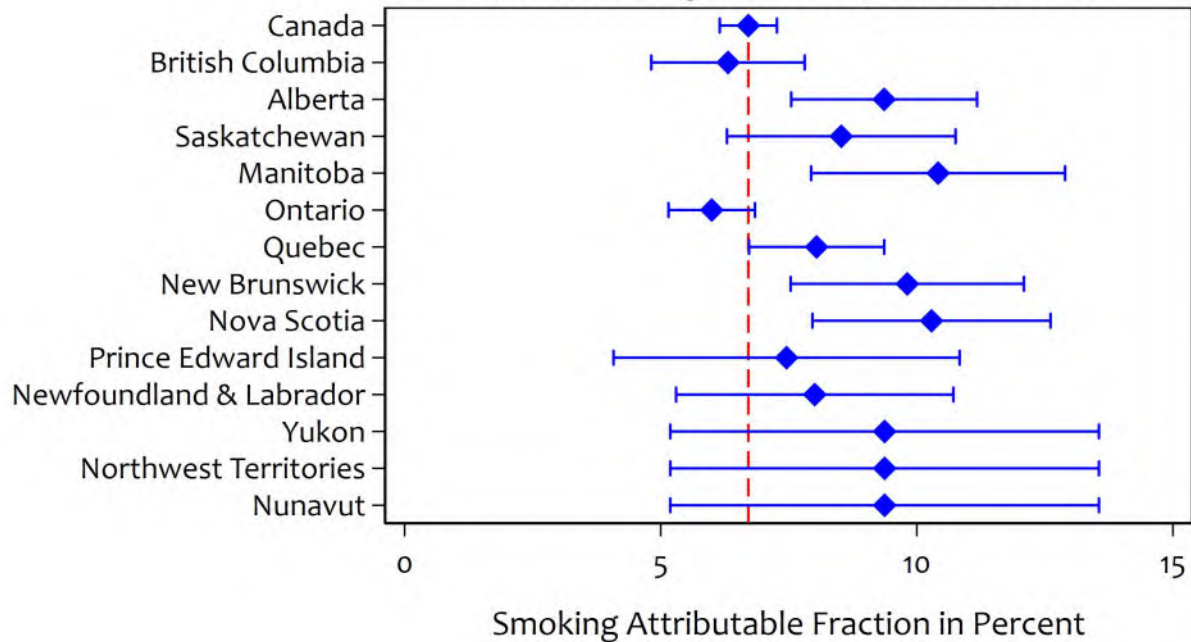


Figure 5: Hospital SAF for Northwest Territories
Allowing for the Breach Exposure Period
1954-1995 and Latent Hospital Utilization

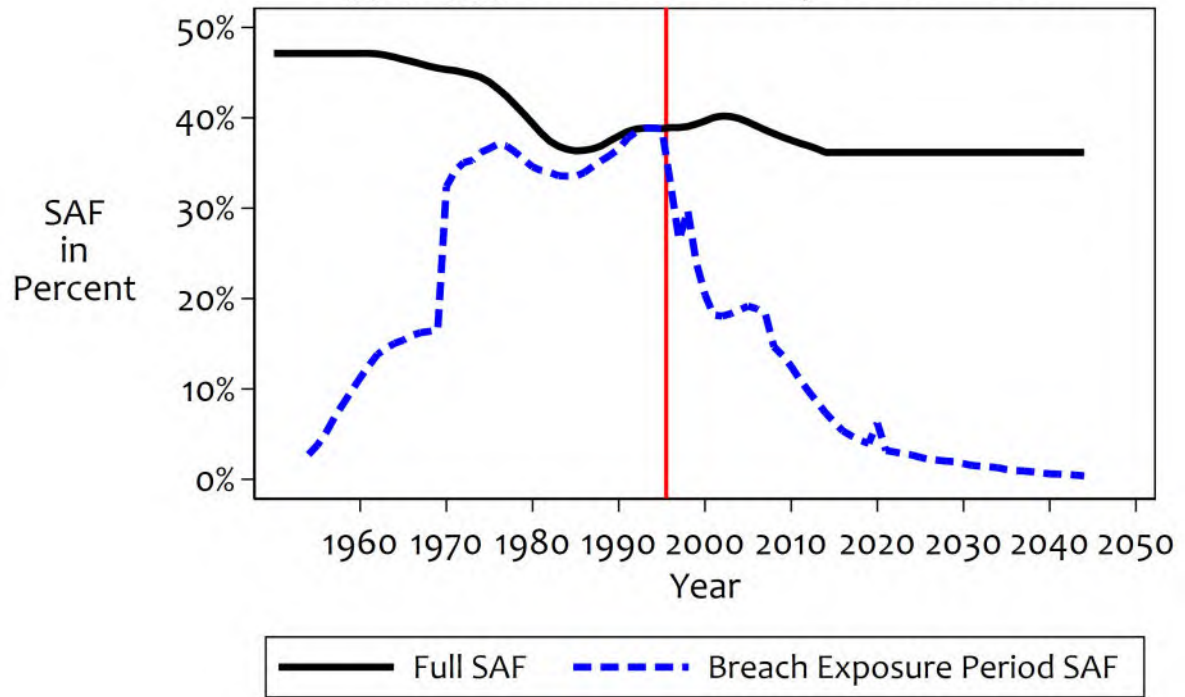


Figure 6: Physician SAF for Northwest Territories
Allowing for the Breach Exposure Period
1954-1995 and Latent Physician Utilization

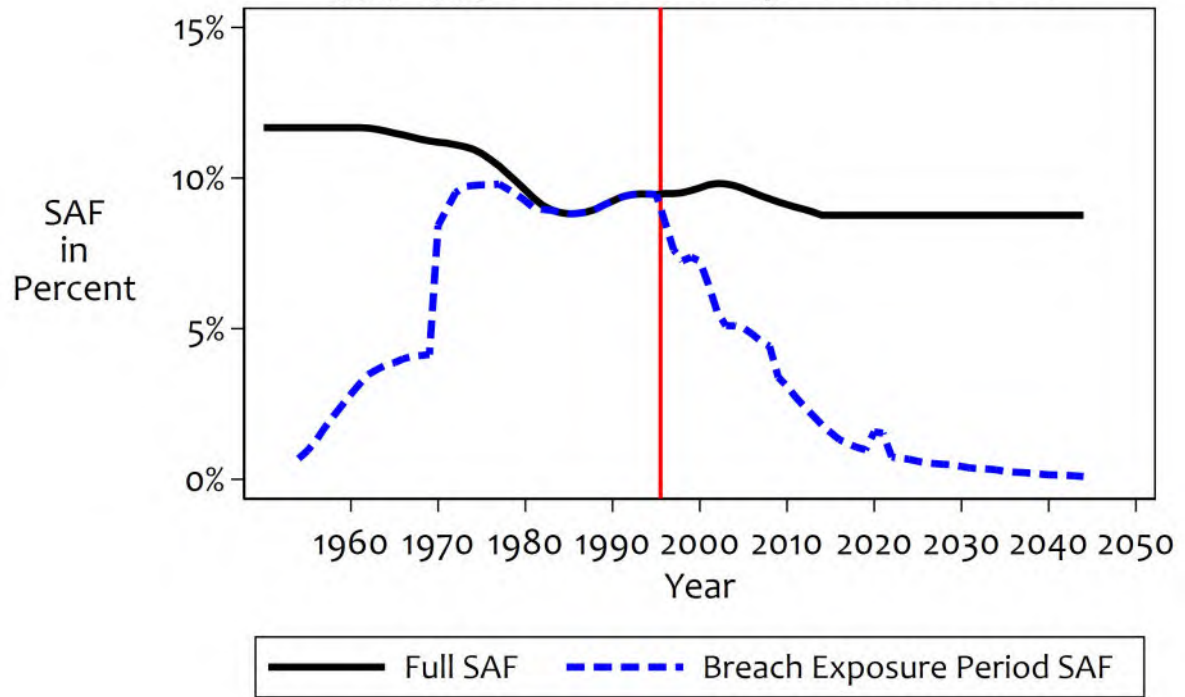


Figure 7: Historical and Projected Smoking Attributable Expenditures for Northwest Territories

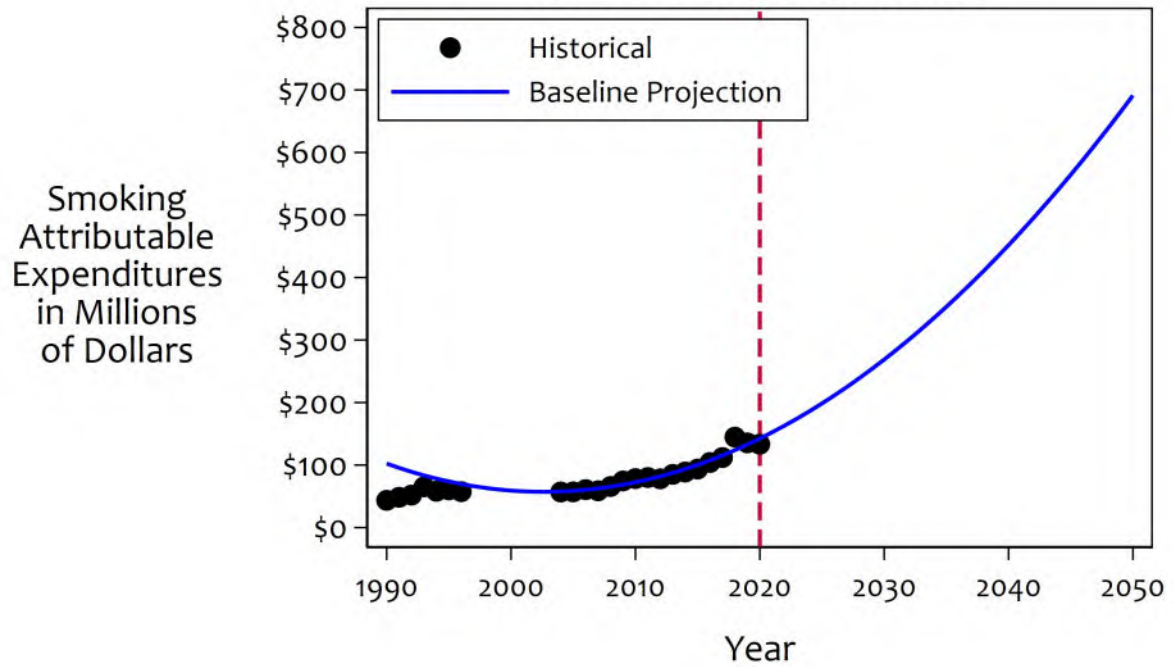
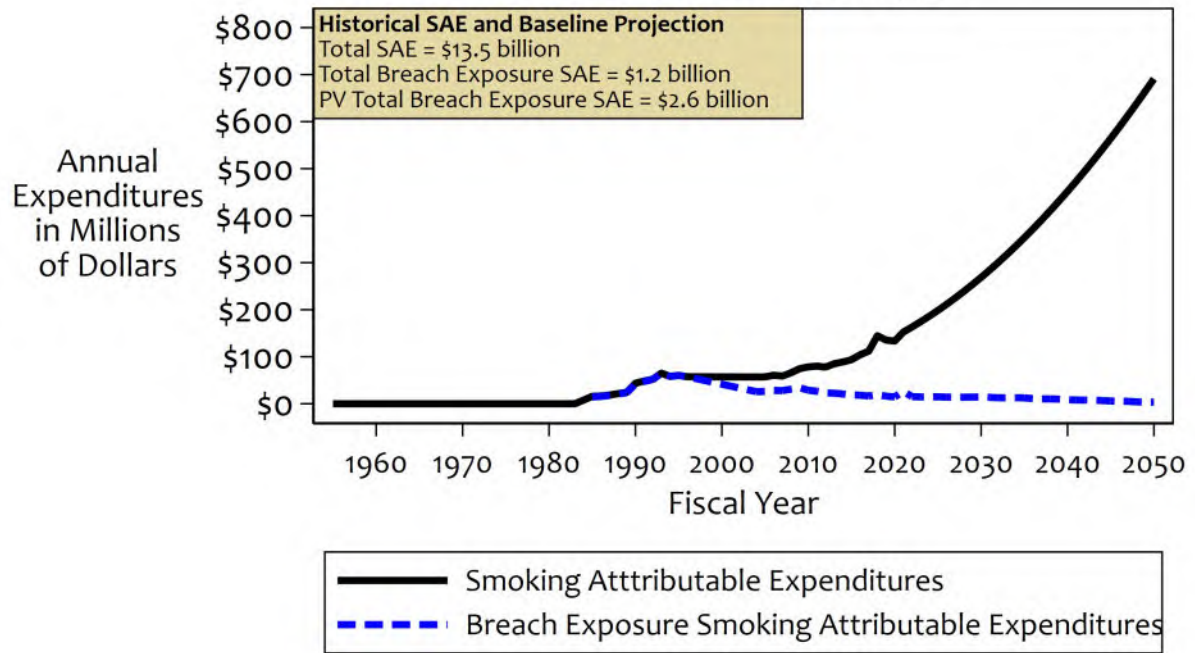


Figure 8: Smoking Attributable Expenditures
and Breach Exposure Period 1954-1996
Smoking Attributable Expenditures
in Northwest Territories



Nova Scotia

Figure 1: Public Health Expenditures for Nova Scotia, 1954/55 through 2019/20

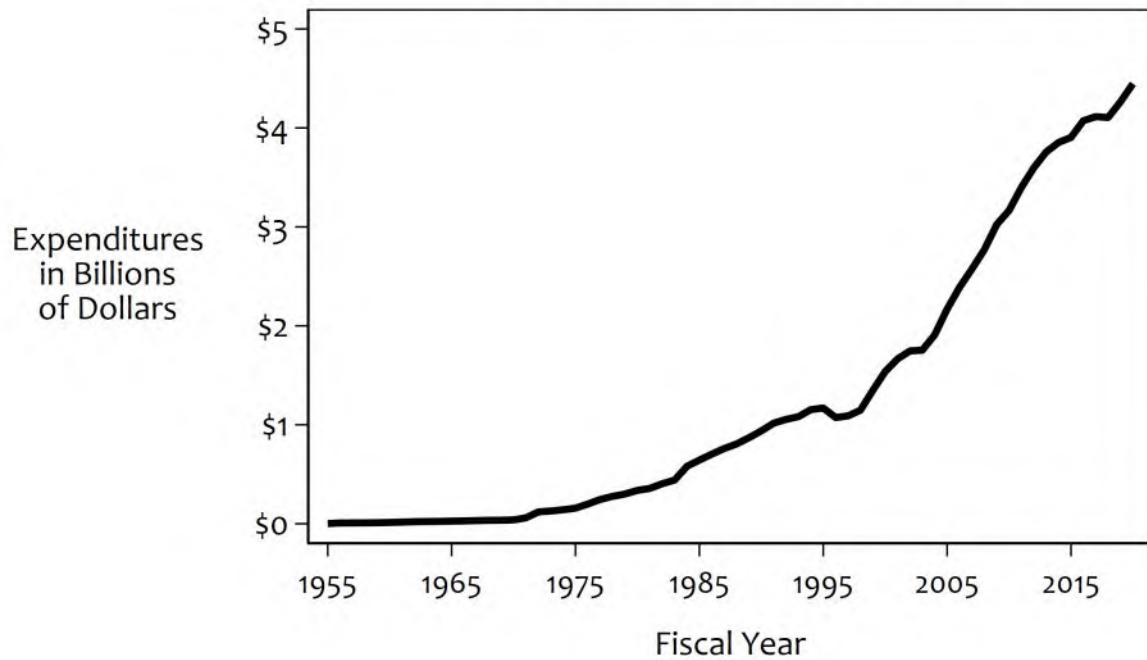


Figure 2: Share of Health Expenditures in
Nova Scotia, 1954/55 through 2019/20

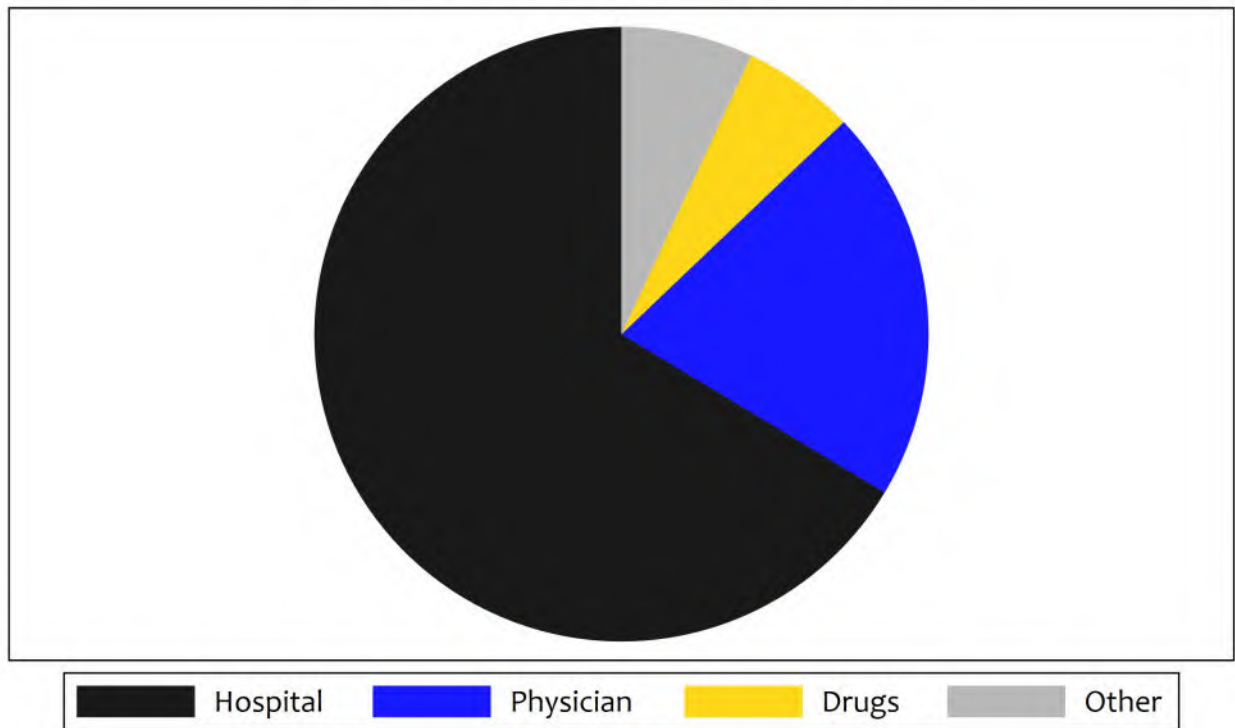


Figure 3: Estimates of Hospital SAF

Estimates from Public CCHS data between 2000 and 2014

Point Estimate and 95% Confidence Interval

Canadian average marked by dashed, red line

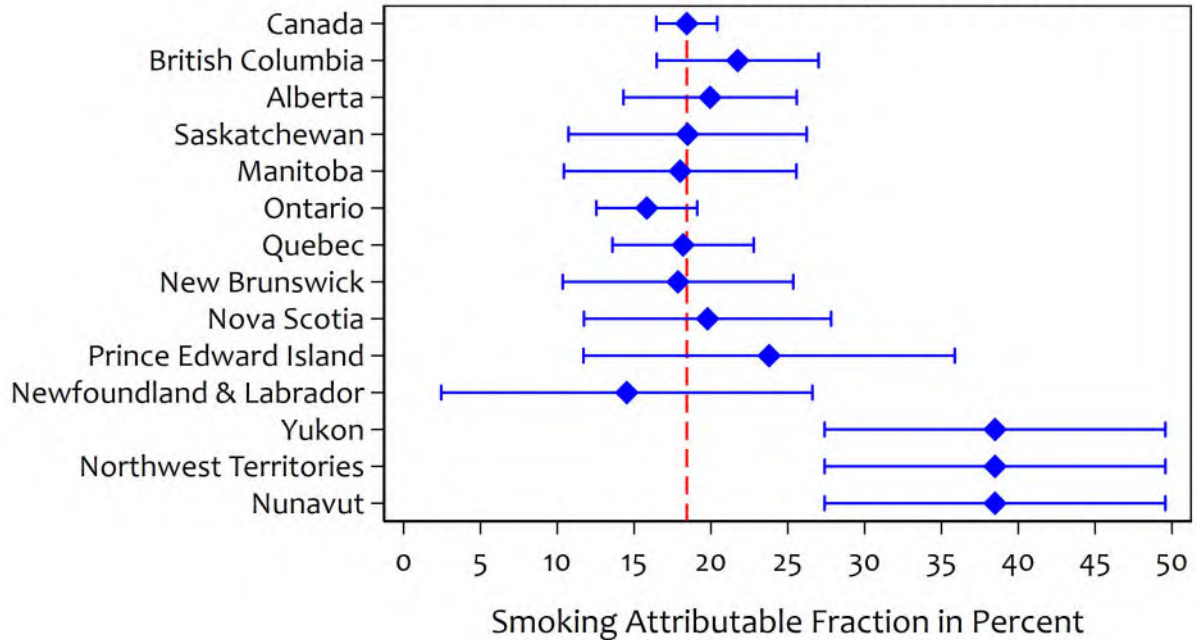


Figure 4: Estimates of Physician SAF

Estimates from Public CCHS data between 2000 and 2014

Point Estimate and 95% Confidence Interval

Canadian average marked by dashed, red line

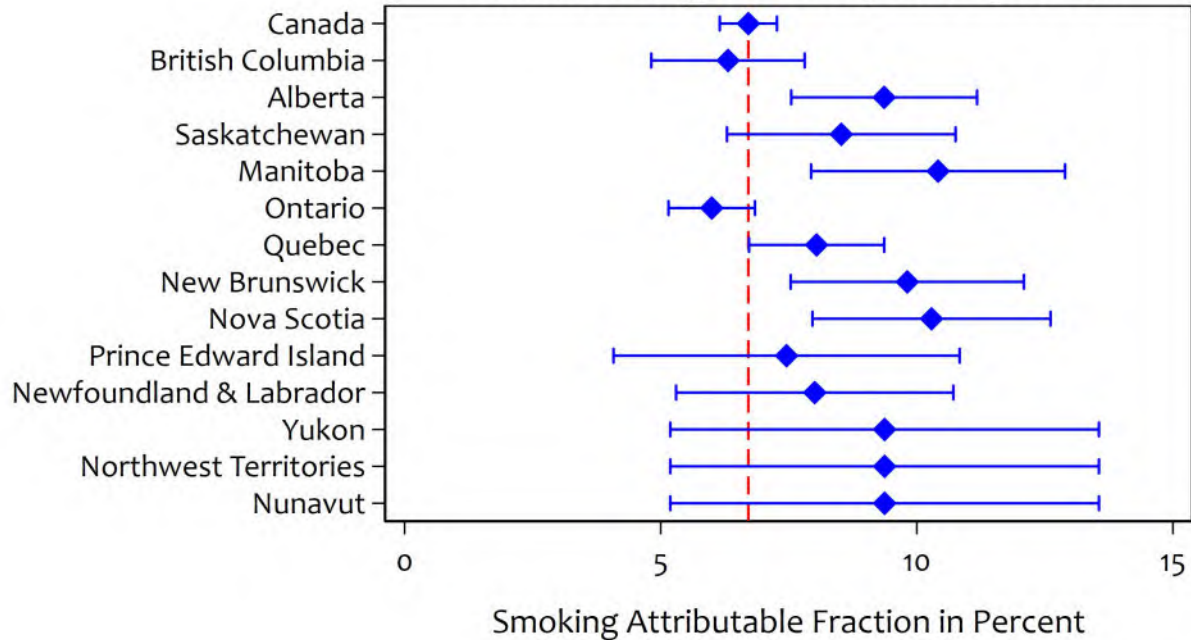


Figure 5: Hospital SAF for Nova Scotia
Allowing for the Breach Exposure Period
1954-1995 and Latent Hospital Utilization

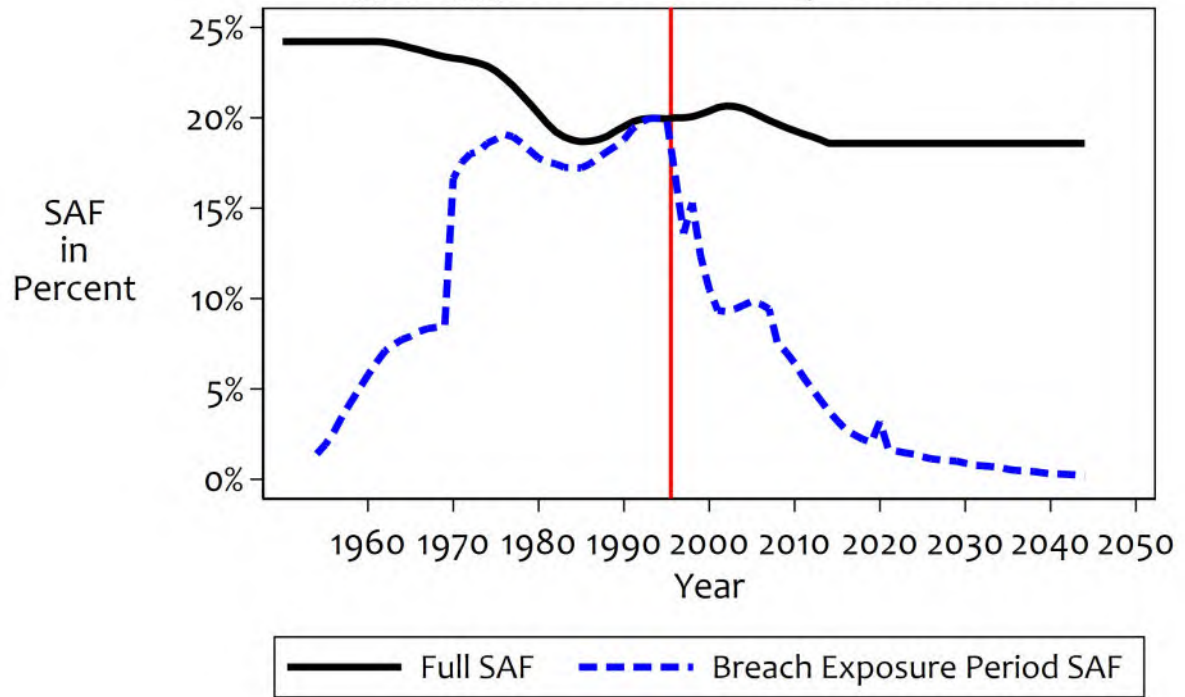


Figure 6: Physician SAF for Nova Scotia
Allowing for the Breach Exposure Period
1954-1995 and Latent Physician Utilization

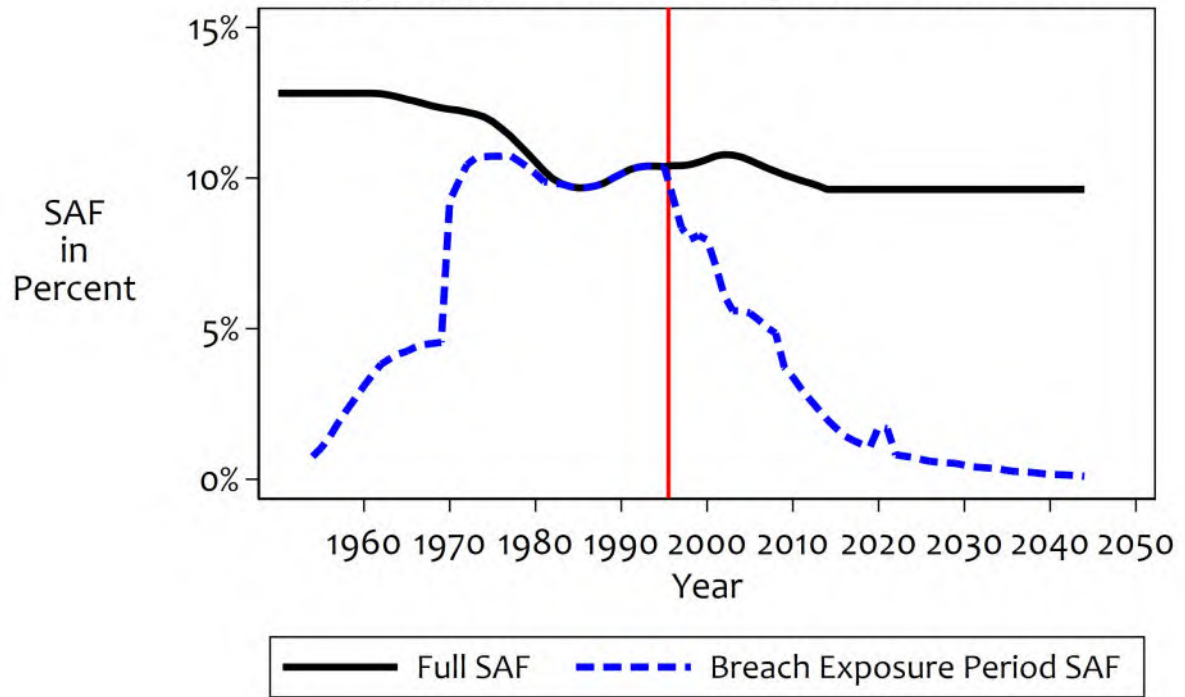


Figure 7: Historical and Projected Smoking Attributable Expenditures for Nova Scotia

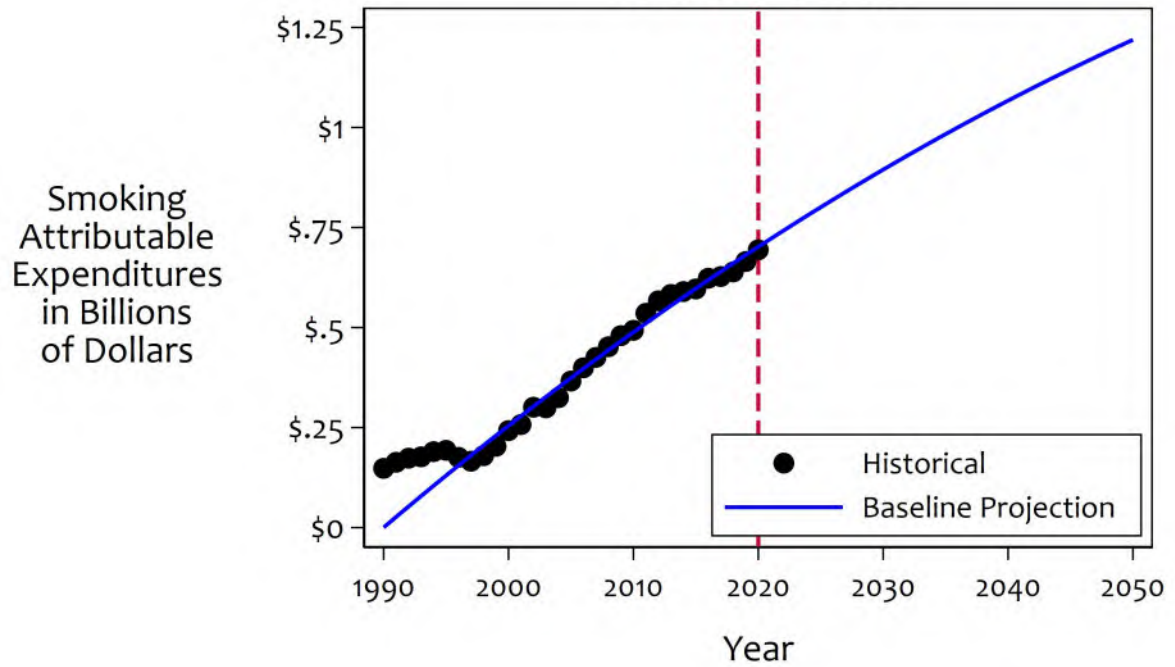
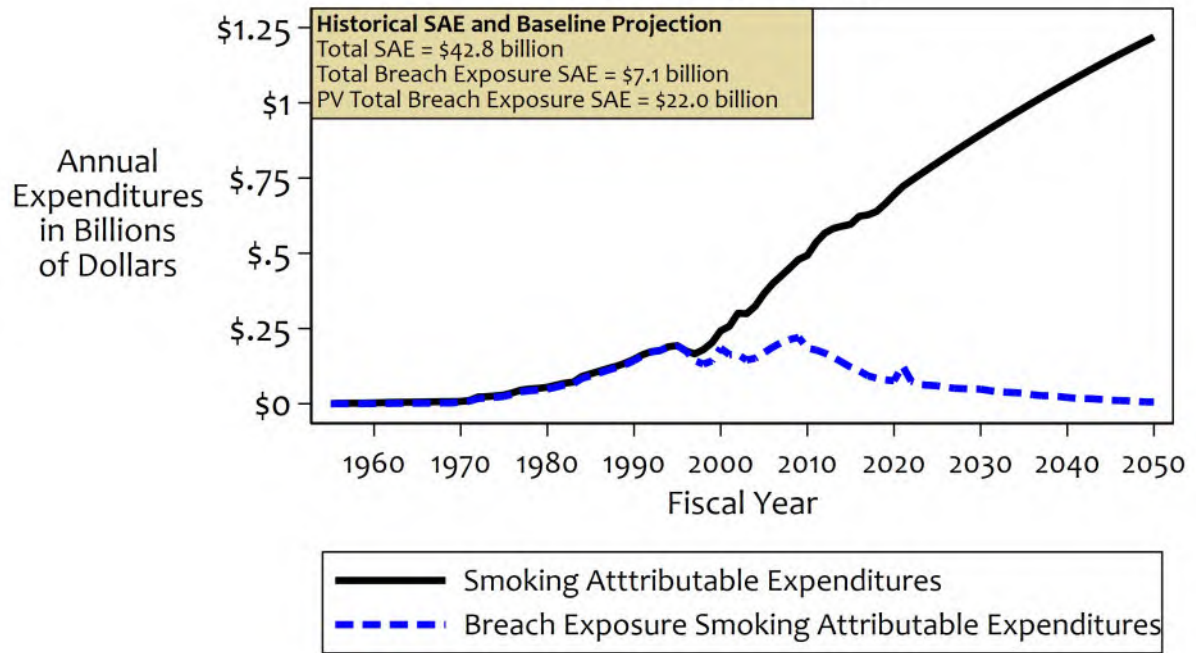


Figure 8: Smoking Attributable Expenditures
and Breach Exposure Period 1954-1996
Smoking Attributable Expenditures
in Nova Scotia



Nunavut

Figure 1: Public Health Expenditures for Nunavut, 2000/1 through 2019/20

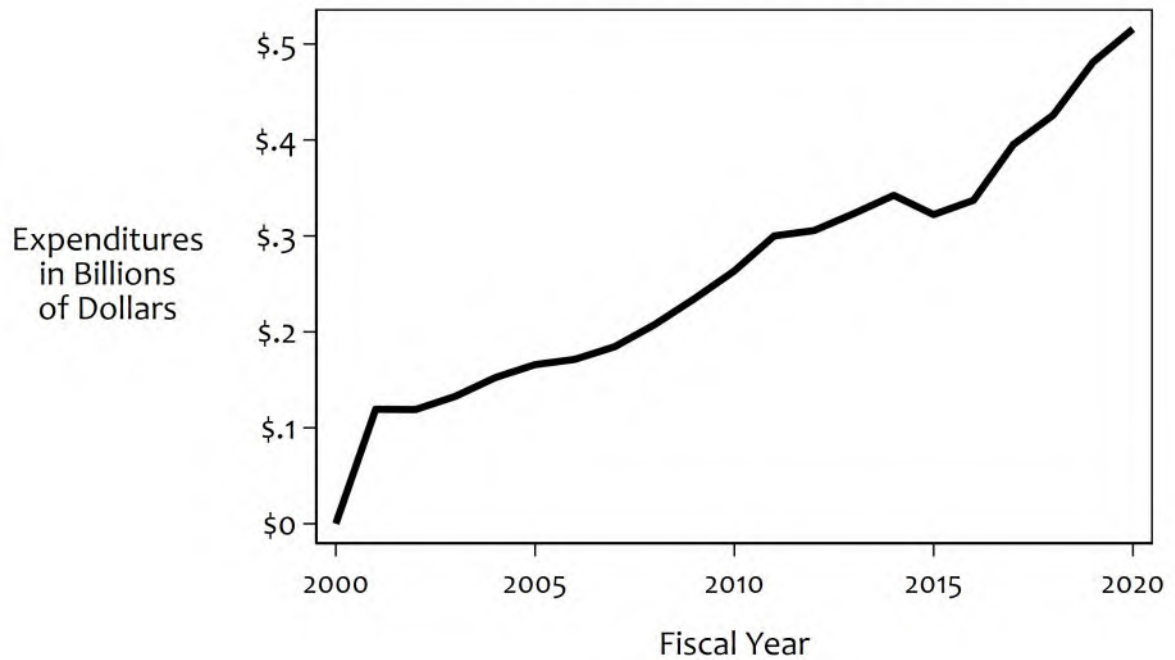


Figure 2: Share of Health Expenditures in Nunavut, 2000/1 through 2019/20

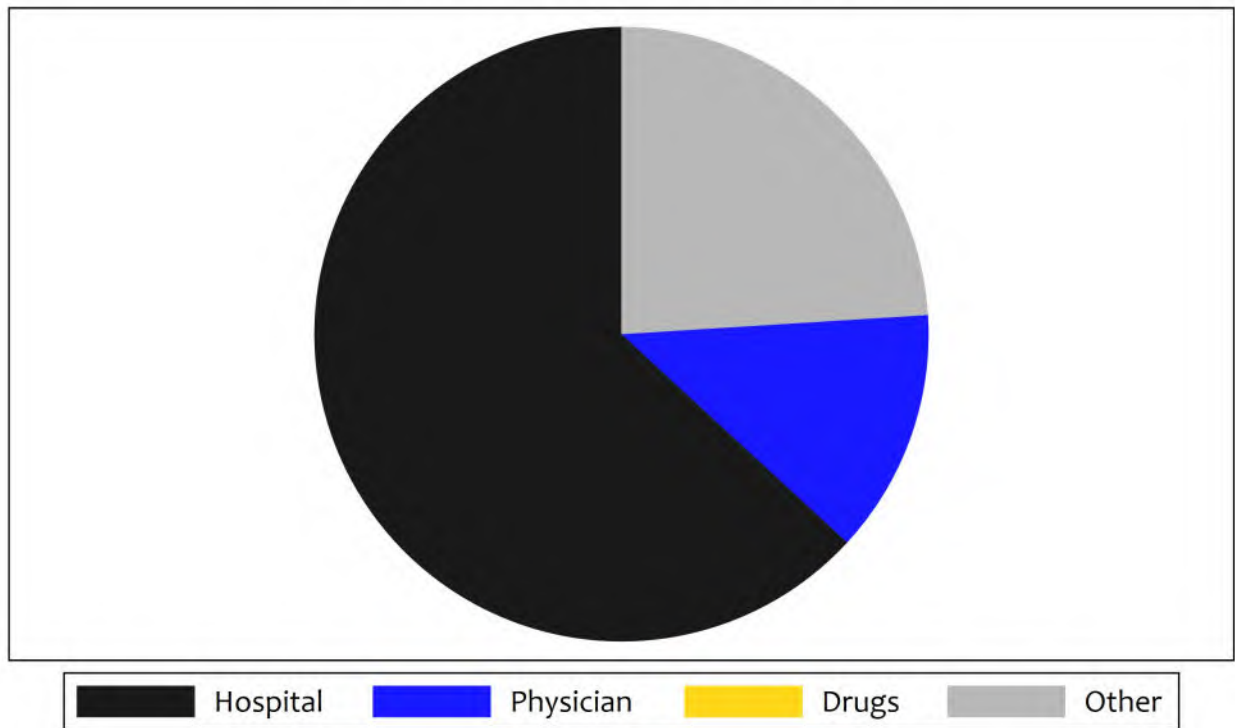


Figure 3: Estimates of Hospital SAF

Estimates from Public CCHS data between 2000 and 2014

Point Estimate and 95% Confidence Interval

Canadian average marked by dashed, red line

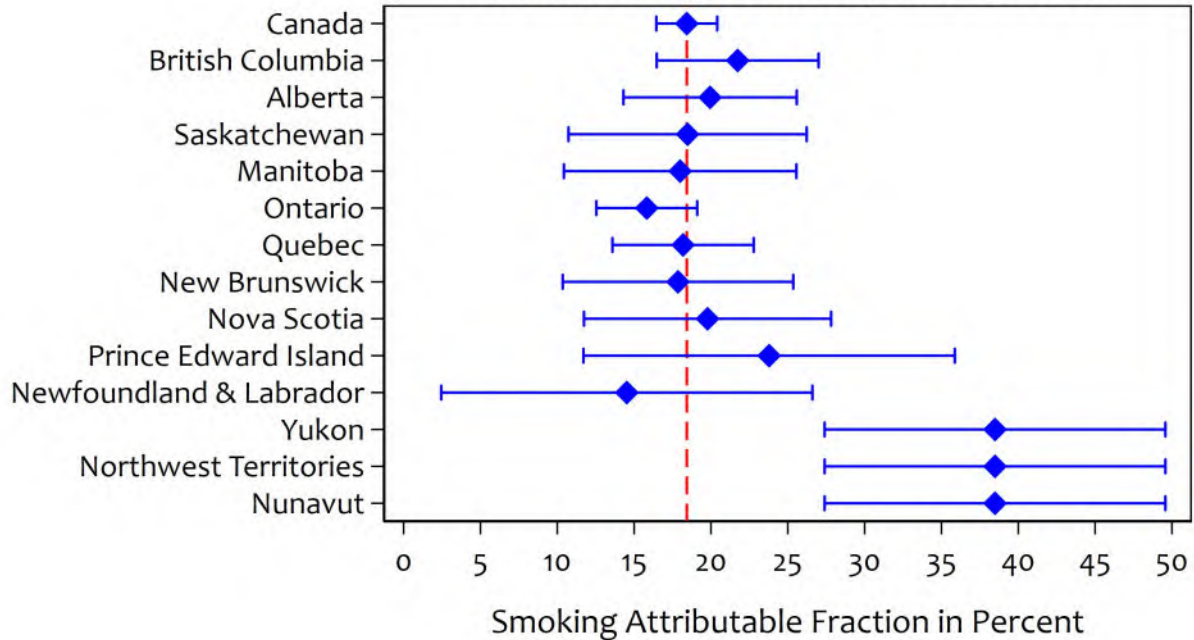


Figure 4: Estimates of Physician SAF

Estimates from Public CCHS data between 2000 and 2014

Point Estimate and 95% Confidence Interval

Canadian average marked by dashed, red line

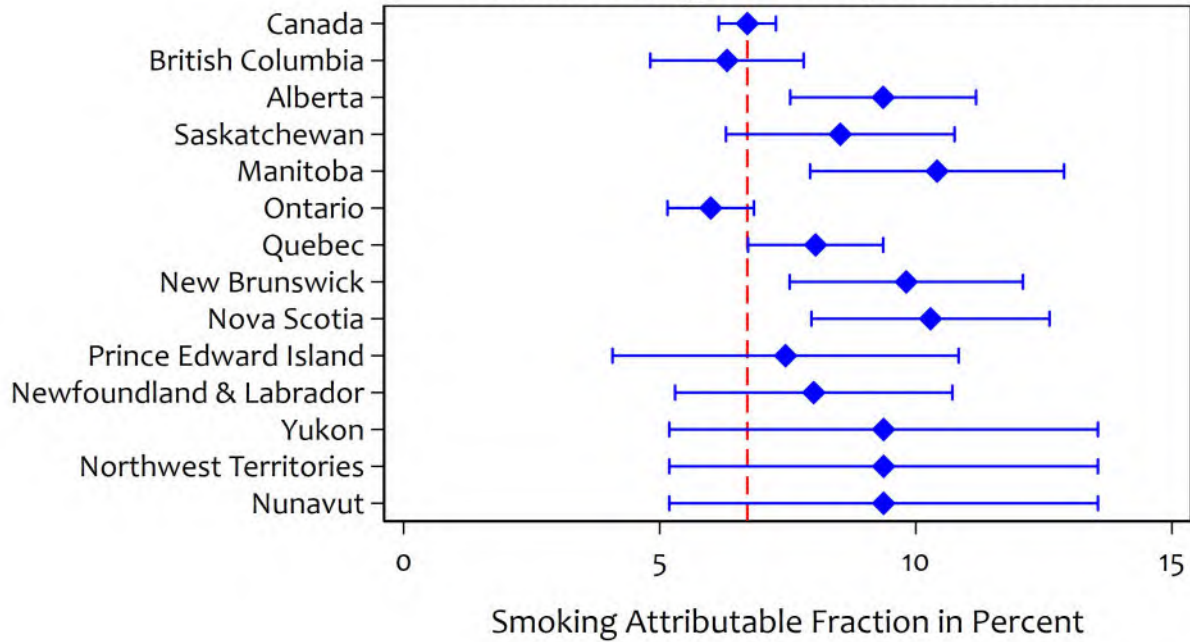


Figure 5: Hospital SAF for Nunavut
Allowing for the Breach Exposure Period
1954-1995 and Latent Hospital Utilization

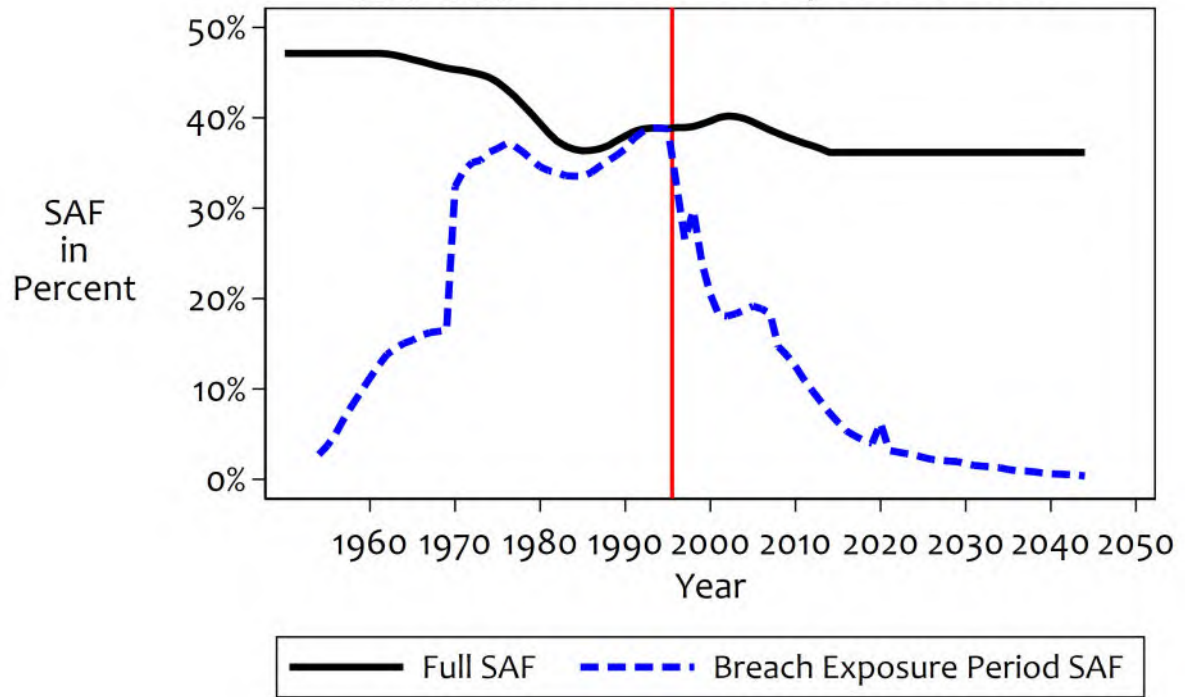


Figure 6: Physician SAF for Nunavut
Allowing for the Breach Exposure Period
1954-1995 and Latent Physician Utilization

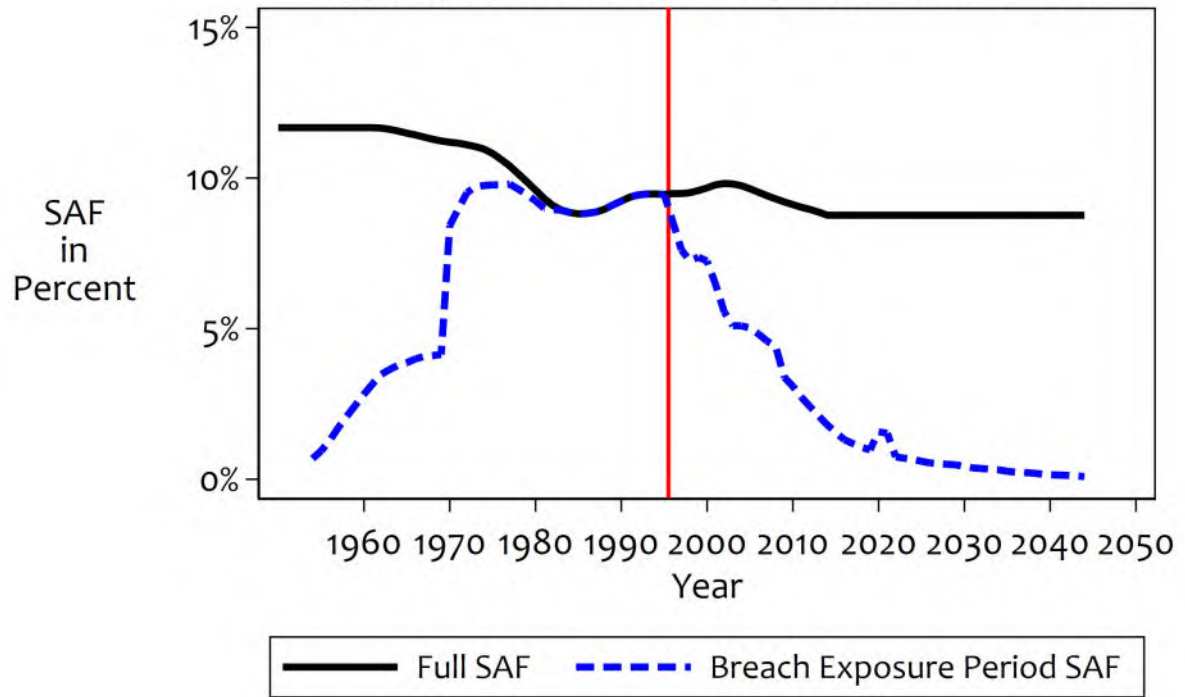


Figure 7: Historical and Projected Smoking Attributable Expenditures for Nunavut

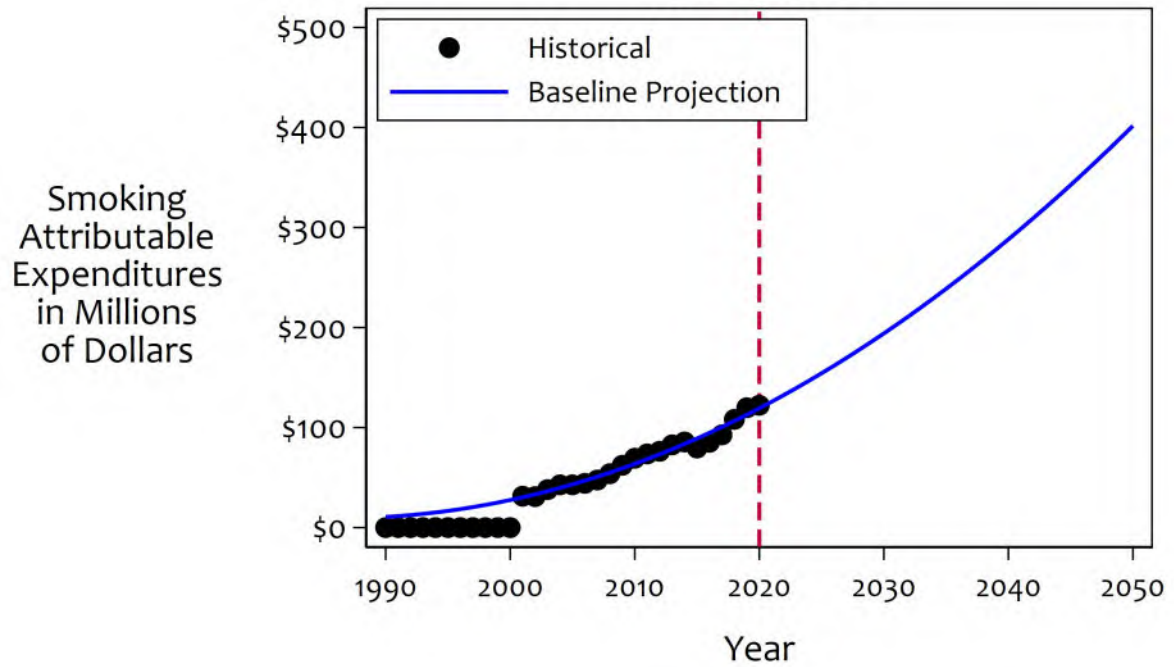
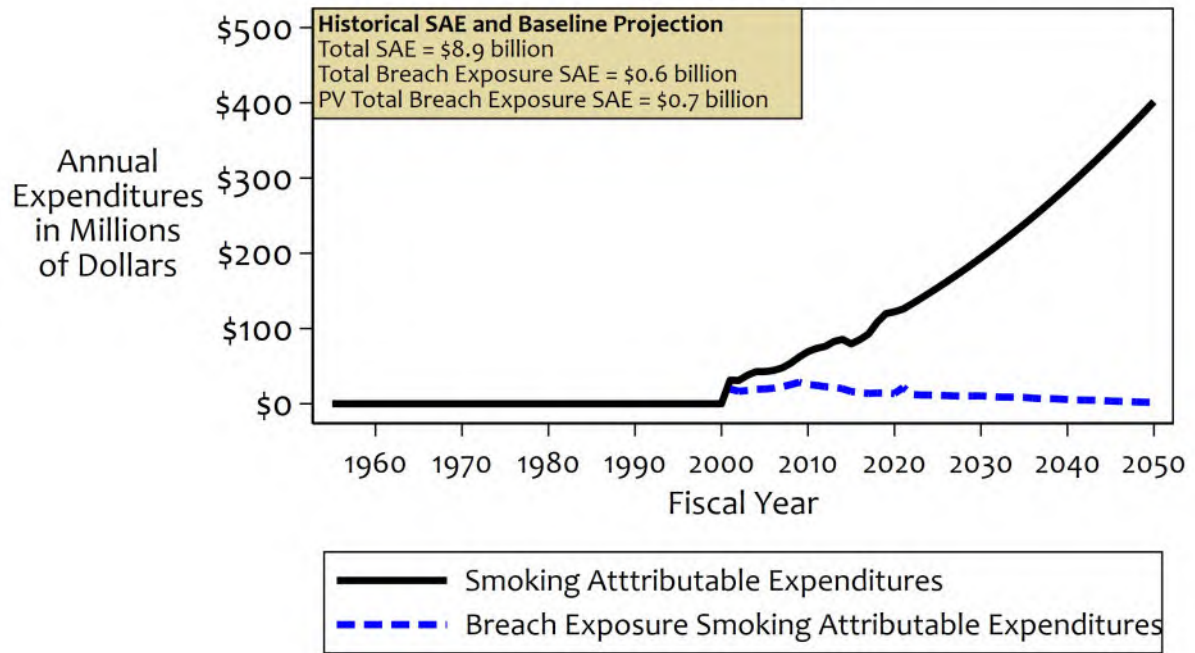


Figure 8: Smoking Attributable Expenditures
and Breach Exposure Period 1954-1996
Smoking Attributable Expenditures
in Nunavut



Ontario

Figure 1: Public Health Expenditures for Ontario, 1954/55 through 2019/20

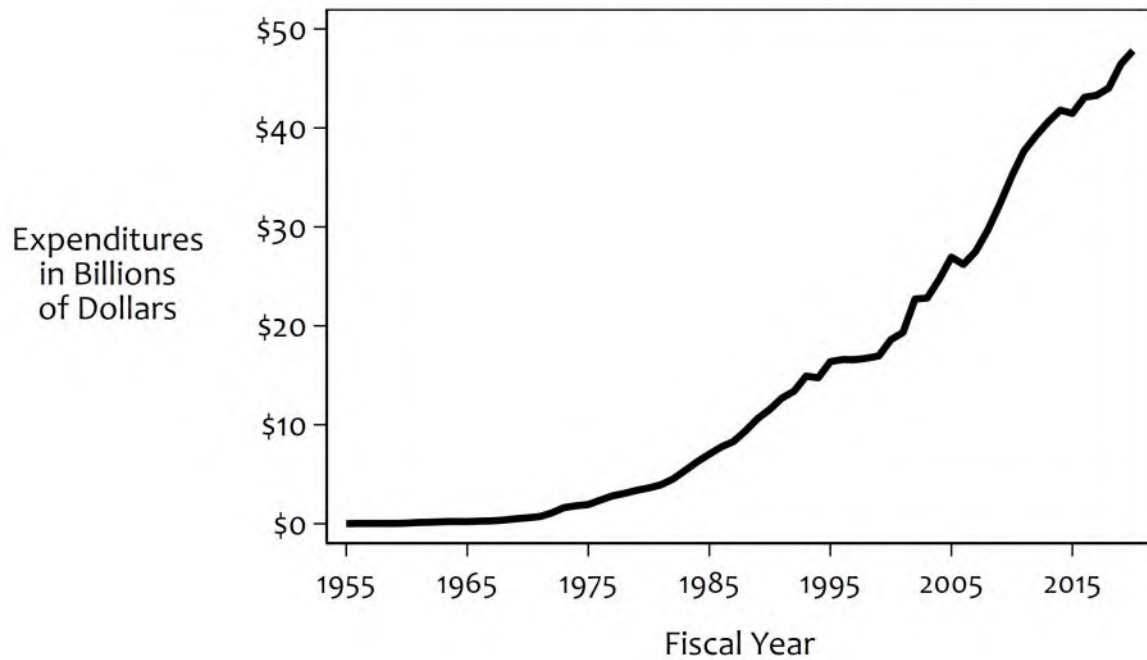


Figure 2: Share of Health Expenditures in Ontario, 1954/55 through 2019/20

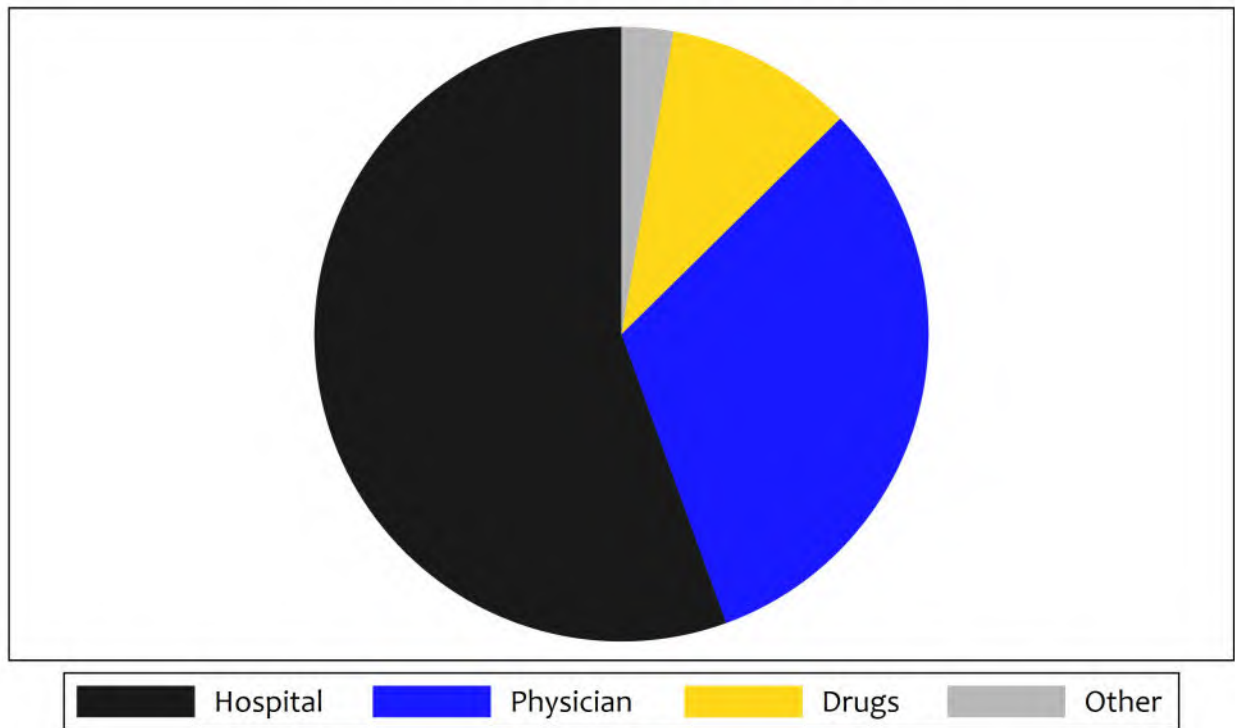


Figure 3: Estimates of Hospital SAF

Estimates from Public CCHS data between 2000 and 2014

Point Estimate and 95% Confidence Interval

Canadian average marked by dashed, red line

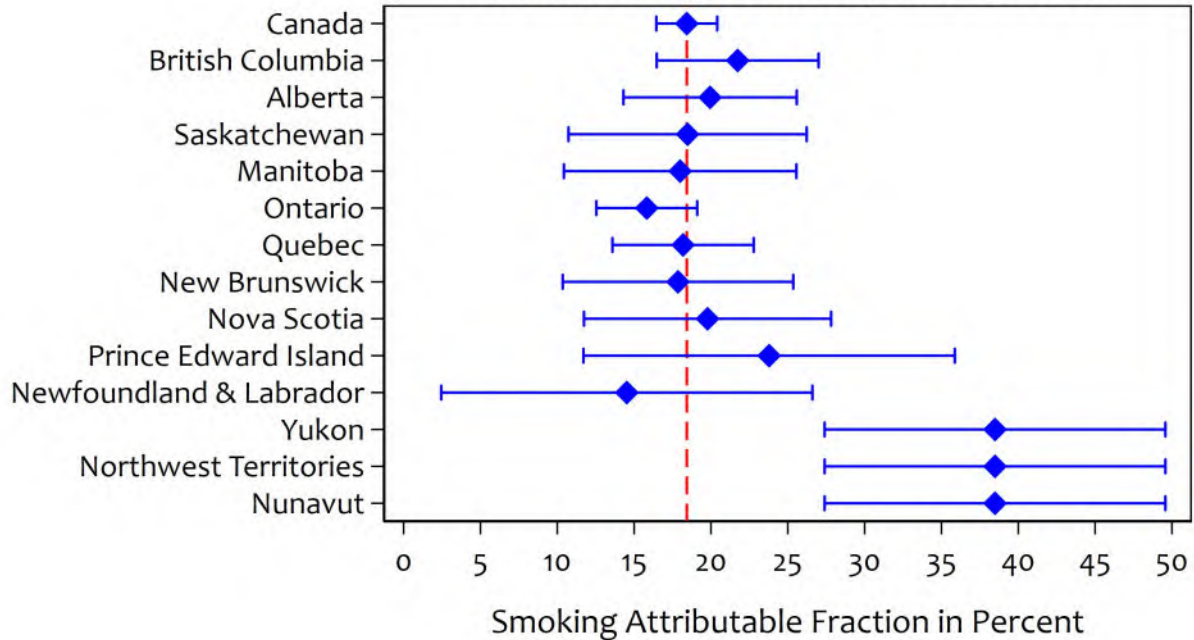


Figure 4: Estimates of Physician SAF

Estimates from Public CCHS data between 2000 and 2014

Point Estimate and 95% Confidence Interval

Canadian average marked by dashed, red line

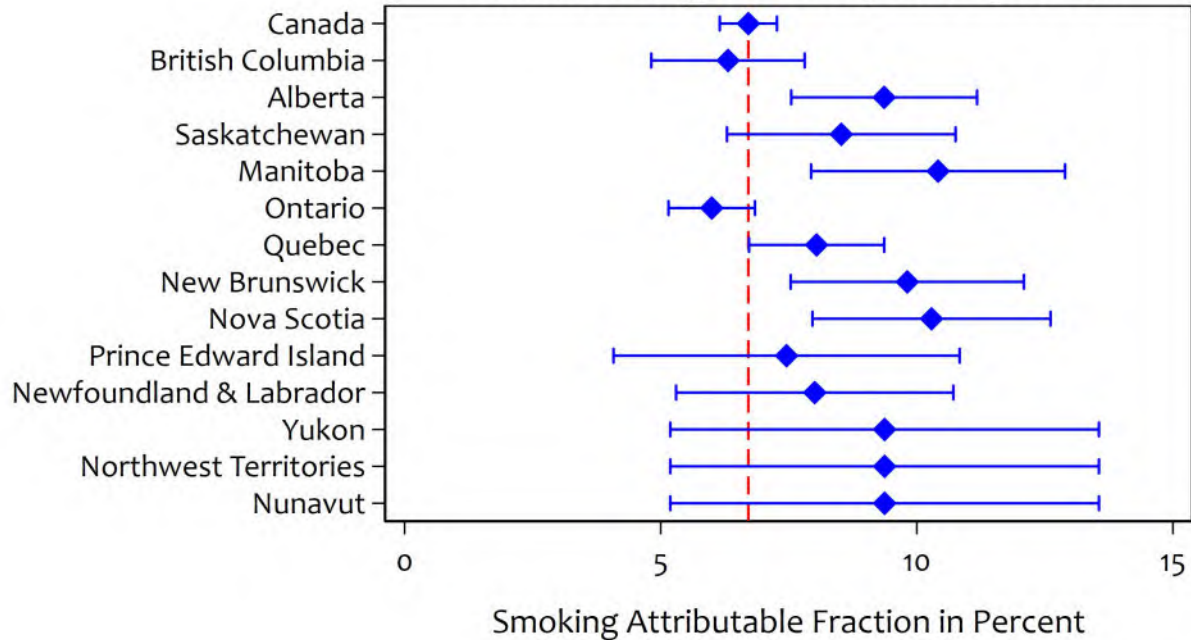


Figure 5: Hospital SAF for Ontario
Allowing for the Breach Exposure Period
1954-1995 and Latent Hospital Utilization

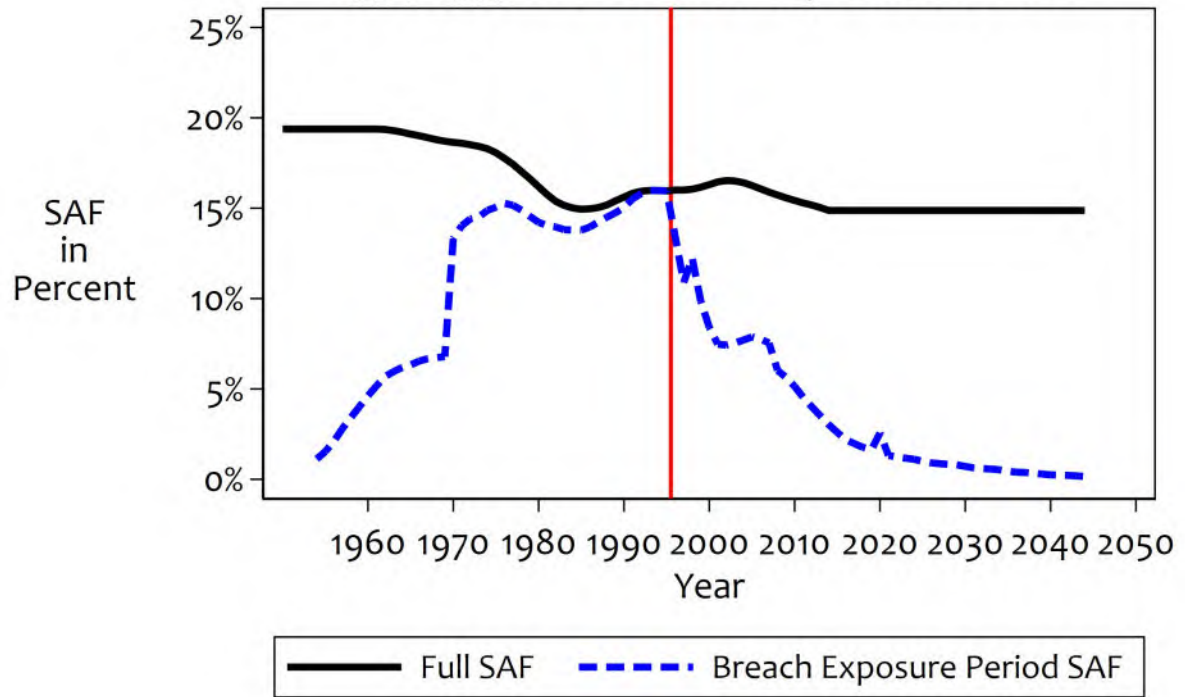


Figure 6: Physician SAF for Ontario
Allowing for the Breach Exposure Period
1954-1995 and Latent Physician Utilization

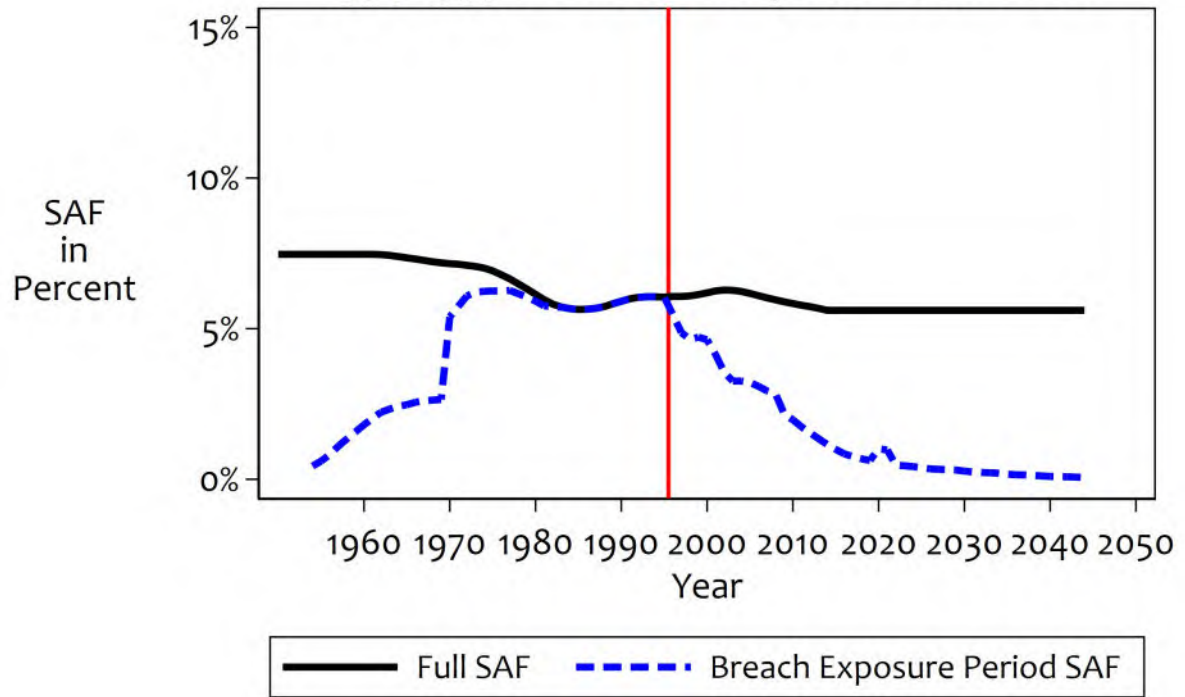


Figure 7: Historical and Projected Smoking Attributable Expenditures for Ontario

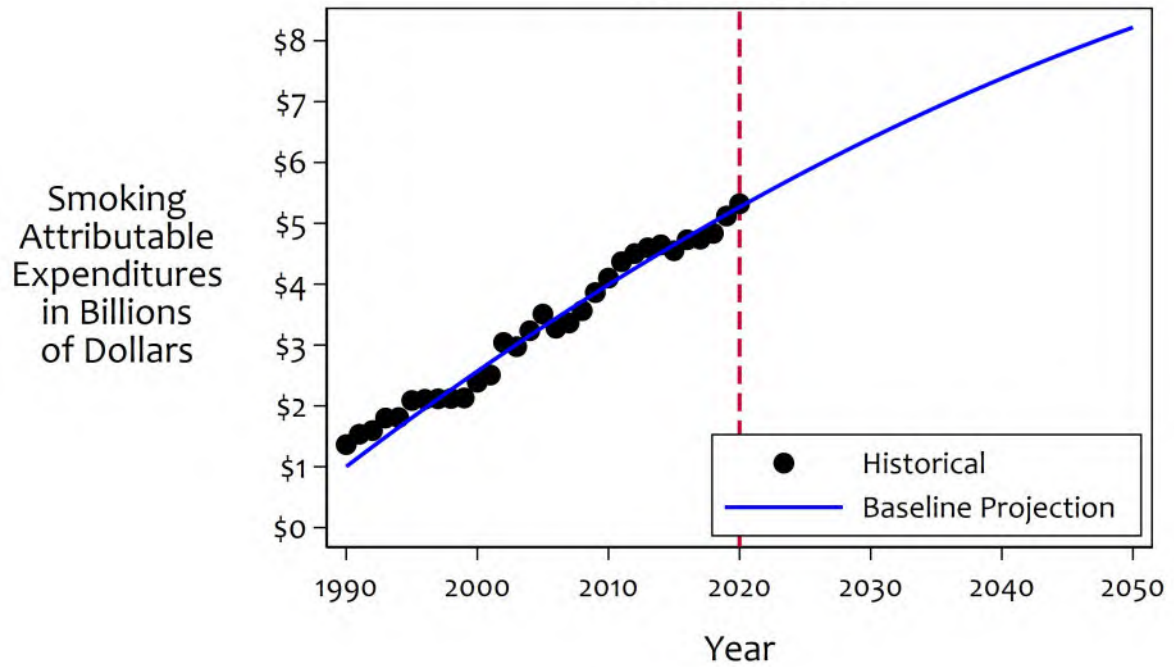
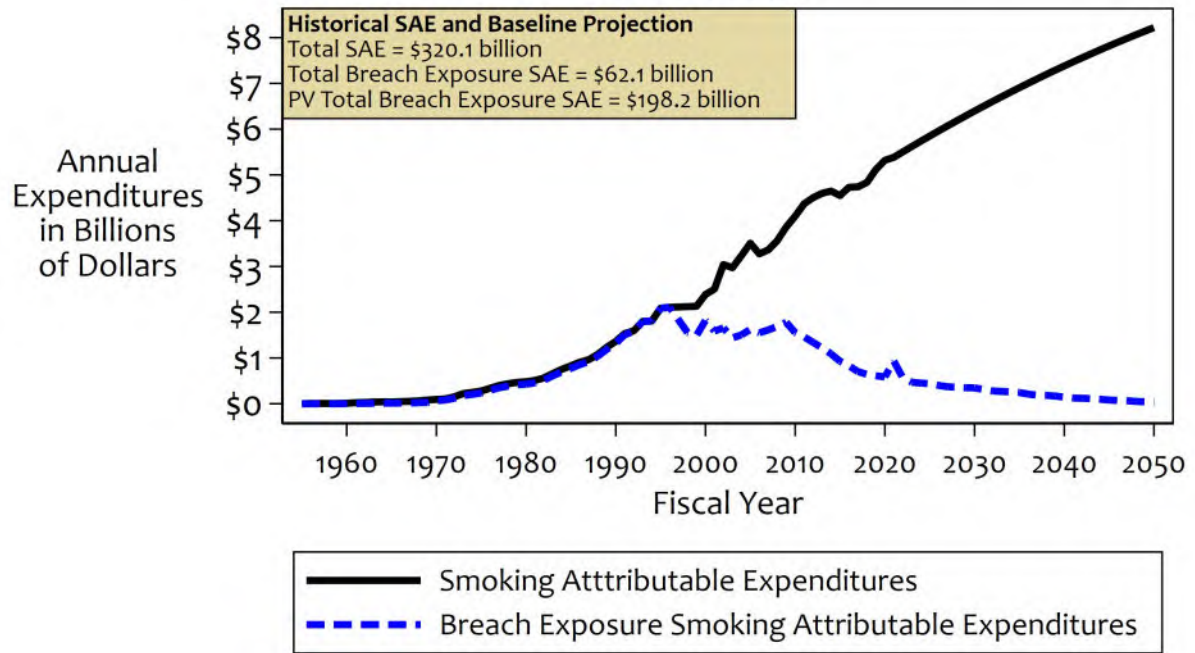


Figure 8: Smoking Attributable Expenditures
and Breach Exposure Period 1954-1996
Smoking Attributable Expenditures
in Ontario



Prince Edward Island

Figure 1: Public Health Expenditures for Prince Edward Island, 1954/55 through 2019/20

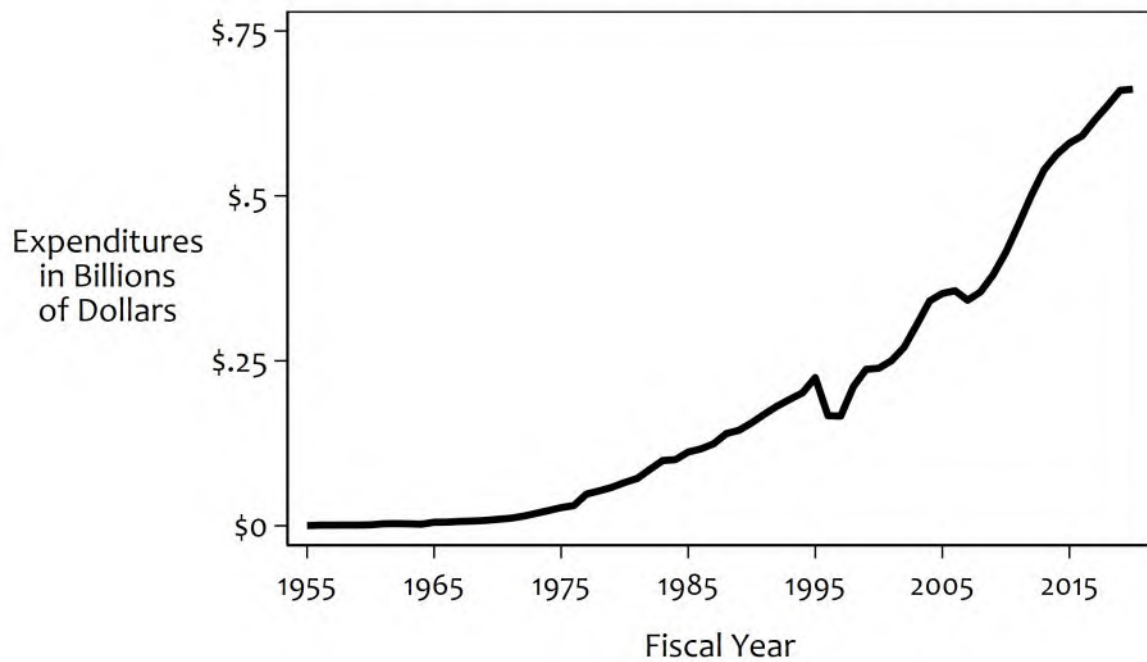


Figure 2: Share of Health Expenditures in Prince Edward Island, 1954/55 through 2019/20

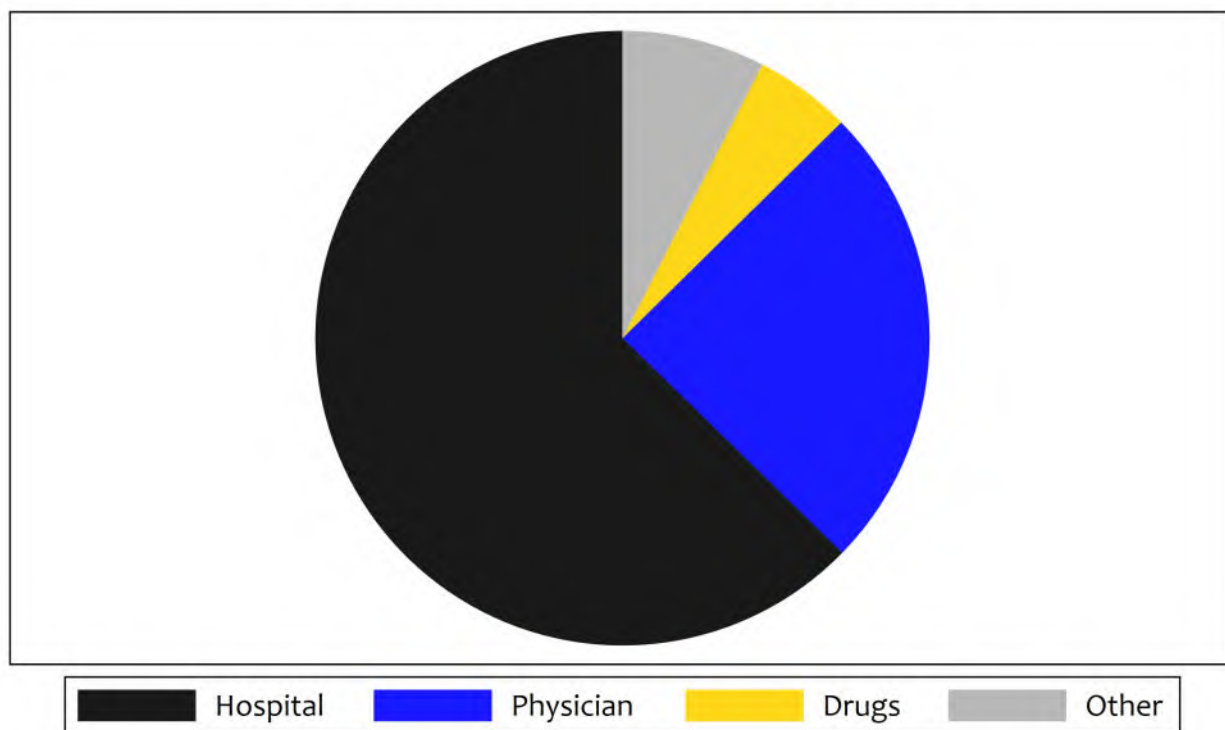


Figure 3: Estimates of Hospital SAF

Estimates from Public CCHS data between 2000 and 2014

Point Estimate and 95% Confidence Interval

Canadian average marked by dashed, red line

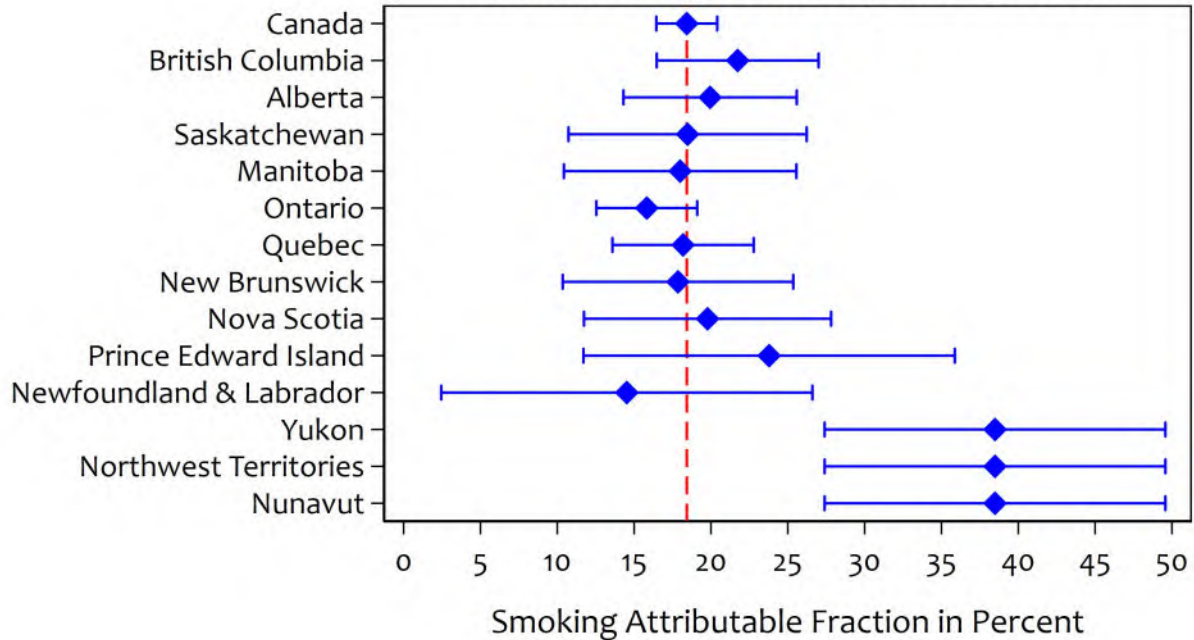


Figure 4: Estimates of Physician SAF

Estimates from Public CCHS data between 2000 and 2014

Point Estimate and 95% Confidence Interval

Canadian average marked by dashed, red line

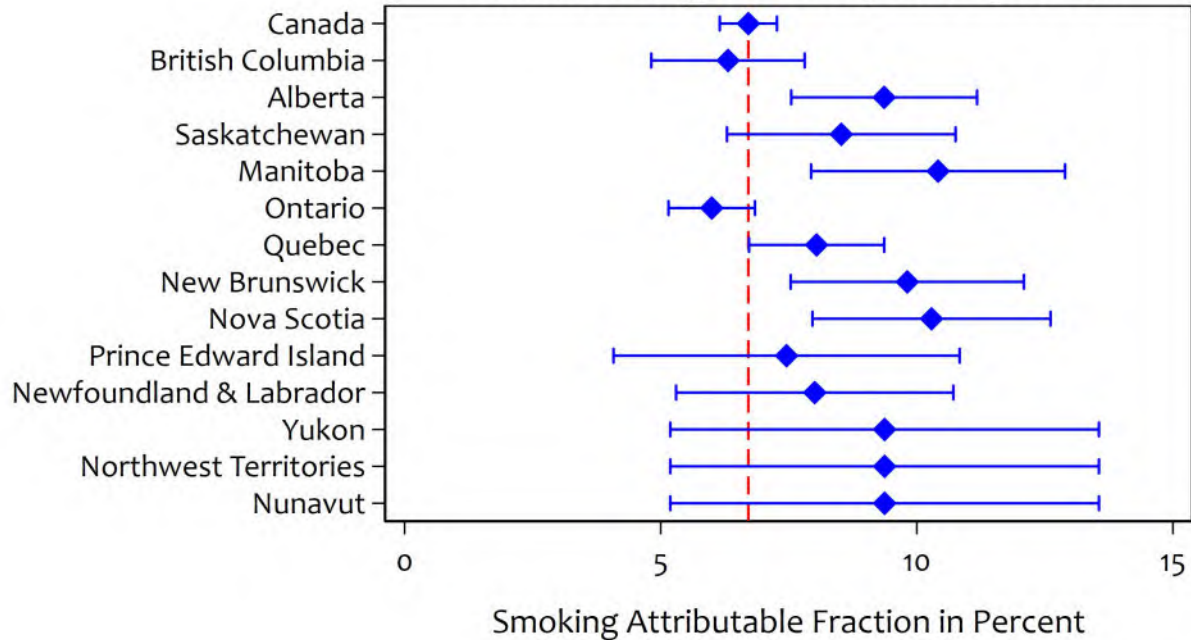


Figure 5: Hospital SAF for Prince Edward Island
Allowing for the Breach Exposure Period
1954-1995 and Latent Hospital Utilization

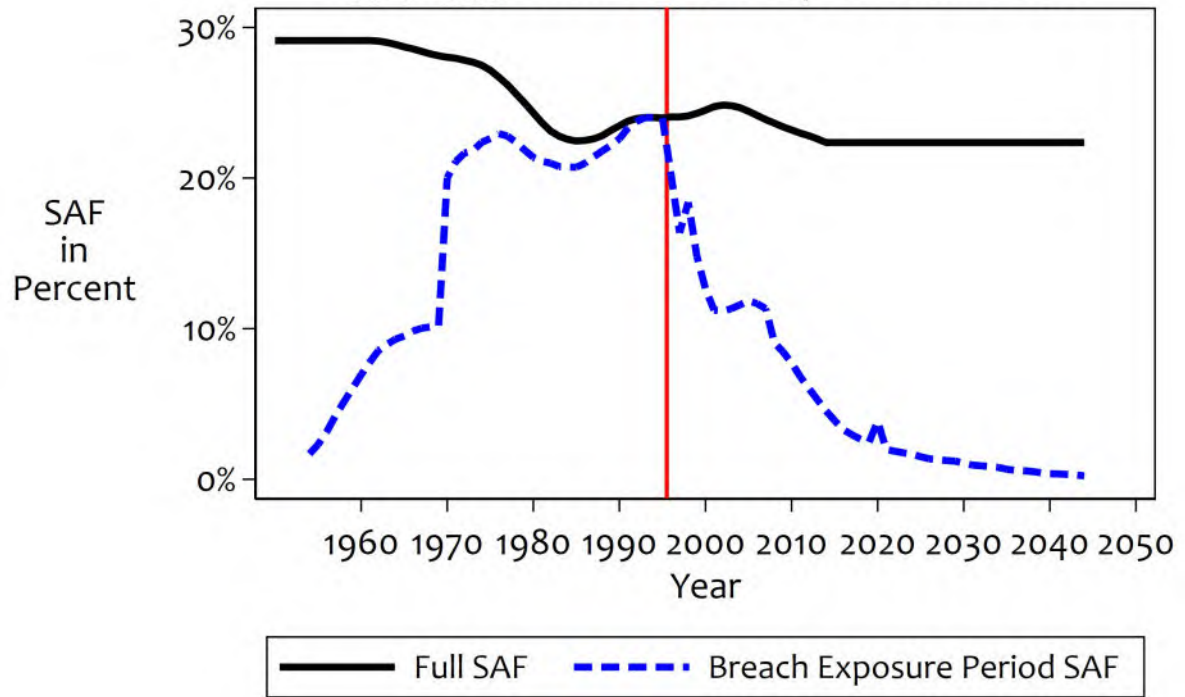


Figure 6: Physician SAF for Prince Edward Island
Allowing for the Breach Exposure Period
1954-1995 and Latent Physician Utilization

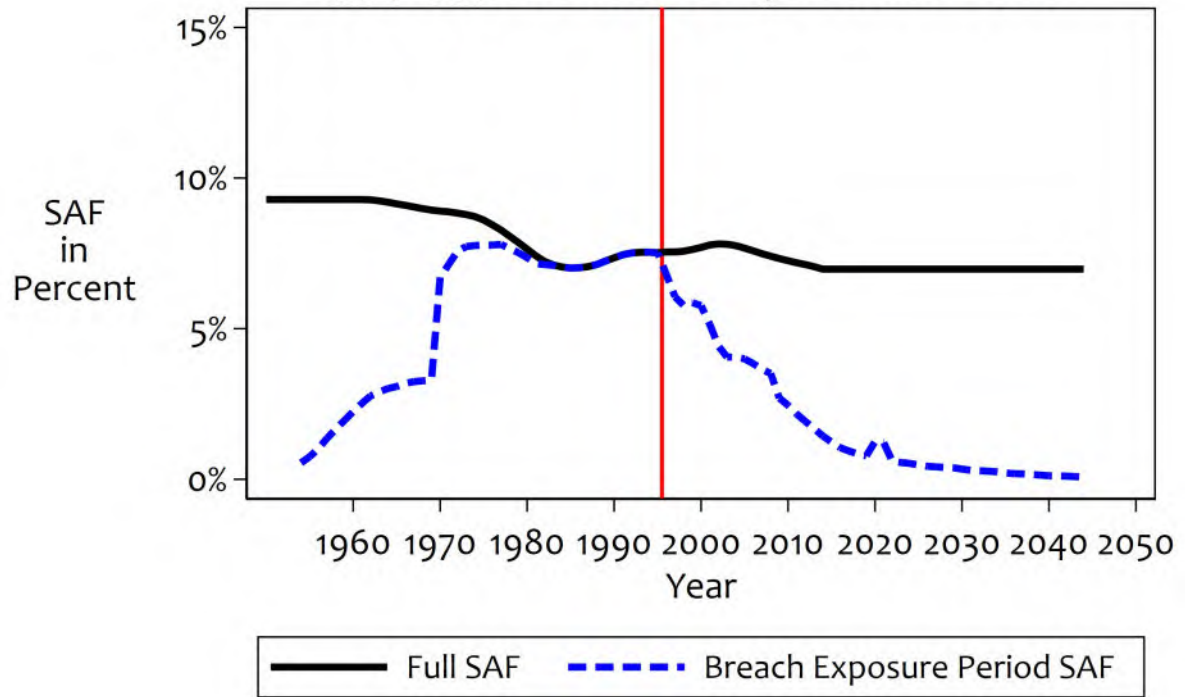


Figure 7: Historical and Projected Smoking Attributable Expenditures for Prince Edward Island

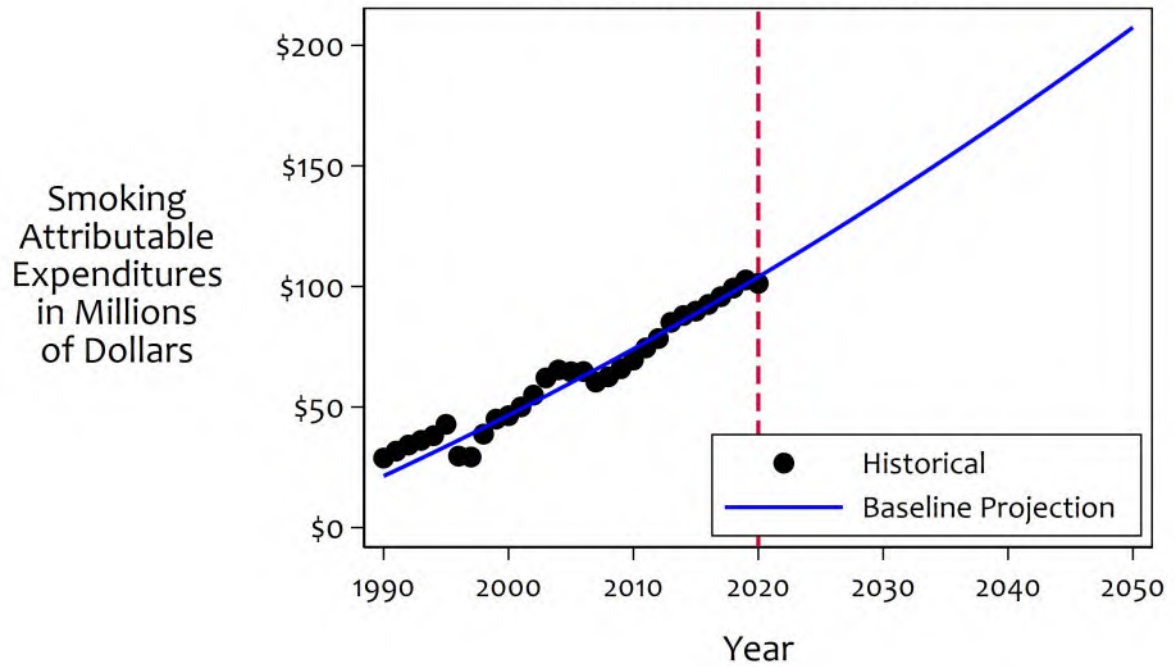
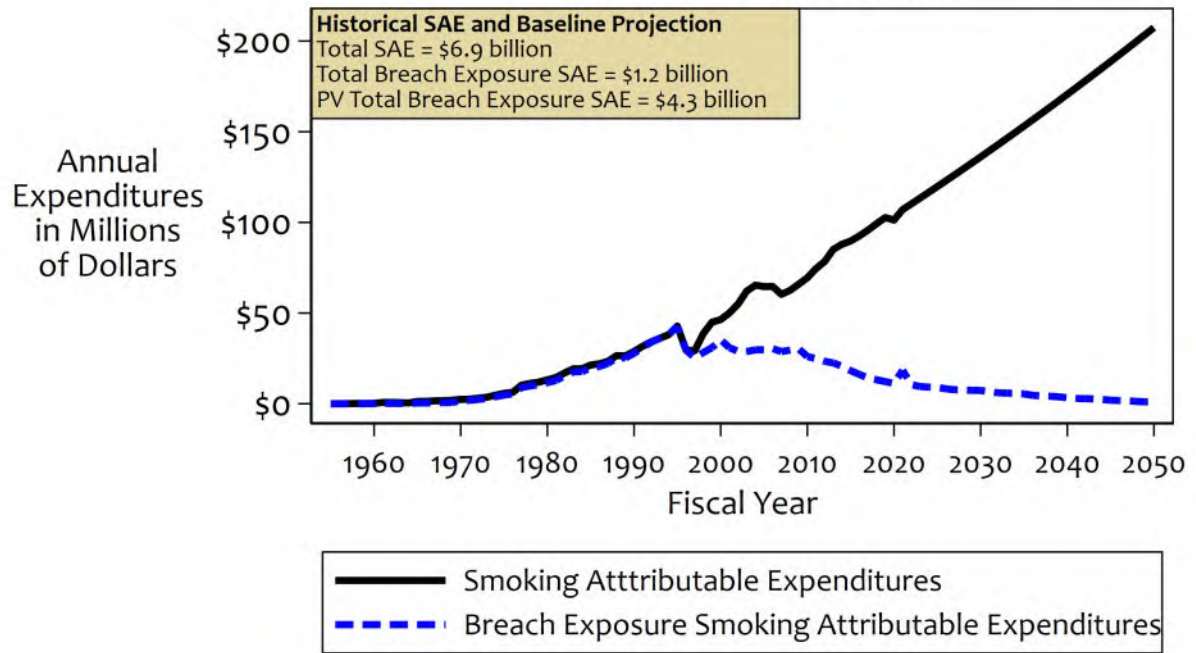


Figure 8: Smoking Attributable Expenditures
and Breach Exposure Period 1954-1996
Smoking Attributable Expenditures
in Prince Edward Island



Quebec

Figure 1: Public Health Expenditures for Quebec, 1954/55 through 2019/20

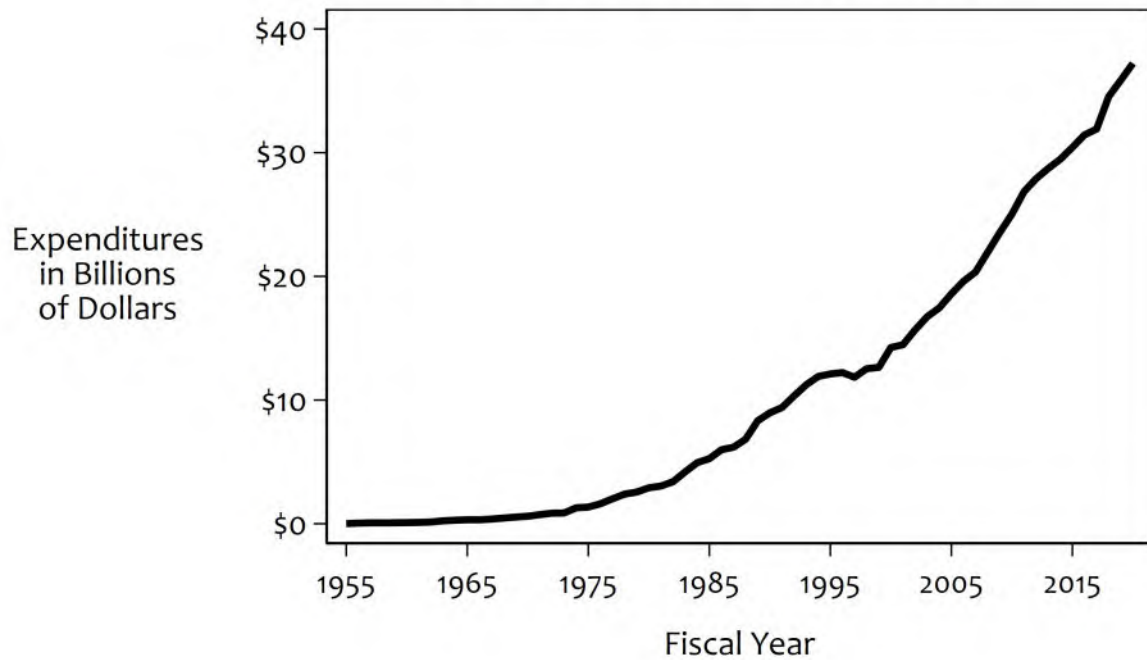


Figure 2: Share of Health Expenditures in
Quebec, 1954/55 through 2019/20

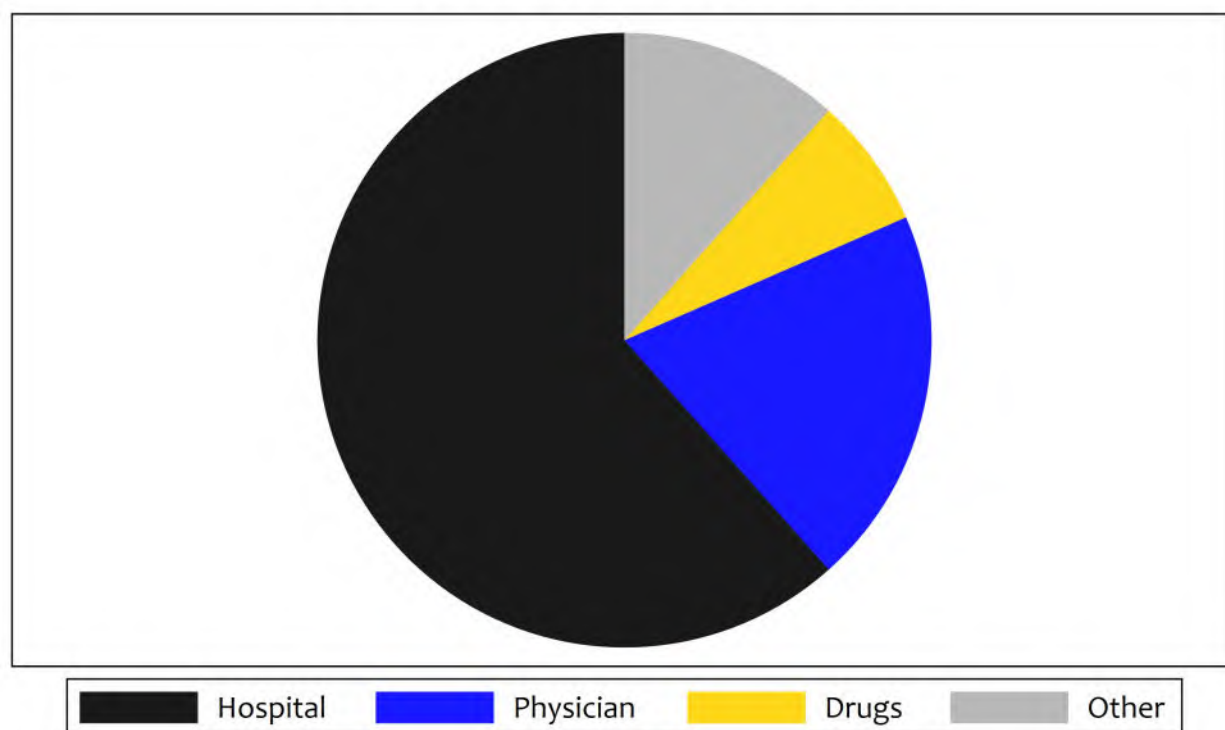


Figure 3: Estimates of Hospital SAF

Estimates from Public CCHS data between 2000 and 2014

Point Estimate and 95% Confidence Interval

Canadian average marked by dashed, red line

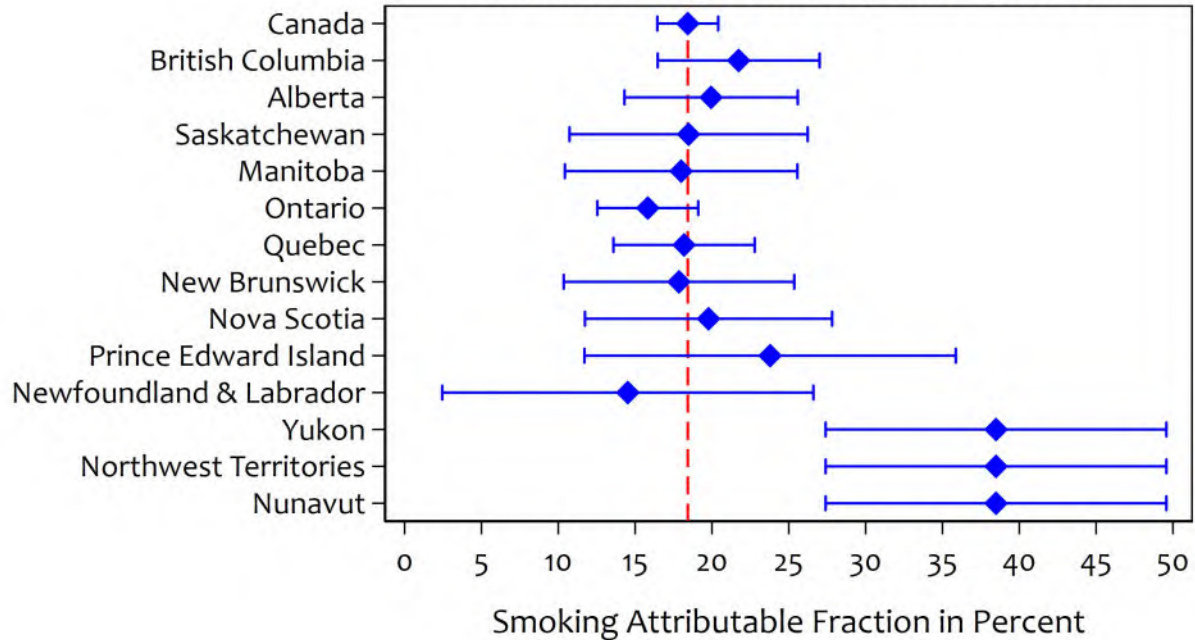


Figure 4: Estimates of Physician SAF

Estimates from Public CCHS data between 2000 and 2014

Point Estimate and 95% Confidence Interval

Canadian average marked by dashed, red line

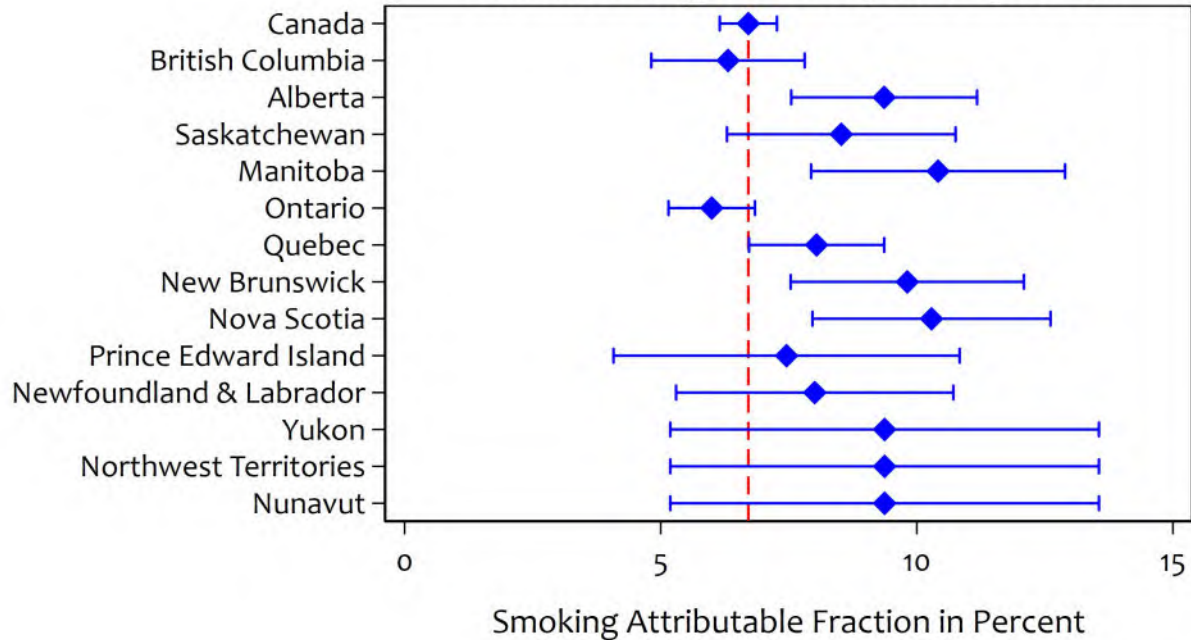


Figure 5: Hospital SAF for Quebec
Allowing for the Breach Exposure Period
1954-1995 and Latent Hospital Utilization

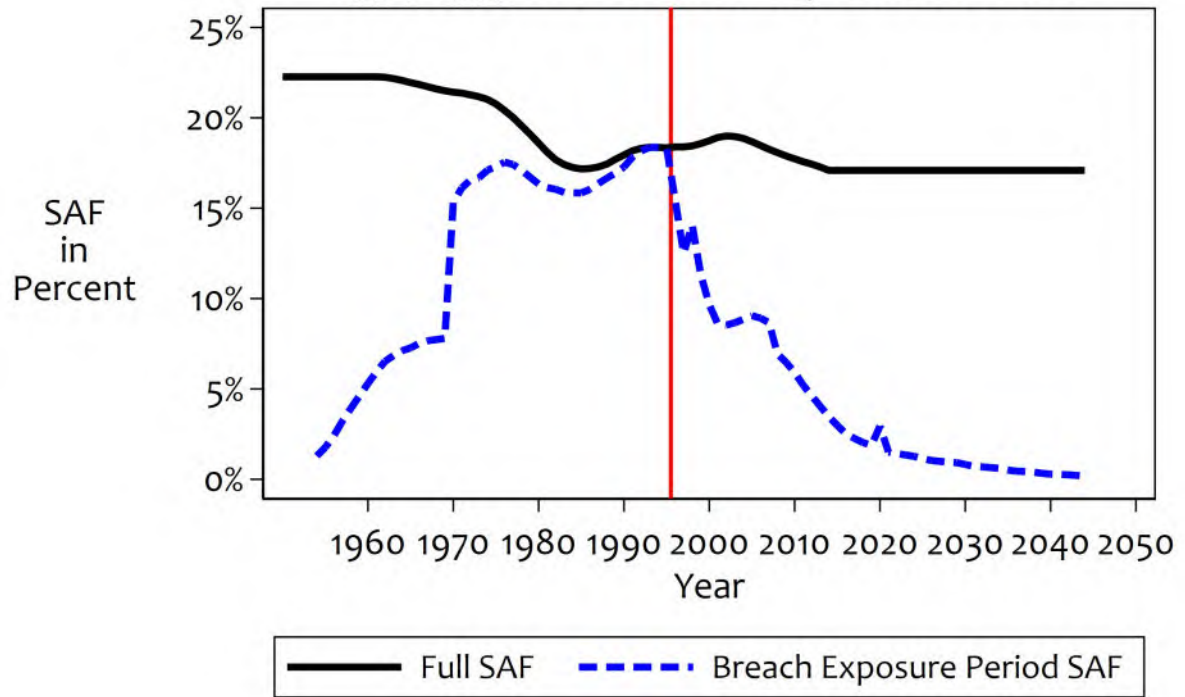


Figure 6: Physician SAF for Quebec
Allowing for the Breach Exposure Period
1954-1995 and Latent Physician Utilization

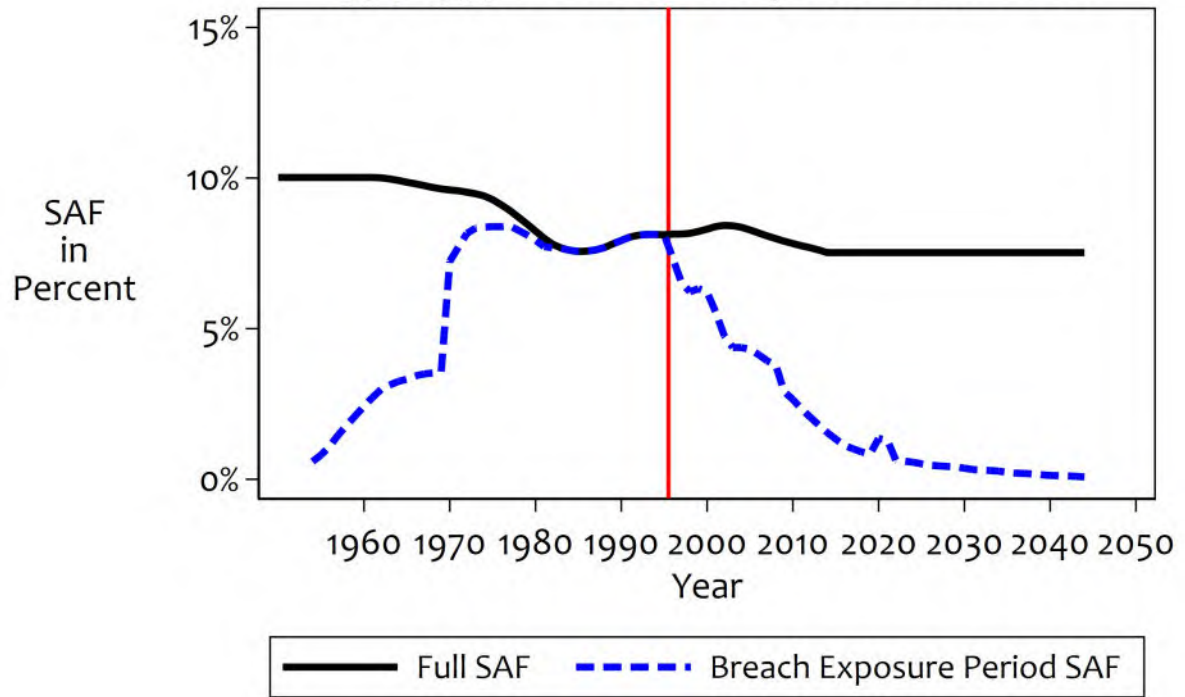


Figure 7: Historical and Projected Smoking Attributable Expenditures for Quebec

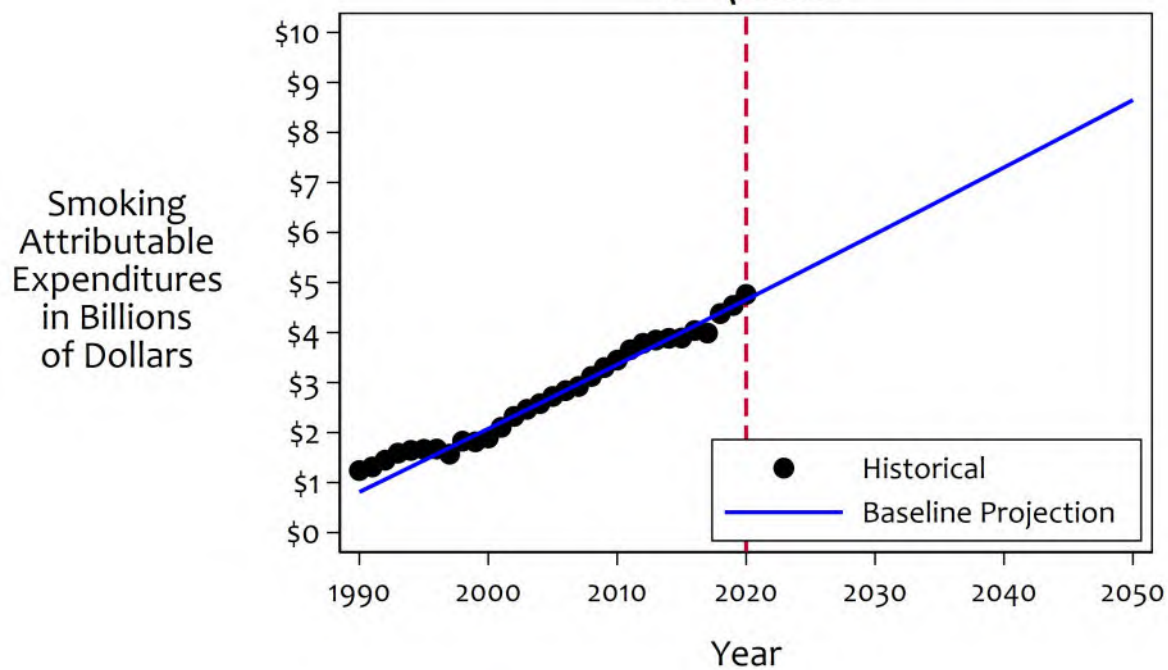


Figure 8: Smoking Attributable Expenditures
and Breach Exposure Period 1954-1996
Smoking Attributable Expenditures
in Quebec

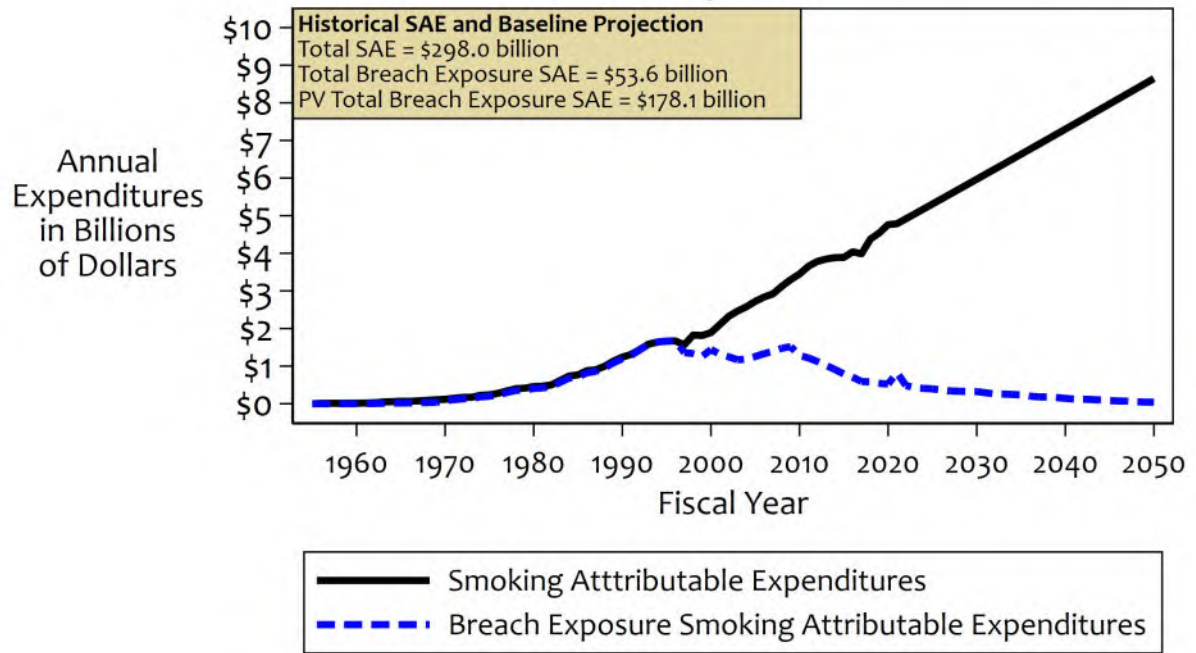


Figure 1: Public Health Expenditures for Saskatchewan, 1954/55 through 2019/20

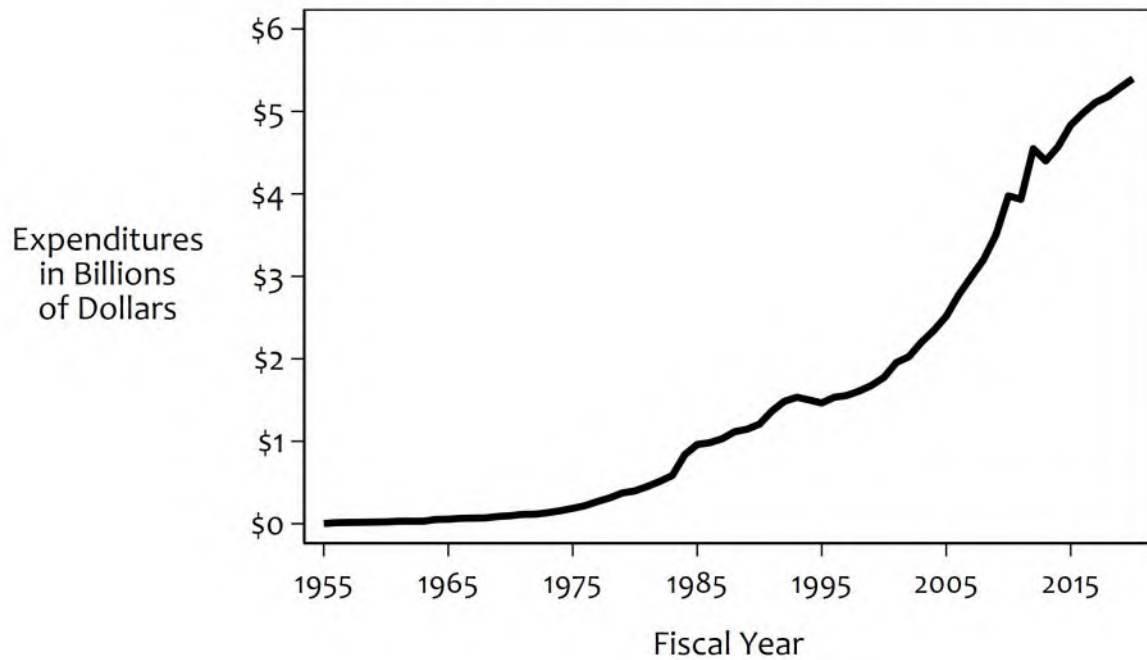


Figure 2: Share of Health Expenditures in Saskatchewan, 1954/55 through 2019/20

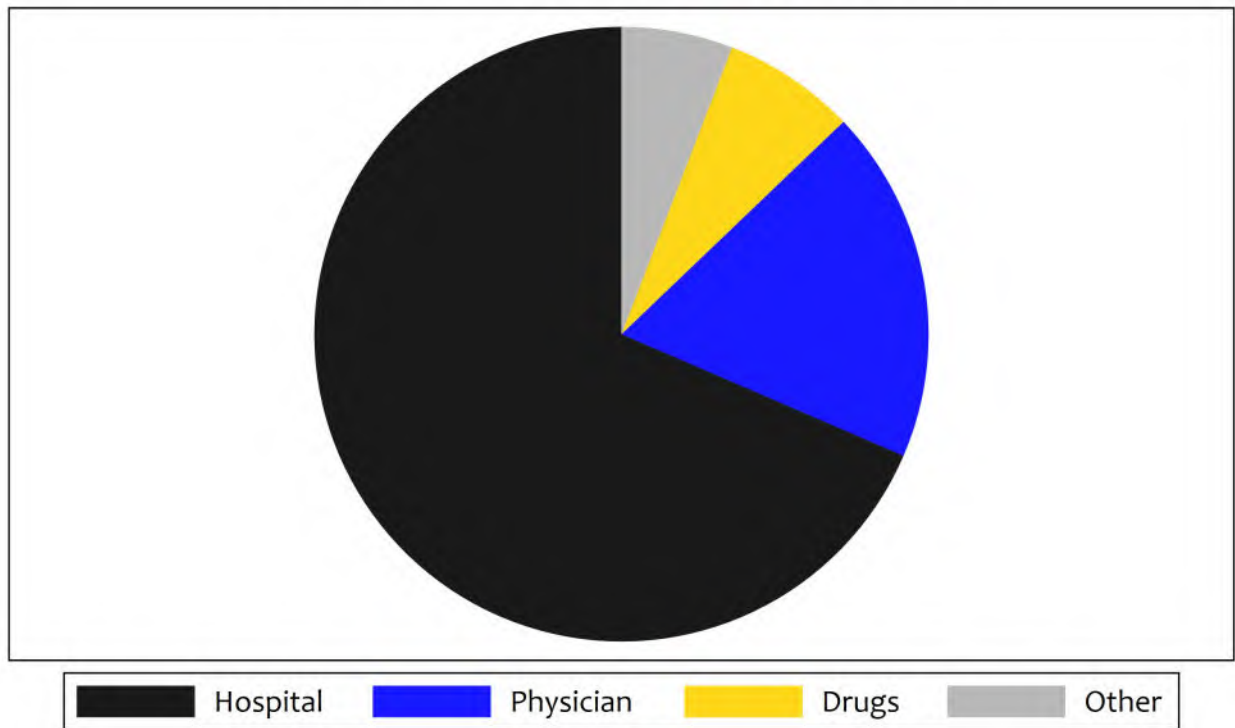


Figure 3: Estimates of Hospital SAF

Estimates from Public CCHS data between 2000 and 2014

Point Estimate and 95% Confidence Interval

Canadian average marked by dashed, red line

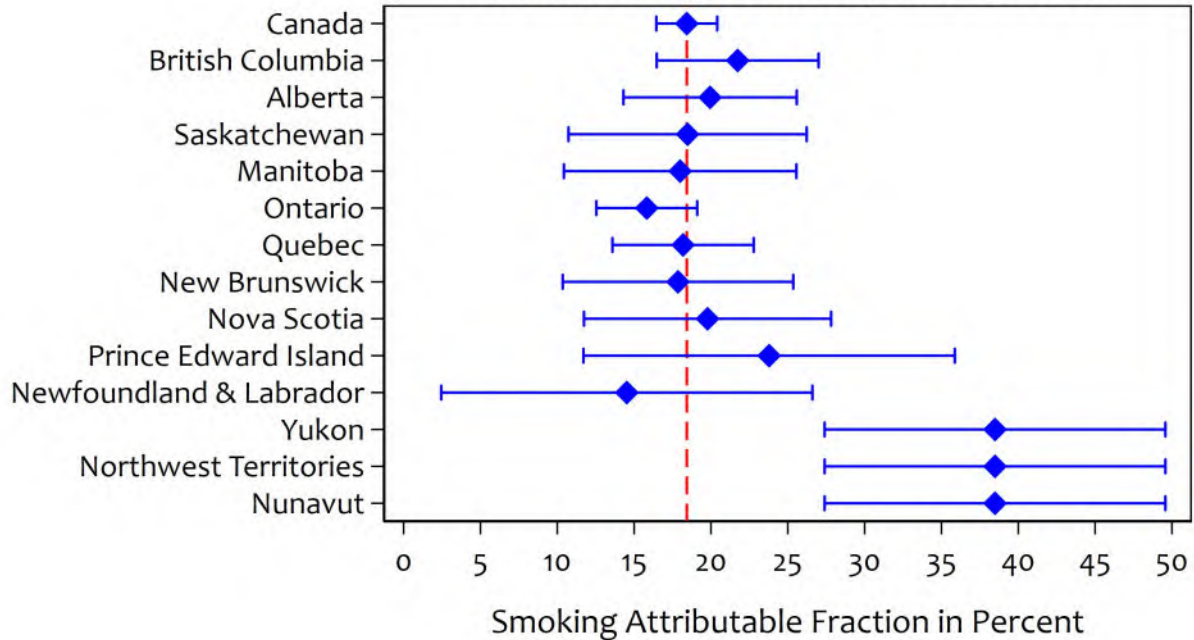


Figure 4: Estimates of Physician SAF

Estimates from Public CCHS data between 2000 and 2014

Point Estimate and 95% Confidence Interval

Canadian average marked by dashed, red line

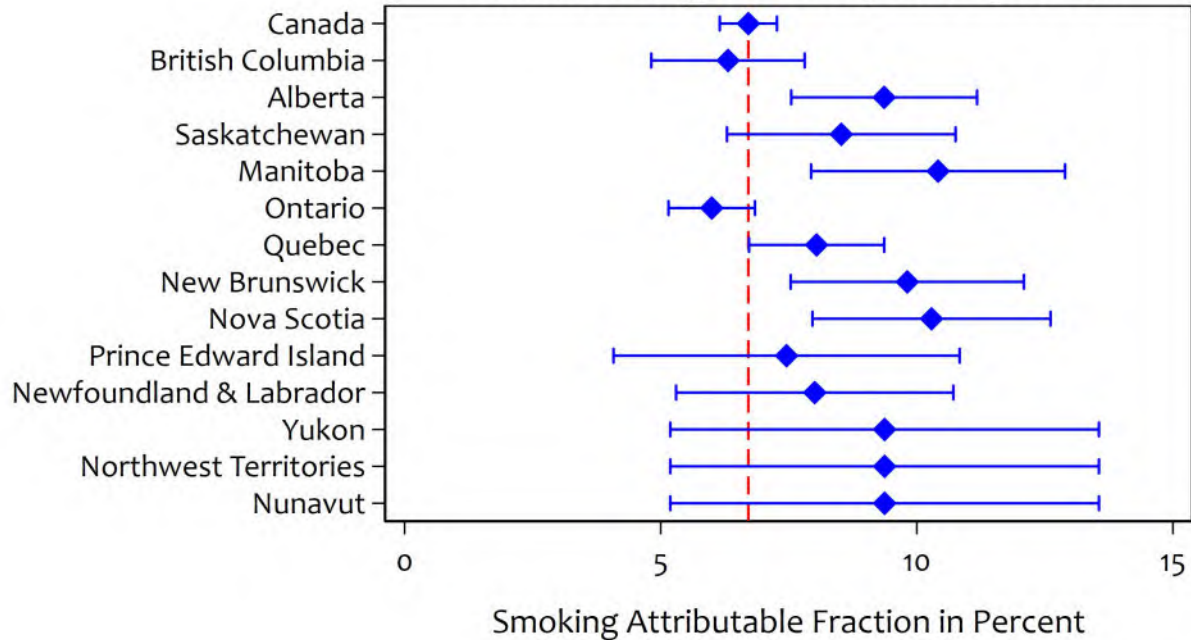


Figure 5: Hospital SAF for Saskatchewan
Allowing for the Breach Exposure Period
1954-1995 and Latent Hospital Utilization

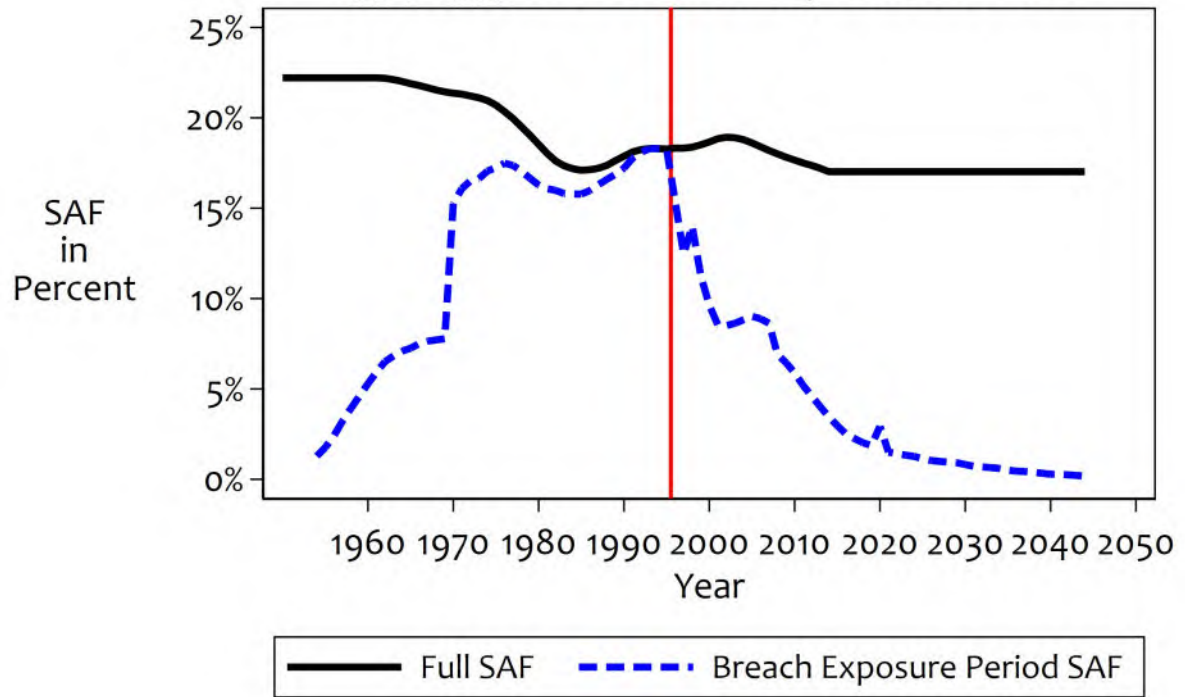


Figure 6: Physician SAF for Saskatchewan
Allowing for the Breach Exposure Period
1954-1995 and Latent Physician Utilization

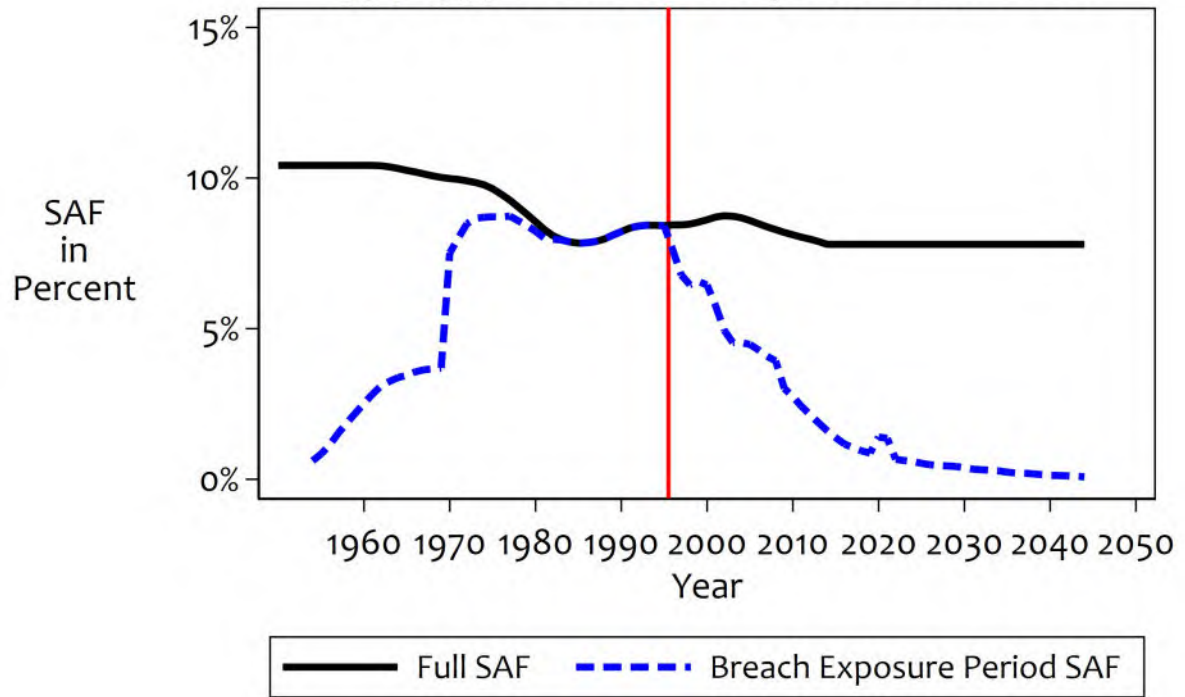


Figure 7: Historical and Projected Smoking Attributable Expenditures for Saskatchewan

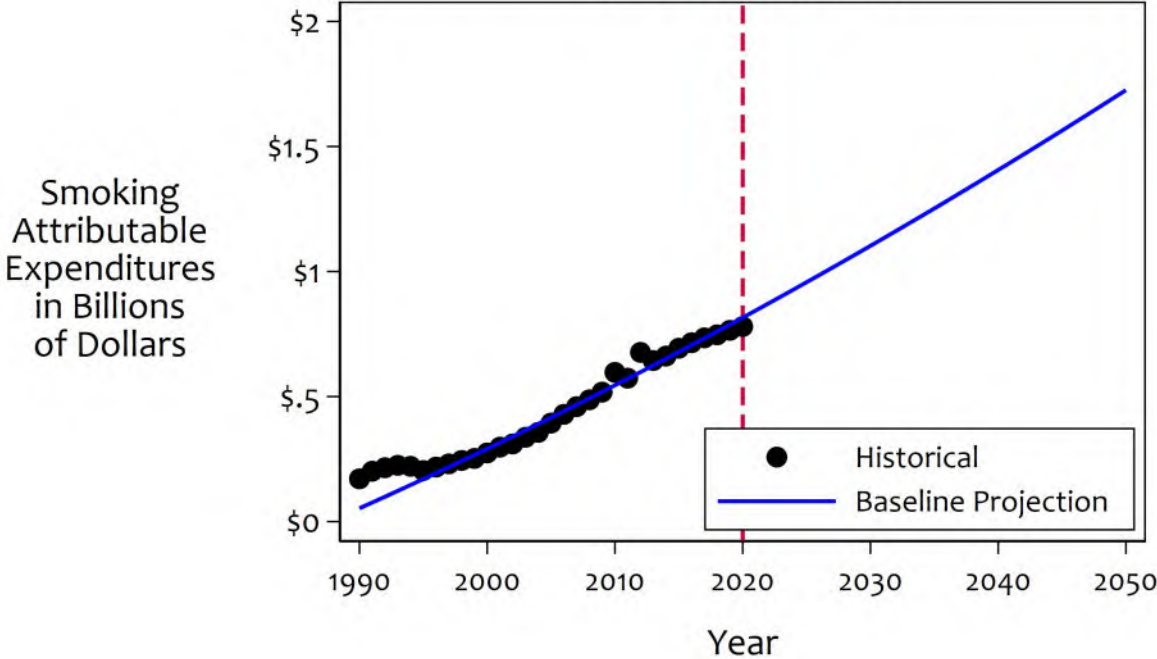
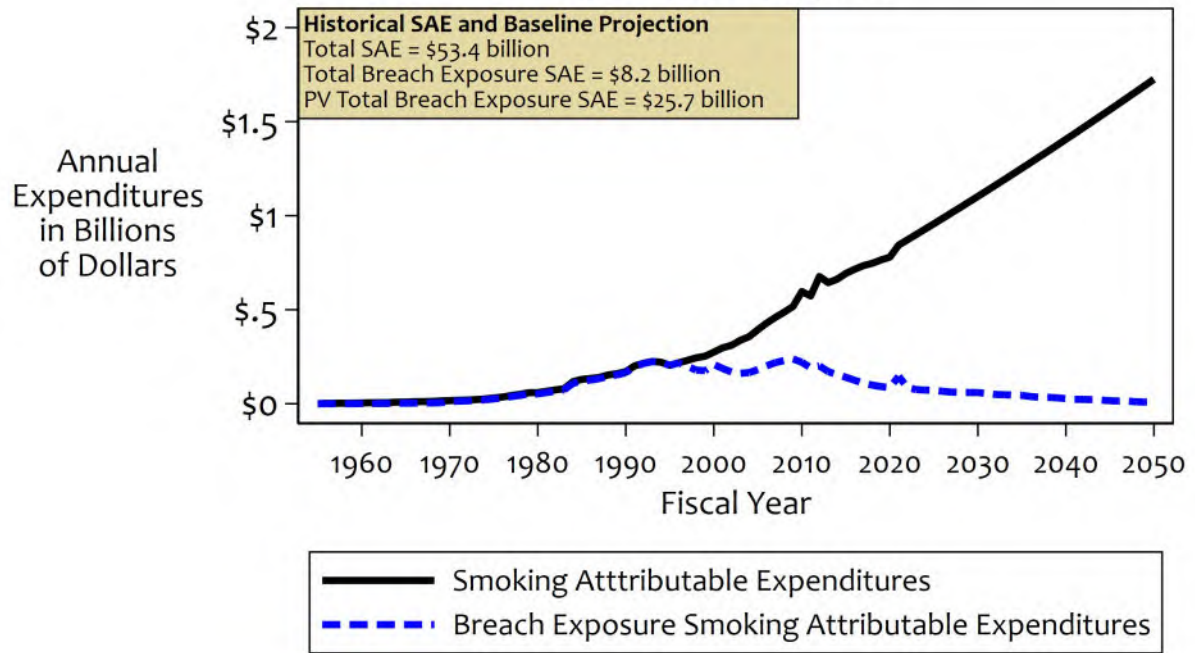


Figure 8: Smoking Attributable Expenditures
and Breach Exposure Period 1954-1996
Smoking Attributable Expenditures
in Saskatchewan



Yukon

Figure 1: Public Health Expenditures for Yukon, 1990/2000 through 2019/20

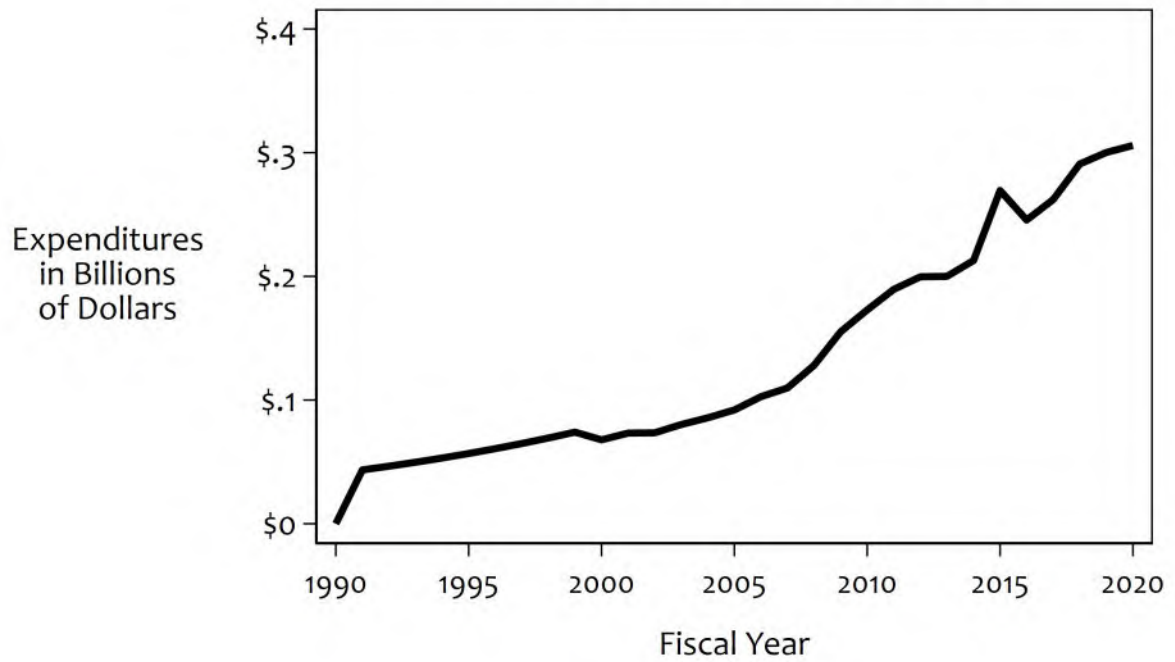


Figure 2: Share of Health Expenditures in Yukon, 1990/2000 through 2019/20

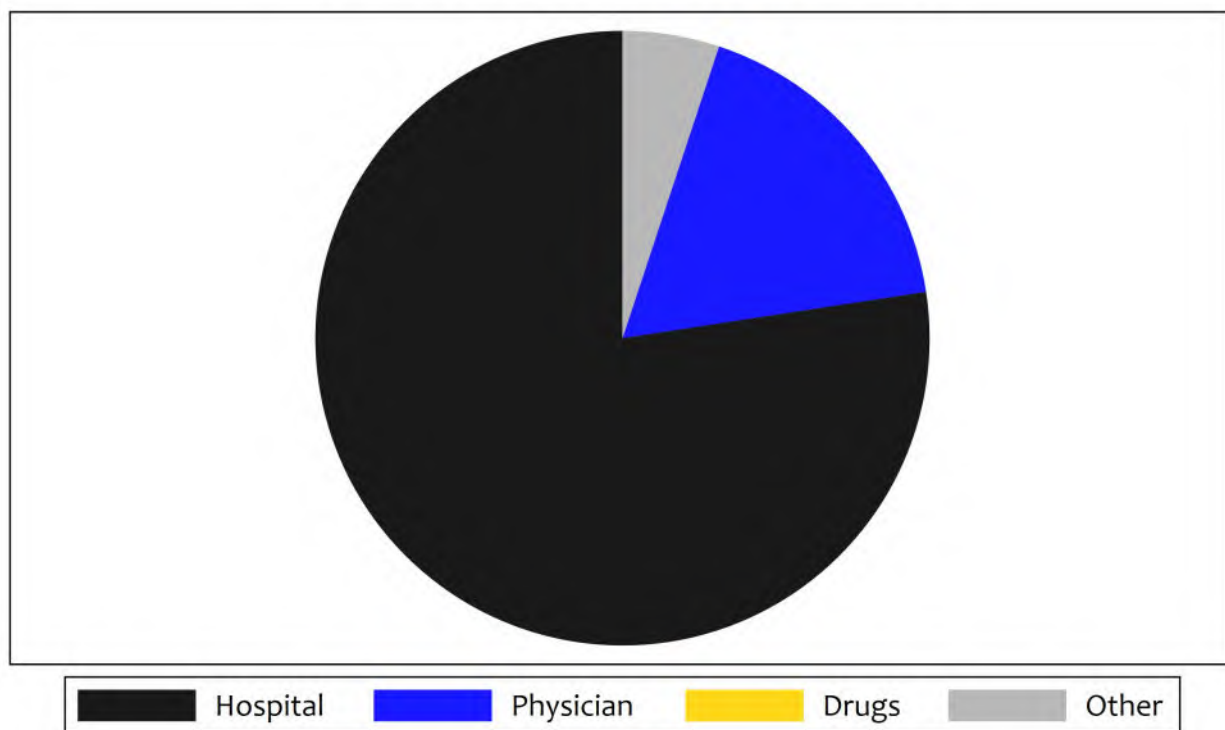


Figure 3: Estimates of Hospital SAF

Estimates from Public CCHS data between 2000 and 2014

Point Estimate and 95% Confidence Interval

Canadian average marked by dashed, red line

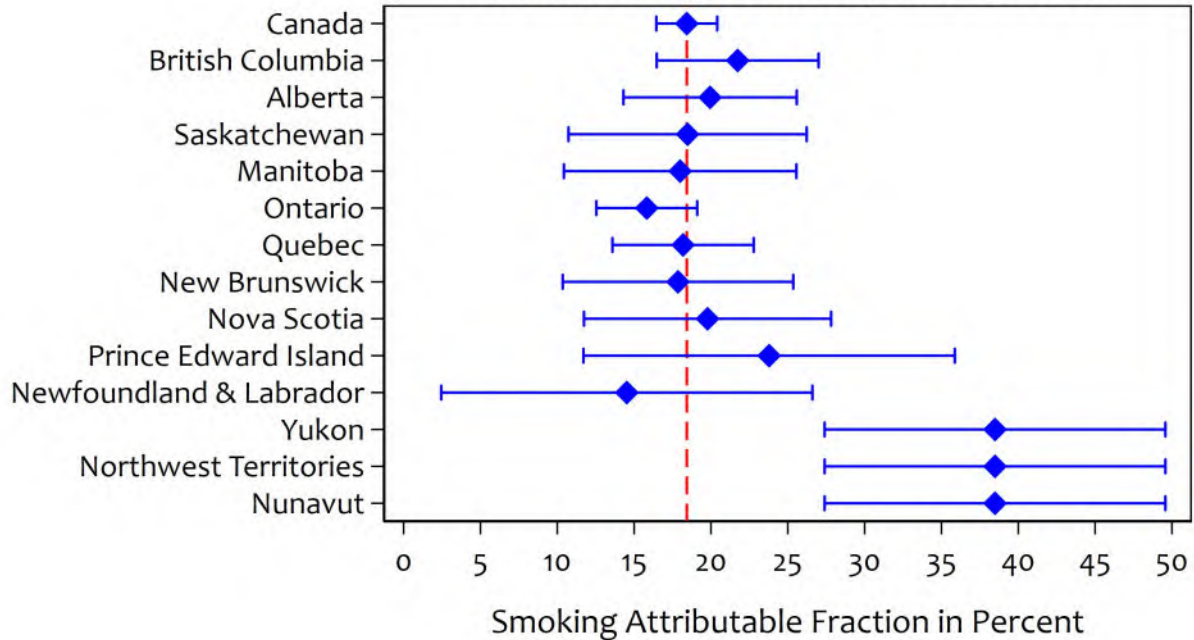


Figure 4: Estimates of Physician SAF

Estimates from Public CCHS data between 2000 and 2014

Point Estimate and 95% Confidence Interval

Canadian average marked by dashed, red line

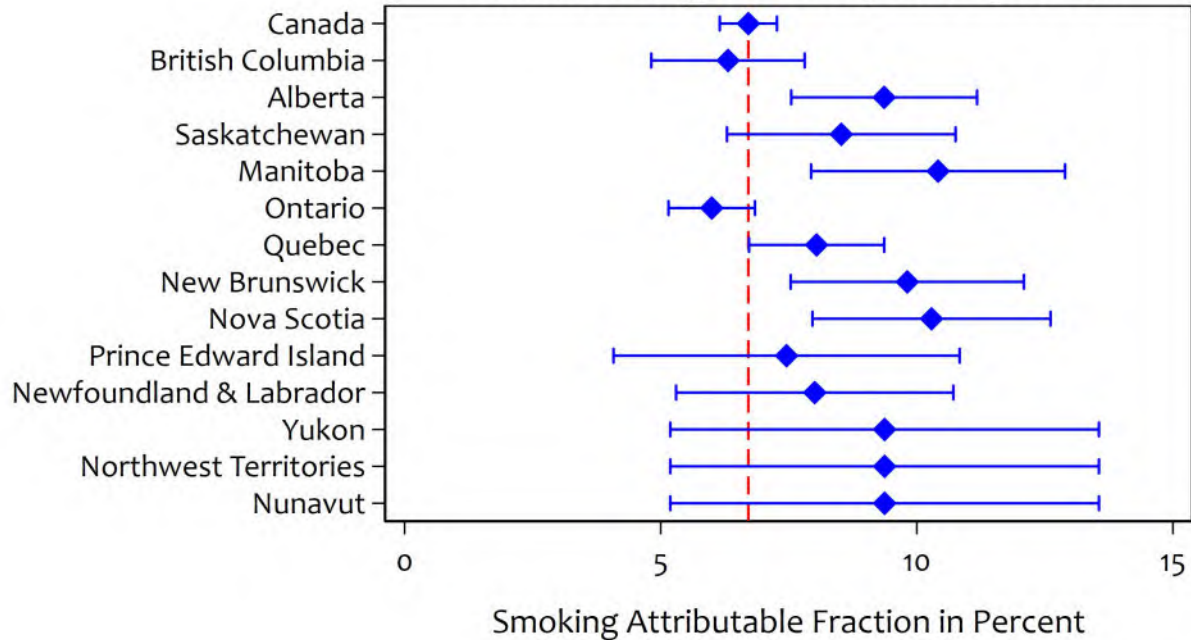


Figure 5: Hospital SAF for Yukon
Allowing for the Breach Exposure Period
1954-1995 and Latent Hospital Utilization

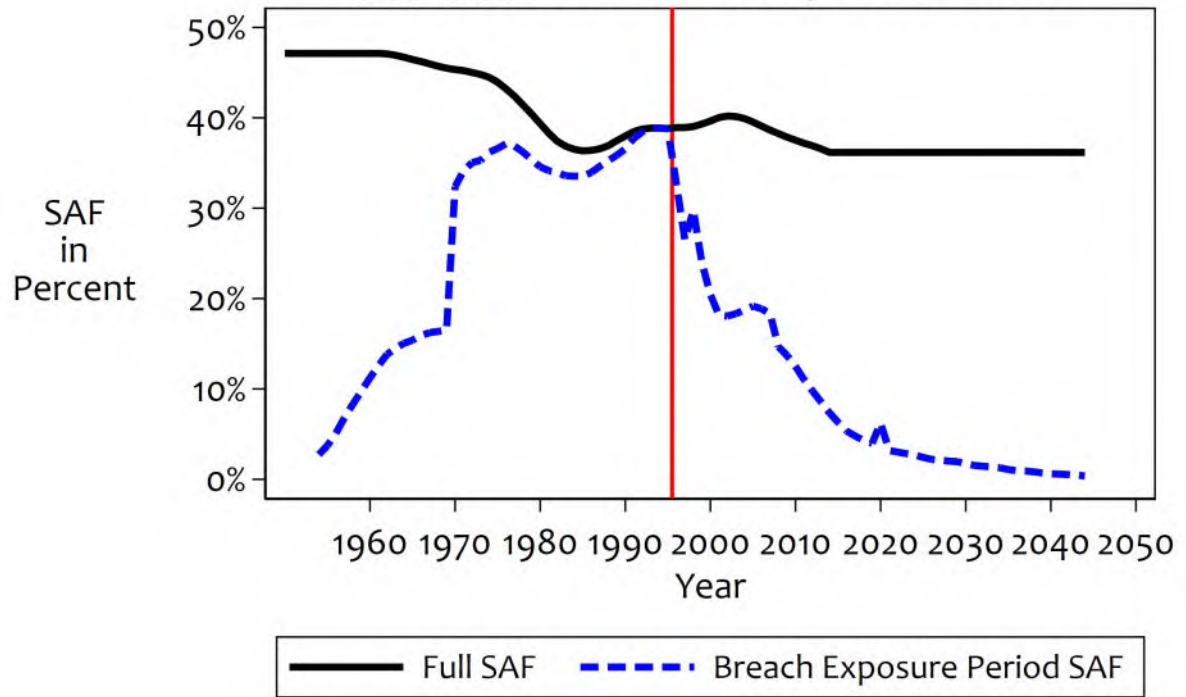


Figure 6: Physician SAF for Yukon
Allowing for the Breach Exposure Period
1954-1995 and Latent Physician Utilization

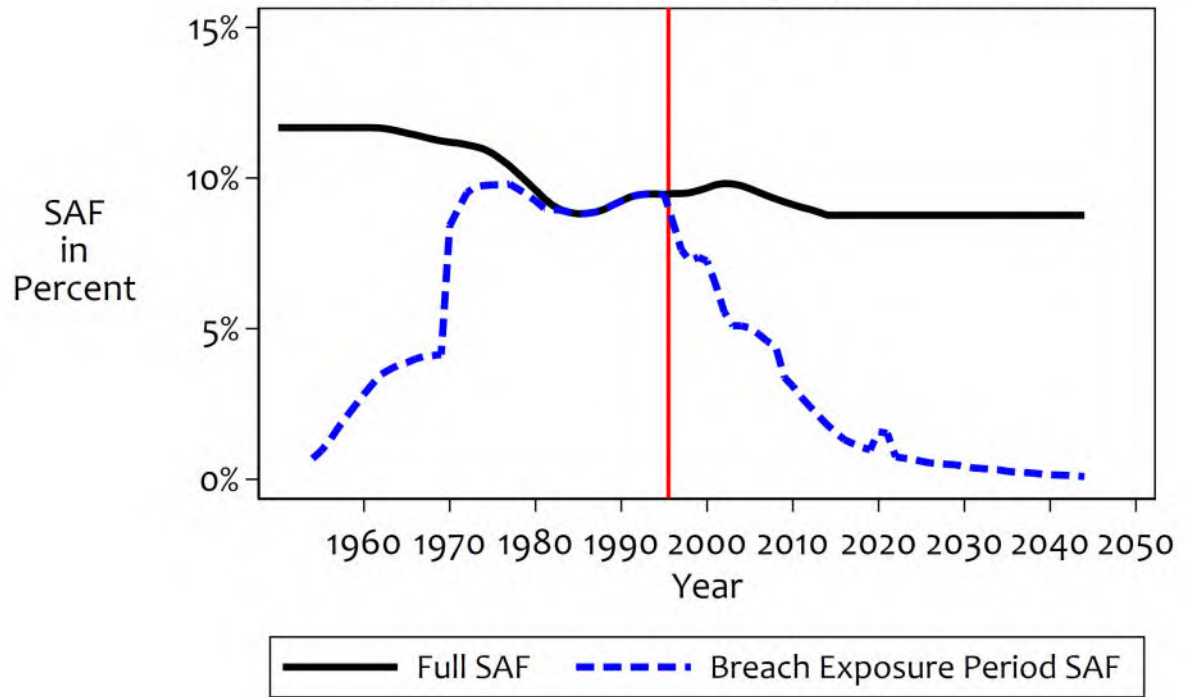


Figure 7: Historical and Projected Smoking Attributable Expenditures for Yukon

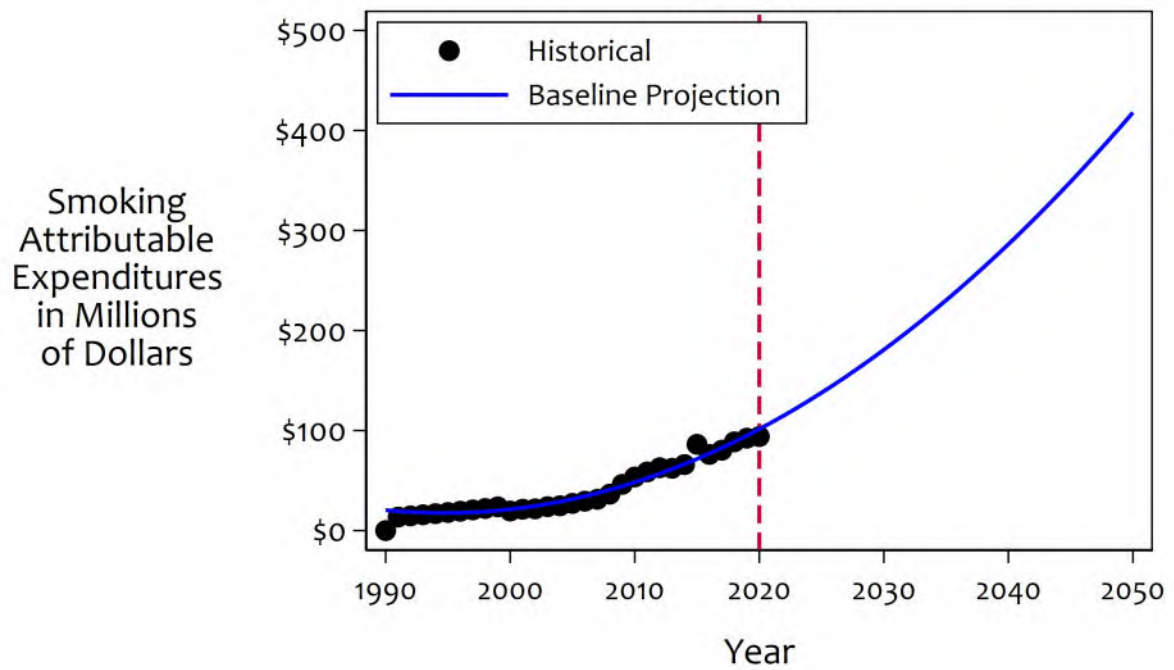
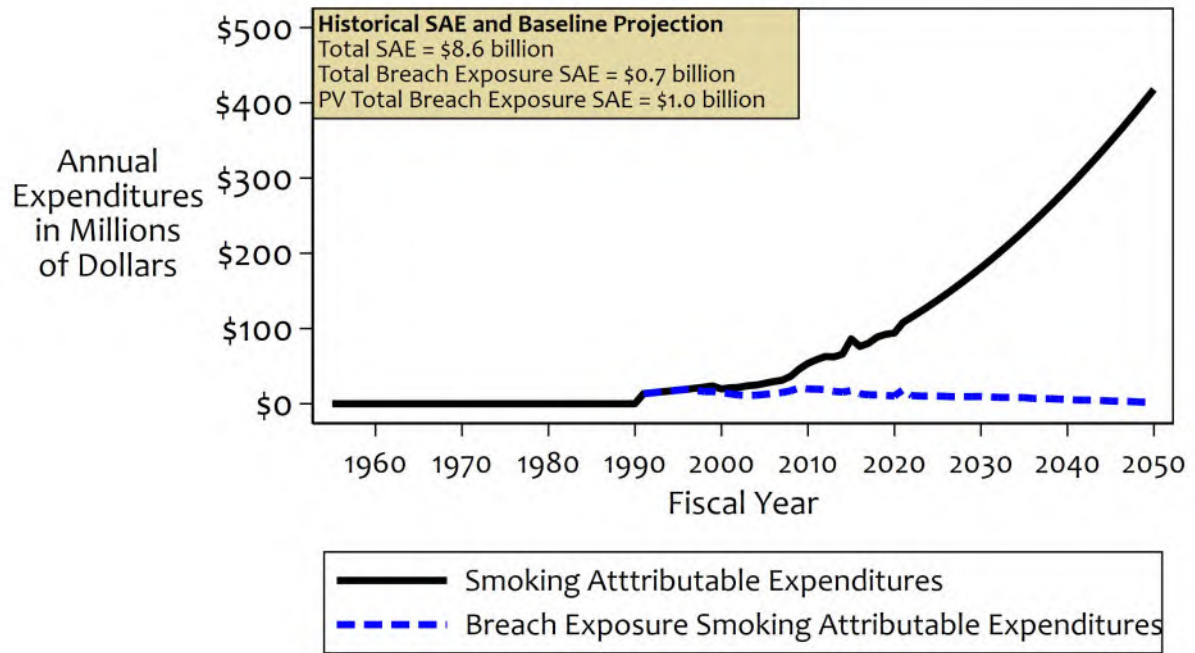


Figure 8: Smoking Attributable Expenditures
and Breach Exposure Period 1954-1996
Smoking Attributable Expenditures
in Yukon



The Provincial and Territorial Present Value of Smoking Attributable Expenditures

CALCULATIONS FOR ALL PROVINCES AND TERRITORIES

Figure 9: Cumulative Smoking Attributable Expenditures in Present Value 2020 Dollars, by Province Between 1954/1955 and 2049/2050

Attributable to smoking between January 4, 1954 and March 1, 1996
Using Baseline projection of future expenditures

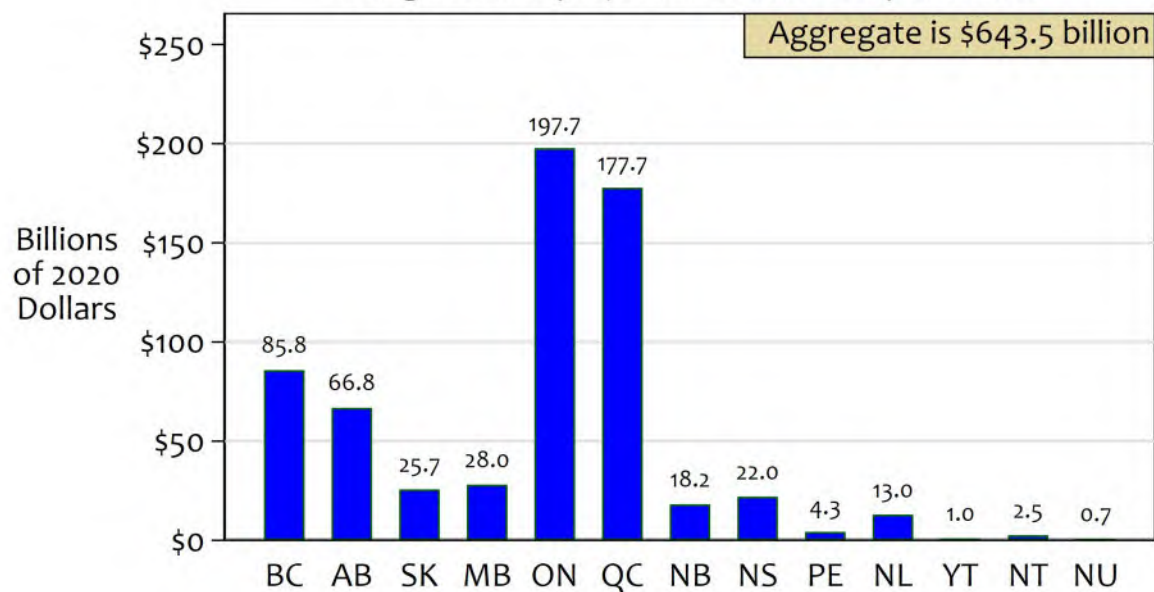


Figure 10: Percent Share of Cumulative Smoking Attributable Expenditures in Present Value 2020 Dollars, by Province Between 1954/55 and 2049/50

Attributable to smoking between January 4, 1954 and March 1, 1996
Using Baseline projection of future expenditures

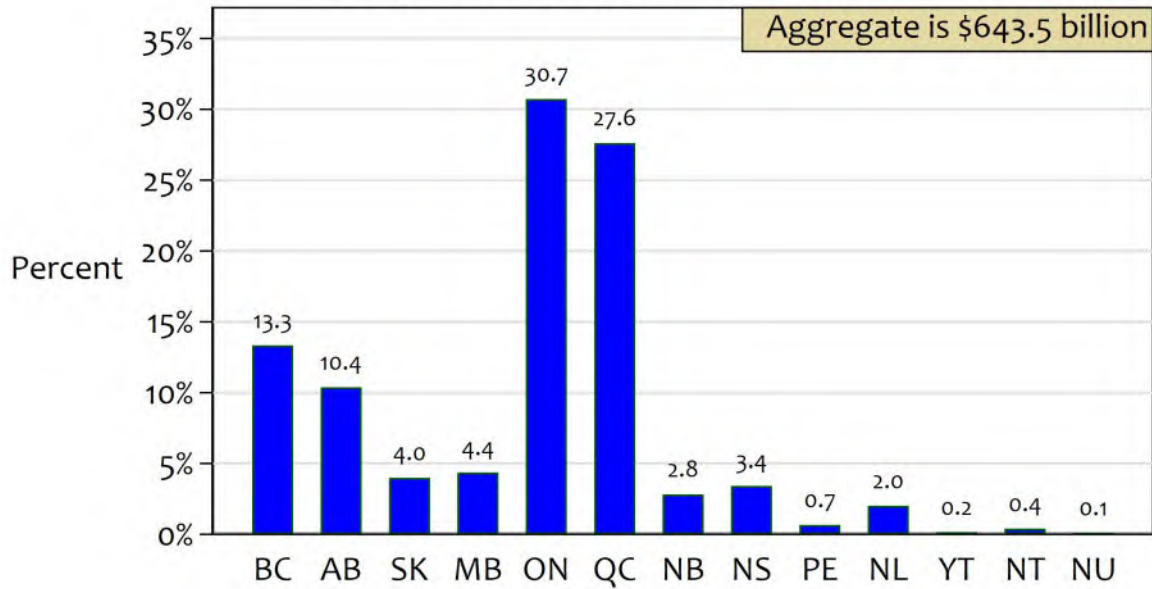


Figure 11: Percent Share of Cumulative Smoking Attributable Expenditures in Present Value 2020 Dollars, by Province Between 1954/55 and 2049/50, Using Flatline Projection of Future Expenditures

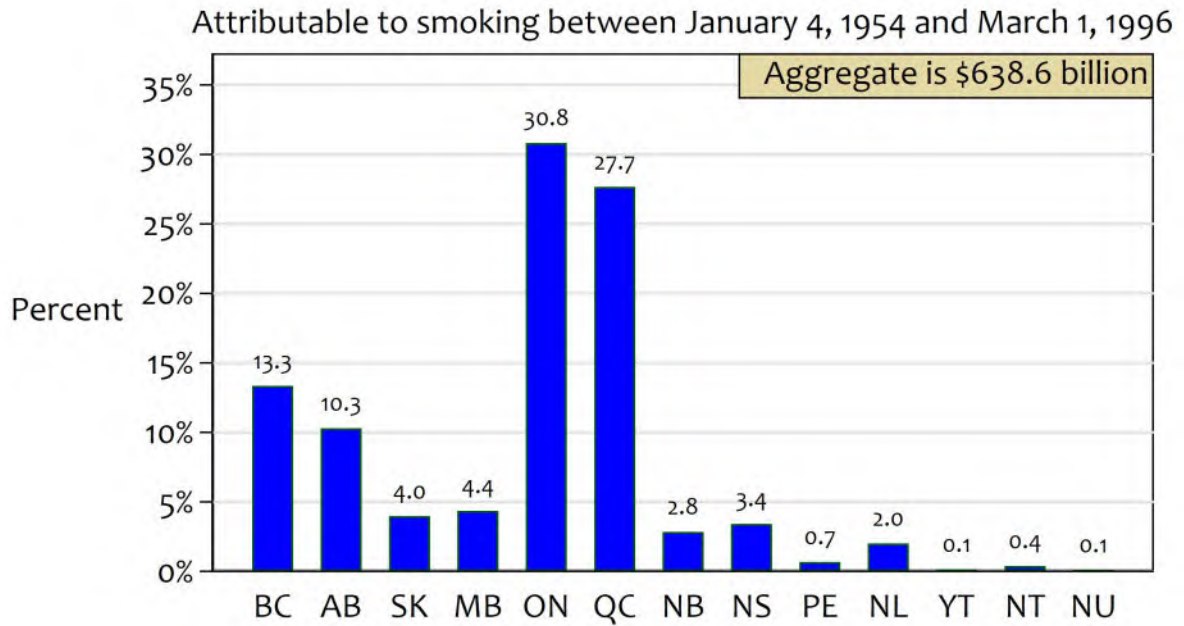


Figure 12: Probability of Current Nicotine Dependence by Years Since Onset of Smoking, Using NESARC Data from 2012/13

Probability of being Nicotine Dependent if a Current Daily Smoker
Source: Wave 3 of the *National Epidemiological Survey on Alcohol and Related Conditions* (NESARC), using DSM-5 criteria

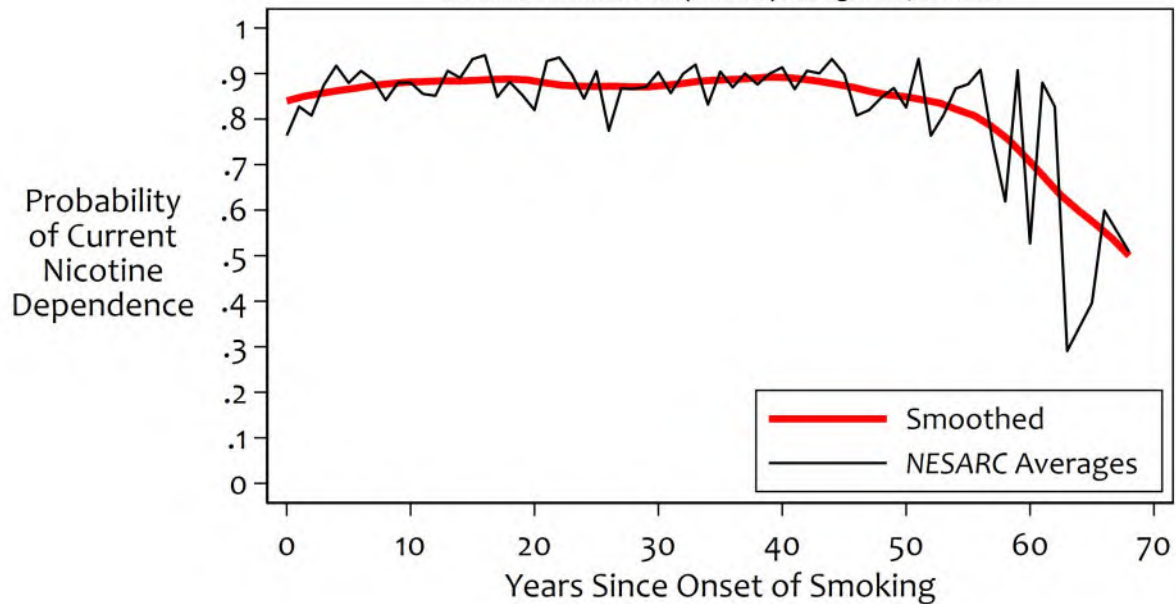


Figure 13: Cumulative Smoking Attributable Expenditures in Present Value 2020 Dollars, by Province Between 1997/1998 and 2049/2050

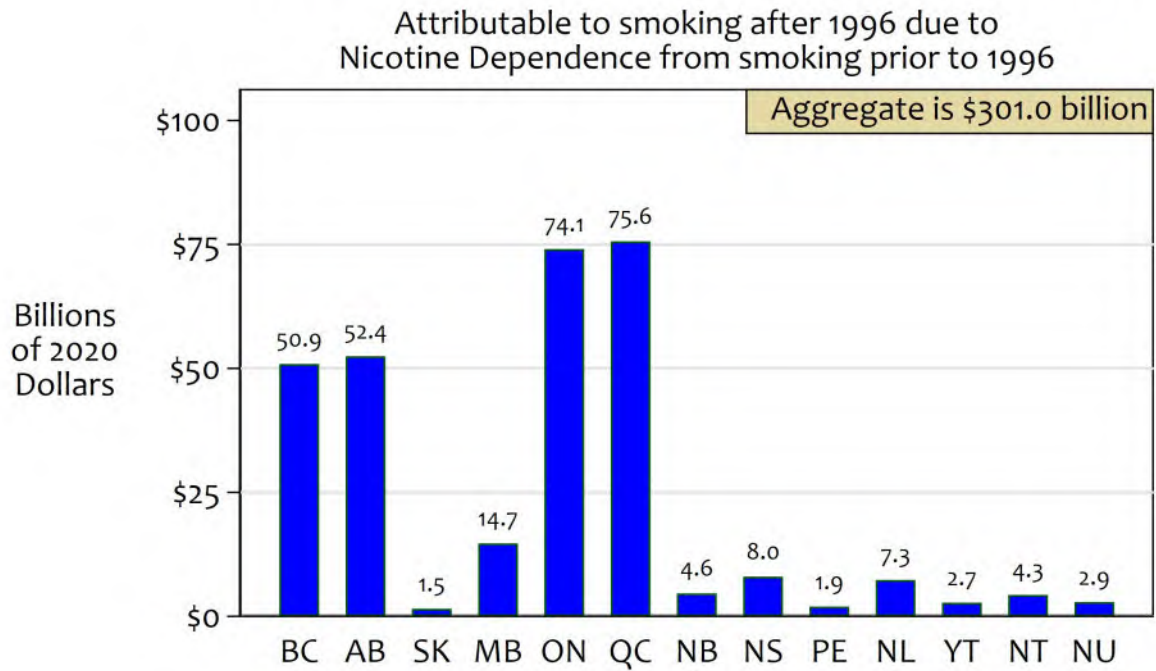


Figure 14: Percent Share of Cumulative Smoking Attributable Expenditures in Present Value 2020 Dollars, by Province Between 1997/98 and 2049/50

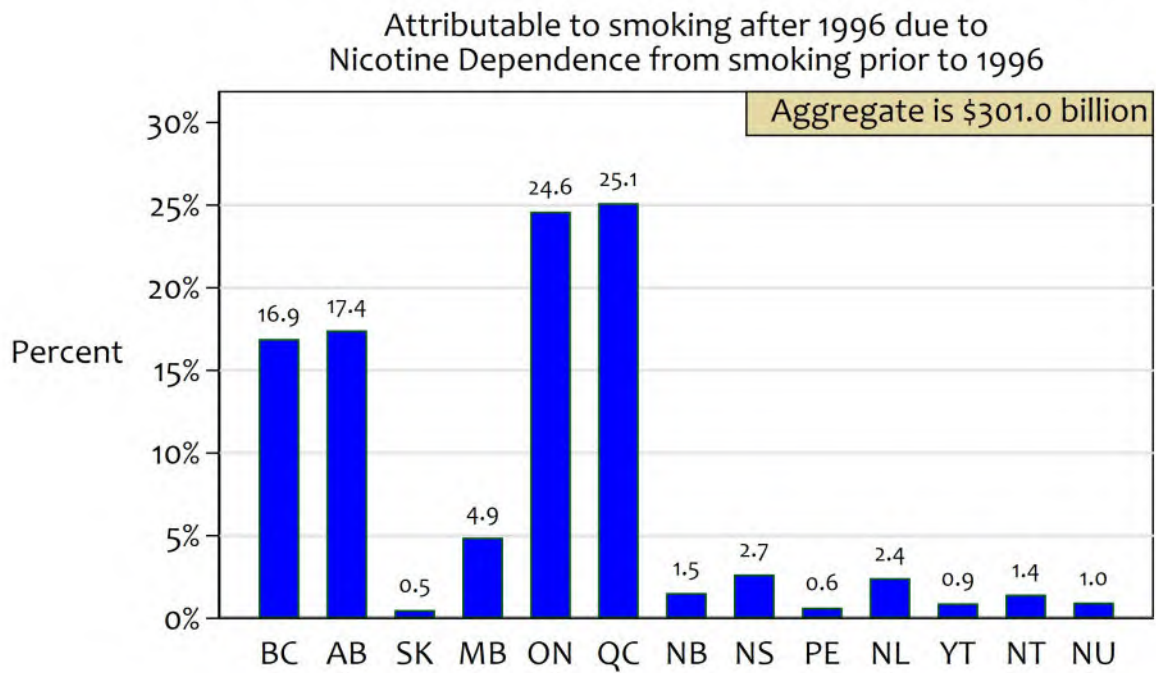


Figure 15: Cumulative Smoking Attributable Expenditures in Present Value 2020 Dollars, by Province Between 1954/1955 and 2049/2050

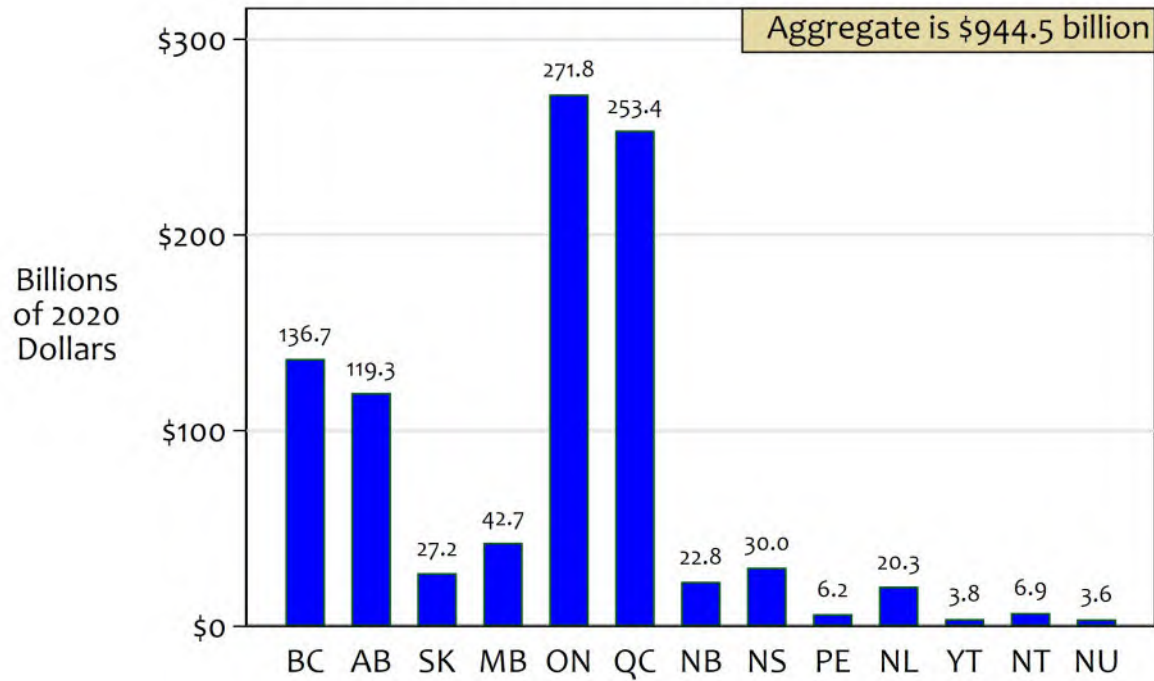
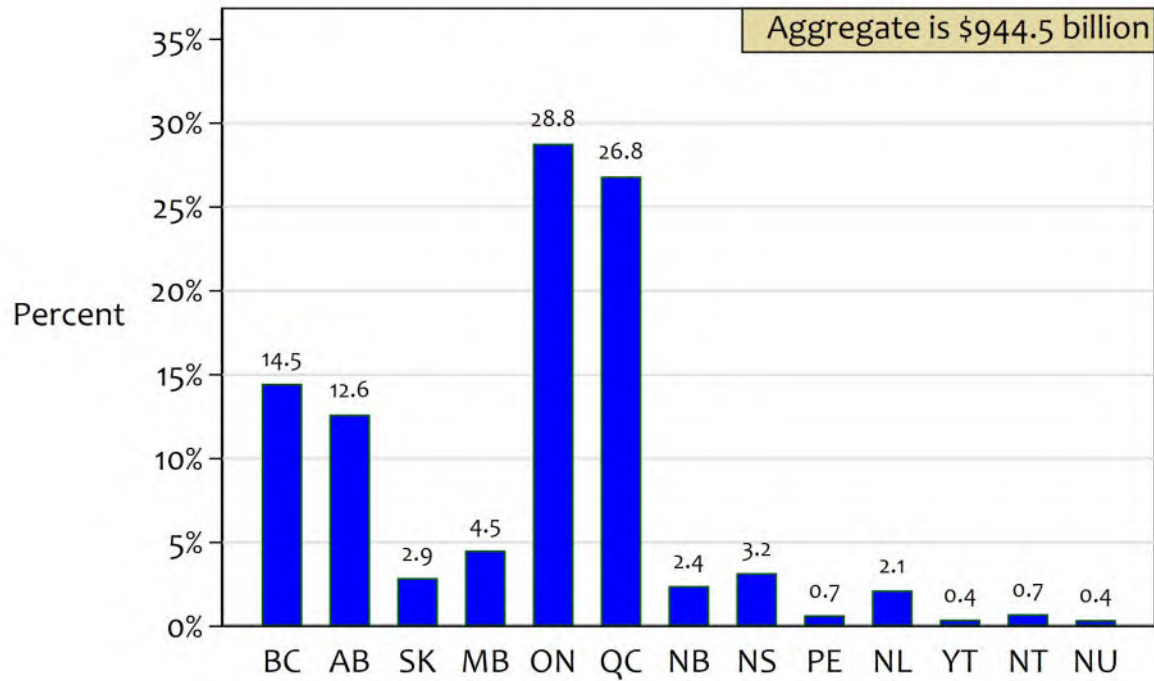


Figure 16: Percent Share of Cumulative Smoking Attributable Expenditures in Present Value 2020 Dollars, by Province Between 1954/55 and 2049/50



SCHEDULE “K”

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Glenn W. Harrison

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Citizenship: Australia and United States
Family: Married, one child

Google Scholar: 30,315 citations H index: 81 i10 index: 212
Research.com: D index: 75 World ranking: #267 in Economics & Finance

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Master of Economics, Monash University; 1978.
Master of Arts, UCLA; 1980.
Ph.D. (Economics), UCLA; 1982.

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Behavioral econometrics, Behavioral finance, Development economics

Teaching Fields

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Environmental Economics, Law & Economics, International Trade, Development Economics



Doctoral Dissertation

Title: Studies in Economic Theory and Method.

Committee: Robert W. Clower (chair), Larry J. Kimbell, Edward E. Leamer, and Axel Leijonhufvud.

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Foundation for Research in Economics and Education Graduate and Dissertation Fellowships, UCLA; 1978/82.

Center for the Study of Futures Markets Research Grant; 1981/82.

ASEAN-Australia Economic Relations Research Project Research Grant; 1983/85.

Social Sciences and Humanities Research Council of Canada Research Grant, "Research in Applied General Equilibrium Analysis"; 1984/85.

Social Sciences and Humanities Research Council of Canada Research Grant, "Research in Experimental Economics" (with Michael McKee); 1986/87.

Academic Development Fund Research Grant, University of Western Ontario, "Applications of Computational Game Theory"; 1987/88.

U.S. Department of Energy, Waste Education and Research Consortium Research Grant, "Assessing Risk-Costs for Nuclear Waste Transportation" (with Ronald G. Cummings); 1990/91.

Resources for the Future Research Grant, Washington, DC, "Validating the Contingent Valuation Method with Statistical Bias Functions"; 1993/94.

Richland County Government, "An Operational Survey of Richland County Government"; 1994/95.

Center for International Business Education and Research, USC, "The Natural Environment and International Competitiveness" (with Eugene Chewing and Maribeth Coller); 1994/95.

Westinghouse Savannah River Corporation: "Beneficially Reusing LLRW: The Savannah River Site Stainless Steel Program" (with Maribeth Coller); 1994/95.

Cooperative Agreement, United States Environmental Protection Agency (Office of Policy, Planning & Evaluation), "Environmental CGE Modeling"; 1996/98.

Danish Social Science Research Council, "Estimating Risk Attitudes and Discount Rates in Denmark" (with Morten I. Lau); Project #24-02-0124, 2002/05.

Economic Policy Research Unit, University of Copenhagen, "Charactering Entrepreneurs in Denmark" (with Morten I. Lau and Lise Vesterlund); 2006.

National Science Foundation, PI, "Cognition in Natural Environments: Using Simulated Scenarios in Complex Decision Making Experiments," Human and Social Dynamics Program, Directorate for Social, Behavioral, and Economic Sciences (with Stephen M. Fiore, Charles E. Hughes, Elisabet Rutström and Eduardo Salas); 2006-2009.

National Science Foundation, PI, "Naturally Occurring Noise: Experimental Economics & Stochastic Production Frontier Models," Methodology, Measurement & Statistics Program, Directorate for Social, Behavioral & Economic Sciences (with Richard Hofler and Elisabet Rutström); 2006-2008.

Danish Social Science Research Council, co-PI, "Intertemporal Choice in Denmark: A Longitudinal Field Experiment" (with Steffen Andersen, Morten I. Lau and Elisabet Rutström); 2009-2011.

Carlsberg Foundation, co-PI, "Eliciting Social Trust in Denmark: A Field Experiment" (with Steffen Andersen and Morten I. Lau); 2009-2010.

United States Federal Highway Administration, co-PI, "Behavioral Sciences Approach to testing, Validating and Establishing Best Practices for Alternative Highway Revenue Collection:

Experiments on Driving Under Uncertain Congestion Conditions and the Effects on Traffic Networks from Congestion Pricing Initiatives,” Cooperative Agreement DTFH61-09-H-00012 (with Essam Radwan, Elisabet Rutström and Ronald Tarr); 2009-2013.

Danish Social Science Research Council, co-PI, “Revealing Economic Behavior with Register-Based Experiments” (with Steffen Andersen and Morten I. Lau); 2012-2015.

Danish Social Science Research Council, co-PI, “The Behavioral Identification and Preferences of Pathological Gamblers” (with Morten I. Lau and Don Ross); 2012-2015.

Winner of the *Daeyang Prize* for the Best Paper of 1996: “Increased Competition and Completion of the Market in the European Union: Static and Steady State Effects,” (with Thomas F. Rutherford and David G. Tarr) *Journal of Economic Integration*, 11(3), September 1996, 332-365.

Winner of the *John Vandercamp Prize* for the Best Paper of 2003: “Cigarette Smoking and the Cost of Hospital and Physician Care” (with James Feehan, Alison C. Edwards, and Jorge Segovia), *Canadian Public Policy*, 29(1), March 2003, 1-19.

Editors Award for Best Paper of 2009: “Expected Utility And Prospect Theory: One Wedding and a Decent Funeral” (with Elisabet Rutström) *Experimental Economics*, 12(2), June 2009, 133-158.

Best Paper Prize for 2014: “Discounting Behavior: A Reconsideration,” (with Steffen Andersen, Morten Lau and Elisabet Rutström) *European Economic Review*, 71, November 2014, 15-33.

Honorary Doctorate, Copenhagen Business School, March 2017.

Geneva Risk Lecture, European Group of Insurance and Risk Economists (EGRIE), Nuremberg, September 2018.

Robinson College of Business Faculty Award for Research Excellence, Georgia State University, 2018.

Feed the Future Innovation Lab for Markets, Risk and Resilience, UC Davis, PI, “Do No Harm: Evaluating the Welfare Effects of Behavioral Insurance Interventions in Ethiopia” (with Christopher B. Barrett, Nathan Jensen, Karlijn Morsink, Mark Schneider and J. Todd Swarthout), under United States Agency for International Development, Cooperative Agreement #7200AA19LE00004, 2019 - 2021.

Employment Experience

Research Officer, Australian Treasury; 1975 - 1977.

Tutor, Department of Economics, Monash University; 1977 - 1978.

Research Associate, NSF Project “A General Equilibrium Appraisal of Property Tax Incidence” (Director: Larry Kimbell, GSM, UCLA); 1979 - 1981.

Staff Research Associate, UCLA Business Forecasting Project, GSM, UCLA; 1980 - 1982.

Reserve Bank of Australia Senior Fellow in Economic Policy, University of Western Australia; 1982.

Assistant Professor, Department of Economics, University of Western Ontario; 1983 - 1988.

Visiting Lecturer, Department of Economics, University of Canterbury (New Zealand); 1984.

Visiting Assistant Professor, Department of Economics, University of Arizona; 1985.

Visiting Fellow, Institute of Southeast Asian Studies, Singapore; 1985.

Visiting Senior Research Fellow, Department of Economics, University of Melbourne (Australia); 1986.

Visiting Professor, Department of Economics, University of Stockholm; 1988.

Associate Professor, Department of Economics, University of Western Ontario; 1988.

Associate Professor, Department of Economics, University of New Mexico; 1988 - 1990.

Erskine Fellow, Department of Economics, University of Canterbury, Christchurch, New Zealand, 1996.
 Dewey H. Johnson Professor of Economics, Department of Economics, Moore School of Business,
 University of South Carolina; 1990 - 2003.
 Senior Research Fellow, Institute for Simulation & Training, University of Central Florida; 2003 - 2005.
 Professor of Economics, Department of Economics, College of Business Administration, University of
 Central Florida; 2003 - 2009.
 Richard T. Crotty Orange County Endowed Chair, Department of Economics, College of Business
 Administration, University of Central Florida; 2008 - 2009.
 Professor of Economics (part-time), Durham Business School, Durham University; 2007 - 2010.
 C. V. Starr Chair of Risk Management & Insurance, Department of Risk Management & Insurance,
 Robinson College of Education, Georgia State University; 2009 – present.
 Director, Center for the Economic Analysis of Risk, Robinson College of Education, Georgia State
 University; 2009 – present.
 Distinguished University Professor, Department of Risk Management & Insurance, Robinson College of
 Education, Georgia State University; 2021 – present.

Miscellaneous Professional Experience

Assistant Editor, *Economic Inquiry*; 1979-1980.
 Assistant Editor, *American Economic Review (Papers & Proceedings)*; 1980-1981.
 Assistant Editor (Screening), *American Economic Review*; 1981-1982.
 Associate Editor, *Journal of Regional Science*; 1989-2000.
 Editorial Council, *Journal of Environmental Economics and Management*; 1990-1994, 2001-2011.
 Editorial Board, *Journal of Economic Methodology*; 2010-present.
 Associate Editor, *Journal of Environmental Economics and Management*; 1994-1997.
 Associate Editor, *Economics Letters*; 2012-2023.
 Consultant, Omniplan Corporation, “An Economic and Social Assessment of the Central Valley Irrigation
 Project”; Report prepared for the U.S. Department of the Interior (Water & Power Resources
 Service); 1979-1980.
 Consultant, California Energy Commission, “The Impact of Petroleum Shortfalls on the U.S. and
 California Economy”; 1980-1981.
 Consultant, Atlantic Richfield Company, “Energy Efficiency, Conservation, and Elasticity Planning Study”;
 1980-1981.
 Consultant, Los Angeles Department of Water and Power, “Forecasting Energy Demand”; 1981.
 Consultant, The Windsor Data Bank Project (University of Windsor, Ontario), “Windsor and Essex
 County Input-Output Industrial Linkage Study”; 1986-1987.
 Consultant, Institute for Research on Public Policy, “Trade in Services and Domestic Regulation”; 1987-
 1987.
 Consultant, Centre for International Economics, “Global Agricultural Trade Policy Study”; 1987-1988.
 Consultant, The World Bank (Europe, Middle East and North Africa Department), “Trade Integration in
 Algeria, Morocco, Tunisia and Turkey”; 1988-1989.
 Consultant, The Office of the United States Trade Representative, “Reforming the Common Agricultural
 Policy of the European Communities: A Quantitative Evaluation of Some Negotiating Options”;
 1990-1991.

Consultant, The Office of the United States Trade Representative, "Negotiating Compensation for The Effects of Trade Policy Reform"; 1990 - 1991.

Consultant, The World Bank (Europe, Middle East and North Africa Department), "The Impact of Completion of the Market in the European Communities and Trade Integration on Turkey and the Maghreb Countries"; 1990 - 1992.

Consultant, The World Bank (Europe, Middle East and North Africa Department), "Free Trade Negotiations Between The European Communities and Morocco"; 1992 - 1993.

Consultant, Tactical Warfare Studies Division, Sandia National Laboratories, "U.S. Economic Competitiveness"; 1990.

Consultant, American Petroleum Institute, "Identifying and Measuring Non-Use Values for Natural and Environmental Resources: A Critical Review of the State of the Art"; 1991.

Consultant, Barbara J. Goldsmith and Company, "Valuing Environmental Goods With the Contingent Valuation Method"; 1992.

Consultant, National Commission for Employment Policy (Washington, DC), "Estimating Employment Effects of Regulatory Policy Using Computable General Equilibrium Models"; 1992.

Consultant, Harvard Institute for International Development, "Environmental Policy Reform in Lithuania"; 1993.

Consultant, Government of Morocco (Ministry of Foreign Trade), "Quantitative Evaluation of Trade Reform"; 1992-1993.

Consultant, The World Bank (International Economics Department), "The Impact of the Uruguay Round on Developing Countries"; 1994.

Consultant, The World Bank (International Economics Department), "Quantitative Evaluation of Trade Reform in Tunisia and Turkey"; 1994-1995.

Consultant, The World Bank (International Economics Department), "Impact of Customs Union between Turkey and the European Union"; 1995.

Consultant, The World Bank (International Economics Department), "Trade Policy Options for Brazil"; 2001-2002.

Consultant, The World Bank (International Economics Department), "The Effects of Trade Reform on Poverty in Less Developed Countries"; 2001-2002.

Consultant, Westinghouse Savannah River Company, "Feasibility Study for Transfer of Radioactive Scrap Metal Recycling Technologies in Support of the Beneficial Reuse Program"; 1994-1995.

Consultant, Swedish Treasury Department, "Carbon Taxes in Sweden"; 1995-1996.

Consultant, North-South Center, University of Miami, "Trade Policy Options for Chile;" 1995-1996.

Consultant, Ministry of Business and Industry, Government of Denmark, Co-Director of the *MobiDK Project*; 1996-1999.

Consultant, United States Environmental Protection Agency, "Carbon Taxes in the United States"; 1996-1998.

Member, Second Generation Model Advisory Panel, Science Advisory Board, United States Environmental Protection Agency; 2004-2008.

Principal and Director, *Law & Economics Consulting Group, Inc.*, 1998 - 1999.

President, *Harrison & Rutstrom Consulting, Inc.*, 1992 - present.

Board of Directors, *American Civil Liberties Union of South Carolina*, 2001 - 2005.

Secretary, *American Civil Liberties Union of South Carolina*, 2002 - 2003.

Consultant, *South Carolina Department of Revenue*, 2007 - 2019.

Consultant, *Tennessee Attorney-General*, 2020 - present.

Fellow, IZA – Institute for the Study of Labor, Bonn, 2013 - 2016.
 Adjunct Professor, Department of Economics, University of Cape Town, 2013 – present.
 Senior Advisor, *Royal Commission into Aged Care Quality and Safety*, Australia, 2020.
 Santa Claus (elected), Department of Economics Christmas Party, University of Western Ontario, 1986.

Publications

- I. Behavioral and Experimental Economics
- II. International Trade Policy & Public Finance
- III. Resource & Environmental Economics
- IV. Law & Economics
- V. Health Economics
- VI. Miscellaneous

I. Behavioral and Experimental Economics

1. "The Informational Role of Futures Markets: Some Experimental Evidence" (with Daniel Friedman and Jon Salmon) in M.E. Streit (ed.), *Futures Markets: Modelling, Managing and Monitoring Futures Trading* (Oxford: Basil Blackwell, 1983).
2. "The Informational Efficiency of Experimental Asset Markets" (with Daniel Friedman and Jon Salmon) *Journal of Political Economy*, 92, June 1984, 349-408.
3. "Monopoly Behavior, Decentralized Regulation, and Contestable Markets: An Experimental Evaluation" (with Michael McKee) *The Rand Journal of Economics*, 16, Spring 1985, 51-69.
4. "Experimental Futures Markets," in B.A. Goss (ed.), *Futures Markets: Their Establishment and Performance* (London: Croom Helm, 1986).
5. "An Experimental Test for Risk Aversion," *Economics Letters*, 21, No.1, 1986, 7-11.
6. "Risk Aversion and Preference Distortion in Deterministic Bargaining Experiments," *Economics Letters*, 22, 1986, 191-196.
7. "Risk Aversion and the Nash Solution in Stochastic Bargaining Experiments," *Economics Letters*, 24, 1987, 321-326.
8. "Experimental Evaluation of the Contestable Markets Hypothesis," in E. E. Bailey (ed.), *Public Regulation: New Perspectives on Institutions and Policies* (Cambridge: MIT Press, 1987).
9. "Coasian Solutions to the Externality Problem in Experimental Markets" (with Elizabeth Hoffman, E. E. Rutström and Matthew Spitzer) *The Economic Journal*, 97, June 1987, 380-404; reprinted in J.D. Hey and G. Loomes (eds.), *Recent Developments in Experimental Economics*

(London: Edward Elgar, 1993) and J.F. Shogren (ed.), *Experiments in Environmental Economics* (Aldershot, UK: Ashgate Publishing Limited, 2002).

10. "An Experimental Evaluation of Weakest-Link/Best-Shot Models of Public Goods" (with Jack Hirshleifer) *Journal of Political Economy*, 97, February 1989, 201-225.
11. "Theory and Misbehavior of First-Price Auctions," *American Economic Review*, 79, September 1989, 749-762; reprinted in J.D. Hey and G. Loomes (eds.), *Recent Developments in Experimental Economics* (London: Edward Elgar, 1993).
12. "Experimental Evaluation of Institutions of Monopoly Restraint" (with Michael McKee and E. E. Rutström) in L. Green and J. Kagel (eds.), *Advances in Behavioral Economics* (Norwood: Ablex, 1990).
13. "Search Intensity in Experiments" (with Peter Morgan) *The Economic Journal*, 100, June 1990, 478-486.
14. "Risk Attitudes in First-Price Auction Experiments: A Bayesian Analysis," *The Review of Economics & Statistics*, 72, August 1990, 541-546.
15. "A Double-Auction Experiment", in T. Bergstrom and H.R. Varian (eds.), *Instructor's Manual for Intermediate Microeconomics* (New York: Norton, 1990); this package includes computer software.
16. "Rational Expectations and Experimental Methods," in B.A. Goss (ed.), *Rational Expectations and Efficiency in Futures Markets* (London: Routledge, 1991).
17. "Testing Noncooperative Bargaining Theory in Experiments," (with Kevin A. McCabe) in R.M. Isaac (ed.), *Research in Experimental Economics* (Greenwich: JAI Press, Volume 5, 1992).
18. "Theory and Misbehavior of First-Price Auctions: Reply," *American Economic Review*, 82, December 1992, 1426-1443.
19. "Market Dynamics, Programmed Traders, and Futures Markets: Beginning the Laboratory Search for a Smoking Gun," *The Economic Record*, 68, 1992 (Special Issue on Futures Markets), 46-62.
20. "Convergence to Nonstationary Competitive Equilibria: An Experimental Analysis," (with Douglas D. Davis and Arlington W. Williams) *Journal of Economic Behavior and Organization*, 22, 1993, 305-326.
21. "Expected Utility Theory and The Experimentalists," *Empirical Economics*, 19(2), 1994, 223-253.
22. "Stability and Preference Distortion in Resource Matching: An Experimental Study of the Marriage Problem," (with Kevin A. McCabe) in R.M. Isaac (ed.), *Research in Experimental*

Economics (Greenwich: JAI Press, Volume 8, 1996).

23. "Expectations and Fairness in a Simple Bargaining Experiment," (with Kevin McCabe) *International Journal of Game Theory*, 25(3), 1996, 303-327.
24. "Methods in Experimental Economics: A Review," (with Maribeth Collier) *Journal of International and Comparative Economics*, 5, 1997, 321-334.
25. "Doing It Both Ways -- Experimental Practice and Heuristic Context," (with Elisabet Rutström) in *Behavioral and Brain Sciences*, 24(3), June 2001, 413-414.
26. "Sequential Bargaining Games," (with Elisabet Rutström) *Encyclopedia of Cognitive Science* (London: The Nature Publishing Group, 2002).
27. "Estimating Individual Discount Rates in Denmark: A Field Experiment," (with Morten I. Lau and Melonie B. Williams) *American Economic Review*, 92(5), December 2002, 1606-1617.
28. Review of Friedel Bolle and Marco Lehmann-Waffenschmidt (eds.), *Surveys in Experimental Economics: Bargaining, Cooperation and Election Stock Markets* (Heidelberg and New York: Physica-Verlag, 2002), *Journal of Economic Literature*, XLI, December 2003, 1275-1276.
29. "Experimental Methods and the Elicitation of Values," (with Ronald Harstad and Elisabet Rutström) *Experimental Economics*, 7(2), June 2004, 123-140.
30. "Field Experiments," (with John A. List) *Journal of Economic Literature*, 42(4), December 2004, 1013-1059.
31. "Field Experiments in Economics: An Introduction," (with J. Carpenter and J.A. List) in J. Carpenter, G.W. Harrison and J.A. List (eds.), *Field Experiments in Economics* (Greenwich, CT: JAI Press, Research in Experimental Economics, Volume 10, 2005, 1-16).
32. "Field Experiments and Control," in J. Carpenter, G.W. Harrison and J.A. List (eds.), *Field Experiments in Economics* (Greenwich, CT: JAI Press, Research in Experimental Economics, Volume 10, 2005, 17-50).
33. "Eliciting Risk and Time Preferences Using Field Experiments: Some Methodological Issues," (with Morten Igel Lau, E. Elisabet Rutström, and Melonie B. Sullivan) in J. Carpenter, G.W. Harrison and J.A. List (eds.), *Field Experiments in Economics* (Greenwich, CT: JAI Press, Research in Experimental Economics, Volume 10, 2005, 125-218).
34. "Bargaining Behavior, Demographics and Nationality: What Can the Experimental Evidence Show?" (with Anebel Botelho, March A. Hirsch, and E. Elisabet Rutström) in J. Carpenter, G.W. Harrison and J.A. List (eds.), *Field Experiments in Economics* (Greenwich, CT: JAI Press, Research in Experimental Economics, Volume 10, 2005, 337-372).

35. Editor (with J. Carpenter and J.A. List), *Field Experiments in Economics* (Greenwich, CT: JAI Press, Research in Experimental Economics, Volume 10, 2005).
36. "Temporal Stability of Estimates of Risk Aversion," (with Eric Johnson, Melayne McInnes and Elisabet Rutström) *Applied Financial Economics Letters*, 1, 2005, 31-35.
37. "Risk Aversion and Incentive Effects: Comment," (with Eric Johnson, Melayne McInnes and Elisabet Rutström) *American Economic Review*, 95 (3), June 2005, 897-901.
38. "Is the Evidence for Hyperbolic Discounting in Humans Just An Experimental Artefact?" (with Morten Igel Lau) *Behavioral & Brain Sciences*, 28, 2005, 657.
39. "Elicitation Using Multiple Price List Formats," (with Steffen Andersen, Morten Lau and Elisabet Rutström) *Experimental Economics*, 9(4), December 2006, 383-405.
40. "Identifying Altruism in the Laboratory," (with Laurie T. Johnson) in D. Davis and R. Mark Isaac (ed.), *Experiments in Fundraising and Charitable Contributions* (Greenwich, CT: JAI Press, Research in Experimental Economics, Volume 11, 2006).
41. "Valuation Using Multiple Price List Formats," (with Steffen Andersen, Morten Lau and Elisabet Rutström) *Applied Economics*, 39(6), April 2007, 675-682.
42. "Naturally Occurring Preferences and Exogenous Laboratory Experiments: A Case Study of Risk Aversion," (with John A. List and Charles Towe) *Econometrica*, 75(2), March 2007, 433-458.
43. "Estimating Risk Attitudes in Denmark: A Field Experiment," (with Morten Lau and Elisabet Rutström) *Scandinavian Journal of Economics*, 109(2), June 2007, 341-368.
44. "Measurement with Experimental Controls," (with Eric Johnson, Melayne McInnes and Elisabet Rutström) in M. Boumans (ed.), *Measurement in Economics: A Handbook* (San Diego, CA: Elsevier, 2007).
45. "House Money Effects in Public Good Experiments: Comment," *Experimental Economics*, 10(4), December 2007, 429-437.
46. "Experimental Evidence on the Existence of Hypothetical Bias in Value Elicitation Experiments," (with Elisabet Rutström) in C.R. Plott and V.L. Smith (eds.), *Handbook of Experimental Economics Results* (New York: Elsevier Press, 2008).
47. "Lost in State Space: Are Preferences Stable?" (with Steffen Andersen, Morten Lau and Elisabet Rutström) *International Economic Review*, 49(3), August 2008, 1091-1112.
48. "Naturally Occurring Markets and Exogenous Laboratory Experiments: A Case Study of the Winner's Curse," (with John A. List) *The Economic Journal*, 118, April 2008, 822-843.

49. "Voting Games and Computational Complexity," (with Tanga McDaniel) *Oxford Economic Papers*, 50(3), 2008, 546-565.
50. "Risk Aversion in Game Shows" (with Steffen Andersen, Morten Lau and Elisabet Rutström) in J.C. Cox and G.W. Harrison (eds.), *Risk Aversion in Experiments* (Bingley, UK: Emerald, Research in Experimental Economics, Volume 12, 2008).
51. "Risk Aversion in the Laboratory" (with Elisabet Rutström) in J.C. Cox and G.W. Harrison (eds.), *Risk Aversion in Experiments* (Bingley, UK: Emerald, Research in Experimental Economics, Volume 12, 2008).
52. "Risk Aversion in Experiments: An Introduction," (with James Cox) in J.C. Cox and G.W. Harrison (eds.), *Risk Aversion in Experiments* (Bingley, UK: Emerald, Research in Experimental Economics, Volume 12, 2008).
53. "Peter Bohm: Father of Field Experiments," (with Martin Dufwenberg) *Experimental Economics*, 11(3), September 2008, 213-220.
54. "Eliciting Risk and Time Preferences," (with Steffen Andersen, Morten Lau and Elisabet Rutström) *Econometrica*, 76(3), May 2008, 583-618.
55. "Neuroeconomics: A Critical Reconsideration," *Economics & Philosophy*, 24(3), 2008, 303-344.
56. "Neuroeconomics: Rejoinder," *Economics & Philosophy*, 24(3), 2008, 433-444.
57. "Expected Utility And Prospect Theory: One Wedding and a Decent Funeral" (with Elisabet Rutström) *Experimental Economics*, 12(2), June 2009, 133-158. Winner of the *Editors Award for Best Paper in Volume 12*.
58. "Risk Attitudes, Randomization to Treatment, and Self-Selection Into Experiments," (with Morten Lau and Elisabet Rutström) *Journal of Economic Behavior and Organization*, 70(3), June 2009, 498-507.
59. "Preference Heterogeneity in Experiments: Comparing the Field and Laboratory," (with Steffen Andersen, Morten Lau and Elisabet Rutström) *Journal of Economic Behavior and Organization*, 73, 2010, 209-224.
60. "Choice Under Uncertainty: Evidence from Ethiopia, India and Uganda," (with Steven J. Humphrey and Arjan Verschoor) *The Economic Journal*, 120, March 2010, 80-104.
61. "The Behavioral Counter-Revolution," *Journal of Economic Behavior and Organization*, 73, 2010, 49-57.
62. "Testing Static Game Theory with Dynamic Experiments: A Case Study of Public Goods" (with Anabela Botelho, Lígia M. Costa Pinto and E. Elisabet Rutström) *Games and Economic Behavior*,

- 67, 2009, 253-265.
63. "Behavioral Econometrics for Psychologists," (with Steffen Andersen, Morten Lau and Elisabet Rutström) *Journal of Economic Psychology*, 31, 2010, 553–576.
 64. "What Do Prediction Markets Predict?" (with John Fountain) *Applied Economics Letters*, 18, 2011, 267-272.
 65. "The Methodologies of Neuroeconomics," (with Don Ross) *Journal of Economic Methodology*, 17(2), June 2010, 185–196.
 66. "The Methodological Promise of Experimental Economics," *Journal of Economic Methodology*, 18(2), June 2011, 183-187.
 67. "Are You Risk Averse Over Other People's Money?" (with Sujoy Chakravarty, Ernan Haruvy and Elisabet Rutström) *Southern Economic Journal*, 77(4), 2011, 901-913.
 68. "Experimental Methods and the Welfare Evaluation of Policy Lotteries," *European Review of Agricultural Economics*, 38(3), 2011, 335-360.
 69. "Randomisation and Its Discontents," *Journal of African Economies*, 20(4), 2011, 626-652.
 70. "Remarks on Virtual World and Virtual Reality Experiments," (with Ernan Haruvy and Elisabet Rutström) *Southern Economic Journal*, 78(1), July 2011, 87-94.
 71. "Non-Linear Mixed Logit," (with Steffen Andersen, Arne Risa Hole, Morten Lau and Elisabet Rutström) *Theory and Decision*, 73, 2012, 77-96.
 72. "Inferring Beliefs as Subjectively Uncertain Probabilities," (with Steffen Andersen, John Fountain, Arne Risa Hole and Elisabet Rutström) *Theory and Decision*, 73, 2012, 161-184.
 73. "Latent Process Heterogeneity in Discounting Behavior," (with Maribeth Collier and Elisabet Rutström) *Oxford Economic Papers*, 64, 2012, 375-391.
 74. "Preferences Over Social Risk," (with Morten Lau, Elisabet Rutström and Marcela Tarazona-Gómez) *Oxford Economic Papers*, 65(1), January 2013, 25-46.
 75. "Inducing Risk Neutral Preferences with Binary Lotteries: A Reconsideration," (with Jimmy Martínez-Correa and J. Todd Swarthout) *Journal of Economic Behavior and Organization*, 94, 2013, 145-159.
 76. "Theory, Experimental Design and Econometrics Are Complementary (And So Are Lab and Field Experiments)" (with Morten Lau and Elisabet Rutström) in G. Frechette and A. Schotter (eds.), *Handbook of Experimental Economic Methodology* (New York: Oxford University Press, 2015, 296-338).

77. "Dual Criteria Decisions" (with Steffen Andersen, Morten Lau and Elisabet Rutström) *Journal of Economic Psychology*, 41, April 2014, 101-113.
78. "Discounting Behavior and the Magnitude Effect: Evidence from a Field Experiment in Denmark" (with Steffen Andersen, Morten Lau and Elisabet Rutström) *Economica*, 80, 2013, 670-697.
79. "Estimating Subjective Probabilities" (with Steffen Andersen, John Fountain and Elisabet Rutström) *Journal of Risk & Uncertainty*, 48(3), June 2014, 207-229.
80. "Field Experiments and Methodological Intolerance," *Journal of Economic Methodology*, 20(2), 2013, 103-117.
81. "Real Choices and Hypothetical Choices," in S. Hess and A. Daly (eds.), *Handbook of Choice Modeling* (Northampton, MA: Edward Elgar, 2014).
82. "Choice Modeling and Risk Management," (with Jimmy Martínez-Correa) in S. Hess and A. Daly (eds.), *Handbook of Choice Modeling* (Northampton, MA: Edward Elgar, 2014).
83. "Eliciting Subjective Probabilities with Binary Lotteries," (with Jimmy Martínez-Correa and J. Todd Swarthout) *Journal of Economic Behavior and Organization*, 101, May 2014, 128-140.
84. "Impact Evaluation and Welfare Evaluation," *European Journal of Development Research*, 26, 2014, 39-45.
85. "Subjective Bayesian Beliefs," (with Constantinos Antoniou, Morten I. Lau and Daniel Read) *Journal of Risk & Uncertainty*, 50(1), 2015, 35-54.
86. "Risk and Time Preferences of Entrepreneurs: Evidence from a Danish Field Experiment," (with Steffen Andersen, Amalia Di Girolamo and Morten I. Lau) *Theory & Decision*, 77(3), October 2014, 341-357.
87. "Experimental Payment Protocols and the Bipolar Behaviorist," (with J. Todd Swarthout) *Theory & Decision*, 77(3), October 2014, 423-438.
88. "Discounting Behavior: A Reconsideration," (with Steffen Andersen, Morten Lau and Elisabet Rutström) *European Economic Review*, 71, November 2014, 15-33. Winner of the *EER Best Paper Prize* for 2014.
89. "Cautionary Notes on the Use of Field Experiments to Address Policy Issues," *Oxford Review of Economic Policy*, 30(4), 2014, 753-763.
90. "Subjective Beliefs and the Statistical Forecasts of Financial Risks: the Chief Risk Officer Project," (with Richard D. Phillips) in T.J. Andersen (ed.) *Contemporary Challenges in Risk Management* (New York, Palgrave Macmillan, 2014).

91. "Eliciting Subjective Probability Distributions with Binary Lotteries," (with Jimmy Martínez-Correa , J. Todd Swarthout and Eric Ulm) *Economics Letters*, 127, 2015, 68-71.
92. "Field Experiments and Methodological Intolerance: Reply," *Journal of Economic Methodology*, 23(2), 2016, 157-159.
93. Review of *Advances in Behavioral Economics* by Camerer, Colin F., Loewenstein, George, & Rabin, Matthew (Princeton, NJ: Princeton University Press, 2004), *Journal of Economic Psychology*, 26, 2005, 793–795.
94. Review of *Risky Curves: On the Empirical Failure of Expected Utility* by Friedman, Daniel; Isaac, R. Mark; James, Duncan; and Sunder, Shyam (New York: Routledge, 2014), *Journal of Economic Psychology*, 48, 2015, 121-125.
95. "Reduction of Compound Lotteries with Objective Probabilities: Theory and Evidence," (with Jimmy Martínez-Correa and J. Todd Swarthout) *Journal of Economic Behavior and Organization* 119, 2015, 32-55.
96. "Subjective Belief Distributions and the Characterization of Economic Literacy," (with Amalia Di Girolamo, Morten Lau and J. Todd Swarthout) *Journal of Behavioral and Experimental Economics*, 59, 2015, 1-12.
97. "Evaluating the Expected Welfare Gain of Insurance," (with Jia Min Ng) *Journal of Risk & Insurance*, 83(1), March 2016, 91-120.
98. "Introduction: Symposium on the Methodologies of Behavioral Insurance," (with Andreas Richter) *Journal of Risk & Insurance*, 83(1), March 2016, 43-47.
99. "The Psychology of Human Risk Preferences and Vulnerability to Scare-Mongers: Experimental Economic Tools for Hypothesis Formulation and Testing," (with Don Ross) *Journal of Cognition and Culture*, 16(5), 2016, 383-414.
100. "Information Characteristics and Errors in Expectations: Experimental Evidence," (with Constantinos Antoniou, Morten I. Lau and Daniel Read) *Journal of Financial & Quantitative Analysis*, 52(2), April 2017, 737-750.
101. "Scoring Rules for Subjective Probability Distributions," (with Jimmy Martínez-Correa, J. Todd Swarthout and Eric Ulm) *Journal of Economic Behavior and Organization*, 134, 2017, 430-448.
102. "The Empirical Adequacy of Cumulative Prospect Theory and its Implications for Normative Assessment," (with Don Ross) *Journal of Economic Methodology*, 24(2), 2017, 150-165.
103. "Small Stakes Risk Aversion in the Laboratory: A Reconsideration," (with Morten Lau, Don Ross, and J. Todd Swarthout) *Economics Letters*, 160, 2017, 24-28.

104. "Varieties of Paternalism and the Heterogeneity of Utility Structures," (with Don Ross) *Journal of Economic Methodology*, 25(1), 2018, 42-67.
105. "Multiattribute Utility Theory, Intertemporal Utility, and Correlation Aversion," (with Steffen Andersen, Morten Lau and Elisabet Rutström) *International Economic Review*, 59(2), May 2018, 537-555.
106. "Asset Integration and Attitudes to Risk: Theory and Evidence," (with Steffen Andersen, James Cox, Morten Lau, Elisabet Rutström, and Vjollca Sadiraj) *Review of Economics & Statistics*, 100(5), December 2018, 816-830.
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SCHEDULE “L”

REPORT OF DR. PRABHAT JHA

Analyses to quantify smoking-attributable conditions that could be compensable and quantification of these conditions for each province and over time from 2003-2019

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Summary:

This is a two-part report. The first part provides epidemiological justification to define the diseases that are made sufficiently common by prolonged smoking of manufactured cigarettes so as to be considered in possible compensation of legal claims.

The second part provides estimates of the numbers of people affected by these smoking-attributable diseases for each province and territory for the eligible periods of compensation.

Part 1: Defining diseases attributable to prolonged smoking in Canada that are potentially compensable

Objective: The Pan Canadian Claims Representative (PCCR) and the Provinces and Territories are working together to formulate a Pan-Canadian Claimants (PCCs) compensation plan in which compensation will be provided to Canadian claimants suffering from diseases due to smoking. I have been asked to provide epidemiological evidence to define which common diseases are caused by typical lifelong smoking of manufactured cigarettes (starting early in life and not quitting until disease develops) to a high degree of certainty such that an individual adjudication is not required to determine each claimant's entitlement to compensation.

Methods: I used data from the Canadian Community Health Survey (CCHS) which surveys tens of thousands of Canadians randomly from the whole of Canada periodically and then follows them over time to determine who dies from specific diseases. Comparisons use Hazard Ratios (HR) between current smokers and never smokers for various diseases, with 95% confidence intervals (95% CI). We use standard Cox-Proportional hazards ratio (HR) models, which are considered the scientific standard for analyses of data like the CCHS (See *Appendix 2* for a very useful lay summary of HR and confidence intervals, written by Jacqueline Wall, Ministry of the Attorney General, Ontario).

The HR provides a measure of the causal links of smoking to the particular disease, with a HR of 1 representing no differences between smokers and otherwise similar never smokers. (Note that later, I use relative risks or RR, but HR and RR for this purpose interchangeable). There are two models presented. The first adjusts only for sex, age and education, which tend to be different between smokers and never smokers. The second adjusts also for body mass index (BMI) and alcohol use, which are other notable determinants of death. The age group is from $20 \leq \text{age} < 80$. We excluded data with missing information on causes of death, smoking status, alcohol consumption, education level and BMI and also excluded those who had history of cancer, vascular and respiratory disease at enrollment. The survey years were from Sept 2000 to Dec 2014, and the mean follow up period was 12.5 years. A total of 989,687 person-years were studied during which 78,890 deaths occurred.

Definitions are as follows: Current smoker; never smoker, smoked less than 100 cigarettes in their lifetime; age in 10 year age groups; sex as male or female; education as less than secondary/ secondary graduate/ or post-secondary graduate; alcohol use as current regular / current occasional/past use/never used; and Body mass index or BMI (weight divided by the square of height), defined in three levels- $\text{BMI} < 25$ / $25 \leq \text{BMI} < 30$ / $30 \leq \text{BMI}$. The causes of death are those defined by the WHO's International Classification of Diseases, 9th edition.

Results: Table 1 shows the key results using the conditions proposed by the PCCR.

TABLE 1. All (n=78890), sorted by hazard ratios

Diseases	N	Model 1 (adjusting for age, sex and education)			Model 2 (adjusting for age, sex, education, alcohol use and body mass index)			Ratio of the second to first chi-squares
		HR	95% CI (lower and upper)	Chi Square	HR	95% CI (lower and upper)	Chi Square	
COPD	109	43.16	19.82-93.96	89.95	40.19	18.68-89.21	86.45	0.96
Lung cancer	497	30.49	21.39-43.46	357.19	29.13	20.40-41.60	344.08	0.96
Cancer of the larynx, oropharynx or hypopharynx	20	12.96	3.64-46.13	15.63	11.84	3.25-43.06	14.07	0.90
Rheumatoid arthritis*	6	11.36	1.29-99.74	4.81	11.28	1.27-99.86	4.74	0.99
Oral cancer	31	6.83	2.81-16.59	18.02	5.85	2.38-14.38	14.84	0.82
Bladder cancer	23	6.70	2.39-18.78	13.09	7.31	2.56-20.83	13.86	1.06
Esophageal cancer	44	5.03	2.45-10.31	19.43	5.25	2.53-10.90	19.76	1.02
Kidney cancer	33	3.61	1.66-7.86	10.49	3.81	1.72-8.43	10.91	1.04
Stomach cancer*	26	3.48	1.49-8.13	8.28	3.43	1.45-8.12	7.86	0.95
Diabetes*	98	3.33	2.16-5.14	29.58	3.94	2.53-6.14	36.75	1.24
All vascular diseases +*	1089	3.07	2.70-3.50	289.38	3.29	2.89-3.76	315.01	1.09
Systemic Lupus Erythematosus*	2	2.56	0.13-50.60	0.38	2.16	0.11-41.98	0.26	0.68
Pancreatic cancer*	102	2.10	1.39-3.17	12.31	2.12	1.40-3.23	12.38	1.01
Inflammatory Bowel Diseases*	1							
ALL CAUSES *(including injuries)	4077	3.26	3.05-3.48	1193.87	3.37	3.15-3.61	1224.38	1.03

Note: HR is Hazard ratio. **Bold** font shows diseases which meet the 75% cutoff as defined in the text. There were too few cases of inflammatory bowel disease (1 death) to enable estimation. Similarly, the estimation of systematic lupus erythematosus (2 deaths) and rheumatoid arthritis (6 deaths) is unreliable due to small sample size. * represents those conditions that I advise be excluded from the compensable cause list. + Vascular disease comprise mostly heart attacks and strokes (all sub-types), but also includes less common cardiovascular diseases such as pulmonary embolus (lung clots) and heart arrhythmias.

Implications for eligible conditions as compensable.

1. Each PCCR-defined condition is more common among smokers than nonsmokers, and each disease is also defined as causally related, or strongly causally related to smoking by the US Surgeon General's Report (2014) (https://www.cdc.gov/tobacco/data_statistics/sgr/50th-anniversary/index.htm#report). That USSGR is a comprehensive review of the medical literature

summarizing the causal conditions that are related to tobacco (See Jha <https://elifesciences.org/articles/49979> for a more detailed review of the diseases associated with smoking and two tables from that paper, pasted below).

2. The additional value of the current analyses is twofold. First, the CCHS analyses provides hazards for typical Canadian smoking. Second, note the columns showing 'chi-square' which is a test of statistical significance between associations observed and what would arise simply by chance. The two chi squared values shown represent the risks for smoking after considering age, sex and education and these risks with additional adjustment for obesity and alcohol, which would be the two major "confounding" risk factors that could alter the relationship of smoking with disease. The CCHS results show, for example that the chi square value for lung cancer, adjusted for age and sex and education is 357 and that adjusted further for alcohol and obesity is 344. The two chi-square values are very similar (the second is 96% of the first value, as shown in the last column). This suggests that the role of other potential confounding factors in explaining the links between smoking and lung cancer is quite small given that the chi squared comparisons are quite similar. Moreover, some but not all unmeasured factors, such as hypertension would tend to track with obesity, so the lack of change in significance of association suggests that additional adjustment for hypertension would not alter the smoking: never smoking HRs. Indeed, for all the conditions the change in chi squared is quite small, suggesting an independent effect of smoking on disease (last column of table 1). An exception is oral cancer, where the ratio of the second to first chi square is only 82%, showing the important role that alcohol use plays as a co-factor with smoking in this disease.
3. Next consider the HR values, which comments on the strength of association. Here, I apply the arbitrary criteria of a HR (or RR) of 4. Why 4? This HR implies that 75% of the deaths that occurred among smokers would not have occurred among otherwise similar non-smokers. Thus, a HR of 4 implies an excess risk of 3, i.e. $4-1$, with 1 being the risk in never smokers. Then the excess risk divided by the total risk (i.e. $3/4$) gives us 75%, which is well beyond the legal balance of probability standard. Moreover, this high relative risk means that the disease was very likely caused by smoking, and thus has the benefit of not requiring the potential claimant to establish that they did in fact smoke.
4. Next, I examine the HRs in model 2, which adjusts for possible differences between smokers and never smokers in other risk factors such as obesity. For the more extreme HRs, such as Chronic Obstructive Pulmonary Disease or COPD (109 deaths, $HR > 40$), lung cancer (497 deaths with a $HR > 29$), cancer of the larynx, oropharynx or hypopharynx (20 deaths, $HR > 12$), there is little doubt that smoking is a cause of the disease.
5. Other conditions to include in the list of compensable conditions with HRs of about 4, are oral cancers, bladder cancer, esophageal cancer, and kidney cancer (even though the HR for Kidney cancer is 3.81, that is suitably close to the 75% cut off at 74% to include).

6. The sum of these compensable conditions with the 75% cut off is 757 deaths or 18% of the total deaths in the CCHS cohort. This would mean crudely, that about one in five of all deaths in Canada among adults is compensable, although the proportion would change over time.
7. I exclude rheumatoid arthritis despite the fact that its HR (11) exceeds the 75% cutoff, mostly due to the fact CCHS had only 6 deaths from this condition and because smoking is only recently identified as a risk factor. As well, the CCHS risks are higher than in the USSGR for this condition. Similarly, I exclude diabetes and stomach cancer from this list as the CCHS risks for both are notably higher than those in the US Surgeon General Report or in the literature.
8. The above recommended list is likely to be a conservative estimate for the true compensable disease burden, given that the smoker: non-smoker hazard ratio for total mortality (4077 deaths) in the CCHS is also quite high.
9. The limitations of such analyses should be obvious. The lowest confidence interval may well be below 2, meaning below the 50% probability commonly used in legal definitions. However, that is in part a function of the sample size, and the comparison of the high HRs to larger studies in the US and other settings confirms that most of the conditions defined as compensable have generally small levels of uncertainty in their excess risk due to smoking.

Consideration of ex-smokers and relationship to non-fatal conditions

10. Ex-smokers are not included in the analyses of CCHS risks. However, the use of the high certainty cut-off of 75% effectively means that there should be no need to establish if the proposed list of compensable diseases occurred among current smokers or former smokers. Appendix table 2 from the US Surgeon General's 2014 report shows that the HRs for ex-smokers versus never smokers is lower than that for current smokers versus never smokers, as would be expected. Appendix table 2 quantifies this further by showing the substantial reduction in excess risks ($HR-1/HR$) among former smokers as opposed to current smokers for most conditions. Note, that the true reduction in death rates from the time of cessation could be somewhat greater than implied from table 3. Some deaths may well reflect deaths among smokers who quit because they became ill. As well, most of the epidemiological studies used to establish the relationship of smoking with disease measure smoking at baseline and then monitor the groups of smokers and never smokers for the development of disease (or death from the disease). However, since smoking cessation has increased at the population level, it may well be that many of the smokers at baseline quit, which would reduce the observed excess risk at follow up (versus the excess expected had they not quit).
11. Non-fatal conditions are not included in the analyses, however, the relationship of smoking hazards with non-fatal and fatal diseases is quite similar. The major exception is ischemic heart disease which tends to have steeper excess risks among non-fatal versus fatal events (see Jha eLife). However, the summary of most studies for non-fatal ischemic heart disease show their RR or HRs to be below the value of 4 that we apply here.

Part 2: Quantification of totals of diseases attributable to prolonged smoking in Canada that are potentially compensable for each province/territory

Based on part 1, the agreed list of diseases as possibly compensable is:

1. COPD
2. Oral cancer
3. Cancer of the larynx, oropharynx or hypopharynx
4. Esophageal cancer
5. Lung Cancer
6. Bladder cancer
7. Kidney cancer

The next step involves quantifying the numbers of Canadians affected by these conditions for each province/territory during the eligible period, as defined by the legislation in each jurisdiction. For each, the eligible period was the number of people diagnosed in each eligible year and alive as of March 8, 2019. I was provided the following time periods for each jurisdiction (Table 2). For these, available data allow only annual estimates, so I created equivalent no. of years and time periods as shown below. For example, survival for the whole of 2017 and 2018 (i.e. from Jan 1, 2017 until Jan 1, 2019) is taken as the equivalent of survival of March 8, 2017 to March 8, 2019. At the summary of the calculations however, I reduce the actual no of years included (based on no. of days of eligibility divided by 365.25) by prorating the totals.

Table 2: Jurisdiction and time frames

Jurisdiction	Time period	Equivalent years	Computed years and adjusted years
British Columbia	June 25, 2008 to March 8, 2019	2008-18	11/10.7
Alberta	March 8, 2015 to March 8, 2019	2017-18	4/4
Saskatchewan	June 12, 2007 to March 8, 2019	2007-18	12/11.7
Manitoba	June 12, 2007 to March 8, 2019	2007-18	12/11.7
Ontario	June 27, 2010 to March 8, 2019	2010-18	10/9.1
Quebec	March 8, 2015 to March 8, 2019	2016-19	4/4
New Brunswick	March 8, 2015 to March 8, 2019	2017-18	4/4
Nova Scotia	June 18, 2003 to March 8, 2019	2003-18	16/15.7
Prince Edward Island	March 8, 2013 to March 8, 2019	2013-18	6/6
Newfoundland and Labrador	March 8, 2015 to March 8, 2019	2017-18	4/4
Yukon	March 8, 2013 to March 8, 2019	2013-18	6/6
Northwest Territories	March 8, 2013 to March 8, 2019	2013-18	6/6
Nunavut	March 8, 2013 to March 8, 2019	2013-18	6/6

Steps for cancer estimation

Statistics Canada compiles data on new cases of cancer from provincial cancer registries for every year with the latest available data being for 2017

(<https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1310074701>). Each cancer registry provides numbers of newly diagnosed (or incident) site-specific cancers by sex (I combined males and females in all analyses). I grouped the cancers as follows, based on their International Classification of Disease (ICD-10) coding.

1. Oral cancers include: Lip [C00.0-C00.9]; Tongue [C01.9-C02.9]; Salivary gland [C07.9-C08.9]; Floor of mouth [C04.0-C04.9]; and Gum and other mouth [C03.0-C03.9, C05.0-C05.9, C06.0-C06.9]
2. All Pharynx cancers include: Nasopharynx [C11.0-C11.9]; Oropharynx [C10.0-C10.9]; Hypopharynx [C12.9, C13.0-C13.9]; Other oral cavity and pharynx [C09.0-C09.9, C14.0-C14.8]; Larynx [C32.0-C32.9]
3. Esophagus [C15.0-C15.9]
4. All lung cancers: Lung and bronchus [C34.0-C34.9]; Other respiratory system [C30.0-C30.1, C31.0-C31.9, C33.9, C38.1-C38.8, C39.0-C39.9]
5. Urinary bladder (including in situ) [C67.0-C67.9]
6. All Kidney cancers includes: Kidney and renal pelvis [C64.9, C65.9]; Ureter [C66.9]; Other urinary organs [C68.0-C68.9]

Quebec stopped reporting cancer registry data as of 2010, and for this province,¹ I used the values reported independently from the Canadian Cancer Society (<https://www.cancer.ca/en/cancer-information/cancer-101/canadian-cancer-statistics/past-editions-canadian-cancer-statistics/?region=on>). For Quebec, I applied the 2016 estimates for each cancer to 2017 and 2018. For other provinces, to create forward projections for the number of new cancers in 2018, I applied to each province the average annual growth in Ontario for that specific cancer from 2003-5 to 2015-17 to the average number of that specific cancer in 2015-17. I chose Ontario as it has the largest number of cases, and hence is more stable statistically. For example, Nova Scotia reported for 2015, 2016 and 2017 a total of 1,015, 965, and 970 incident lung cancers in both sexes, respectively. The average is 983 to which I applied the 9.94% annual growth rate observed in Ontario (between 2015-17 and 2003-5) to arrive at 2018 estimate of 1081 incident lung cancers. Despite falling age-specific incidence rates for nearly every cancer in Canada (due in large part to declines in smoking), the absolute number of cancers shows slower declines or even increases depending on population growth. Hence the above procedure, while crude, is approximately correct (and transparent).

¹ My thanks to Talía Malagón at McGill University for assistance with Quebec data.

Next in order to estimate survival for each cancer from the diagnosis year to January 1, 2019 (as a proxy for survival to March 8, 2019), I applied to each survival from the United States from the Surveillance, Epidemiology, and End Results (SEER) Program, which provides detailed information on cancer statistics among the U.S. population. <https://seer.cancer.gov/>. I used SEER data as it has larger sample sizes than comparable Canadian survival data and as the SEER data provides more prolonged survival estimates (which is particularly relevant for Nova Scotia, where survival up to 16 years from 2003 was required).

www.seer.cancer.gov/archive/csr/1975_2014/download_csr_datafile.php/sect_08_table.09.csv.

The proportions of any incident cancers surviving to 2019 were simply the number of specific cancers diagnosed in that year multiplied by the relevant duration of survival. For example, in Ontario 3,630 incident bladder cancers were diagnosed in 2010, and the SEER survival for 9 years for bladder cancer was 74.4%, meaning that 2701 people so diagnosed in 2010 would be alive by January 1, 2019.

I summed such estimates for each cancer and for each province/territory for each eligible year, as provided in the attached spreadsheet (which includes the calculations). To the total of all eligible cancers for all years for each jurisdiction, I made two additional arbitrary adjustments. First, I multiplied the totals by 120% to account for the better survival in Canada versus the US among cancer patients (<https://pubmed.ncbi.nlm.nih.gov/9240106/>) owing to the more universal system of health care in Canada and other factors. Second, all registries, including Canada's miss some cancers. I estimated this at 10% (ie I applied a 110% adjustment) based on assessments by Statistics Canada (<https://www150.statcan.gc.ca/n1/pub/82-003-x/2013008/article/11857-eng.htm>). I applied this for each cancer. For example, the total of eligible patients in Quebec with a diagnosed oral cancer surviving to 2019 was 3,045, which after multiplying by 1.2 and 1.1 yields 4,020 eligible patients. For relevant jurisdictions, I further adjusted the total based on actual years of follow up versus the proxy years used in the calculations. For example, the Manitoba total of cancers (and COPD) was adjusted downward by $11.7/12=97.8\%$.

Steps for COPD estimation

Incident COPD cases, unlike cancer, are not registered in Canada. Thus, the procedure involved use of the Canadian Chronic Disease Surveillance System (CCDSS), a collaborative network of provincial and territorial surveillance systems supported by the Public Health Agency of Canada (PHAC).

<https://health-infobase.canada.ca/CCDSS/Methods>.

The case definition of diagnosed COPD is: an individual aged 35 years and older having at least one visit to a physician with a diagnosis of COPD in the first diagnostic field, or one hospital separation with a diagnosis of COPD in any diagnostic field ever, coded by ICD-9(-CM) 491-492, 496 or ICD-10-CA J41-44.

<https://www.canada.ca/en/public-health/services/publications/diseases-conditions/asthma-chronic-obstructive-pulmonary-disease-canada-2018.html#a2.2.1>

The CCDSS provides incident data for COPD for single years from 2003 to 2016 (except for Saskatchewan which provided data only to 2015). To estimate the incidence for 2017 and 2018 and for Saskatchewan for 2016, I implemented the following procedure. First, I examined national trends in age-standardized COPD incidence rate per 100,000 for both sexes, age 35 years and older from 2000-16. To these trends, I fitted a log-linear model to allow forward projections to 2017 and 2018. The log-linear model had good fit with the data ($R^2 = 0.9417$). I applied this log-linear equation ($y = -3.744\ln(x) + 32.364$, where $\ln$ is the natural log) to each province, assuming that the national trends (which use larger sample sizes and are more stable statistically) was identical in each province/jurisdiction. For example, for British Columbia, the CCDSS shows 24,240 and 23,580 incident COPDs for 2015 and 2016, respectively, and the forward model-based projections estimate 24,766 and 24,977 incident COPDs for 2017 and 2018, respectively.

COPD patients have on overall mortality rate of about 3 fold higher than non-COPD patients at all ages, (<https://www.canada.ca/en/public-health/services/publications/diseases-conditions/asthma-chronic-obstructive-pulmonary-disease-canada-2018.html#a1.2.4>). To calculate survival to January 1, 2019, I used the national mortality rates among COPD patients from the CCDSS and the number of years from diagnosis to calculate survival rates (also fitted to a log-linear model with good performance: ($y = -117.9\ln(x) + 1185.9$; $R^2 = 0.8627$). This is expressed as $1 - e^{-T \cdot DR}$, where 'T' is the duration of survival and 'DR' is the fitted death rate per 1000 from COPD. For example, the fitted death rate per 1000 for the whole of Canada in 2011 for COPD was 23.1. Thus $1 - e^{-8 \cdot 23.1/100} = 83.2\%$ gives the percentage that survived after 8 years of being diagnosed with the disease: meaning of the 64,170 Ontario residents with incident COPD in 2011 83.2% or 53,359 survived until 2019.

I do not provide estimates for severity of COPD. Stats Canada surveys suggest that about 1% prevalence (but with wide variation) of severe moderate COPD (akin to "Gold" stages III and IV)) out of an overall prevalence of about 4% among Canadians <https://www150.statcan.gc.ca/n1/pub/82-003-x/2014003/article/11908-eng.htm>. I did not apply any correction to the number of people diagnosed with COPD as I did for cancer, as the assumption is that the universal billing systems in each province will lead to only a few missing diagnosis. I applied the same correction for duration of eligibility for the relevant jurisdiction as noted above for cancer.

The attached spreadsheet provides the following key sheets:

Summary sheet (blue tab) which has the provincial and national totals in the following format (using BC as an example).

Cancer cases (blue tab), which provides the estimates for cancer and survival as described above.

COPD incidence (blue tab), which provides the estimates for COPD and survival as described above.

Table 3: Sample summary sheet for British Colombia

[illegible]

The summary sheet is linked to the subsequent sheet such that any adjustments made to each condition or jurisdiction will auto-update the summary.

The remaining sheets are background for calculations and are included for completeness.

Limitations of analyses

These numbers should be treated with caution, as they rely on a series of cautious assumptions, but nonetheless assumptions. The main concerns about missing eligible Canadians arises from under-registration in cancers, for which I have made an arbitrary adjustment. Similarly, the requirement of a physician diagnosis or hospital admission for COPD may miss some Canadians who had incorrect billing codes or hospitalization codes, but this error should be small in comparison to the total numbers. Moreover, the verification, if any of eligible Canadians would have to rely on the same definitions of physician or hospitalization diagnosis. There are uncertainties also in survival, with improvements over time for both cancer and COPD. I mostly ignore these as the changes are likely modest in comparison to the reasonably short time period of 2-10 years for most provinces. For Nova Scotia, where survival to 16 years is considered, there will be greater uncertainty about the numbers of those surviving from earlier years in the calculations.

Appendix 1; Table 1—Relative risks for various diseases by smoking status, adults 35 or older in the United States.

	Current smokers (years of age)				Former smokers (years of age)			
	35-54	55-64	65-74	≥75	35-54	55-64	65-74	≥75
MALES								
Lung Cancer	14.33	19.03	28.29	22.51	4.4	4.57	7.79	6.46
Other Cancers	1.74	1.86	2.35	2.18	1.36	1.31	1.49	1.46
Coronary heart disease	3.88	2.99	2.76	1.98	1.83	1.52	1.58	1.32
Other heart disease			2.22	1.66			1.32	1.15
Cerebrovascular disease			2.17	1.48			1.23	1.12
Other vascular diseases			7.25	4.93			2.2	1.72
Diabetes mellitus			1.5	1			1.53	1.06
Other cardiovascular diseases	2.4	2.51			1.07	1.51		
Influenza, pneumonia, tuberculosis			2.58	1.62			1.62	1.42
Chronic obstructive pulmonary disease			29.69	23.01			8.13	6.55
Influenza, pneumonia, tuberculosis, chronic obstructive pulmonary disease	4.47	15.17			2.22	3.98		
All Causes	2.55	2.97	3.02	2.4	1.33	1.47	1.57	1.41
FEMALES								
Lung Cancer	13.3	18.95	23.65	23.08	2.64	5	6.8	6.38
Other Cancers	1.28	2.08	2.06	1.93	1.24	1.28	1.26	1.27
Coronary heart disease	4.98	3.25	3.29	2.25	2.23	1.21	1.56	1.42
Other heart disease			1.85	1.75			1.29	1.32
Cerebrovascular disease			2.27	1.7			1.24	1.1
Other vascular diseases			6.81	5.77			2.26	2.02
Diabetes mellitus			1.54	1.1			1.29	1.06
Other cardiovascular diseases	2.44	1.98			1	1.1		
Influenza, pneumonia, tuberculosis			1.75	2.06			1.28	1.21
Chronic obstructive pulmonary disease			38.89	20.96			15.72	7.06
Influenza, pneumonia, tuberculosis, chronic obstructive pulmonary disease	6.43	9			1.85	4.84		
All Causes	1.79	2.63	2.87	2.47	1.22	1.34	1.53	1.43

Source: USSGR Report, 2014. Analyses of Cancer Prevention Study II (CPS-II) and updated analyses of the pooled contemporary cohort population described in [Thun et al. \(2013\)](#) provided to the Centers for Disease Control and Prevention, National Center for Chronic Disease Prevention and Health Promotion, Office on Smoking and Health. See Table 12.3 of the USSGR Report for important details on each condition

Appendix 1; Table 2. Relative reduction in excess risk among former smokers as compared to excess risk among current smokers, by sex and age

Disease/sex	Reduction in excess risk							
	Males				Females			
Age groups	35–54	55–64	65–74	≥75	35–54	55–64	65–74	≥75
Lung cancer	74%	80%	75%	75%	87%	78%	74%	76%
Other cancers	51%	64%	64%	61%	14%	74%	75%	71%
Coronary heart disease	71%	74%	67%	67%	69%	91%	76%	66%
Cerebrovascular disease			80%	75%			81%	86%
Aortic aneurysm, other arterial and atherosclerosis			81%	82%			78%	79%
Diabetes mellitus				40%			46%	40%
All vascular at ages 35–64	95%	66%			100%	90%		
Influenza, pneumonia, tuberculosis			61%	32%			63%	80%
Chronic obstructive pulmonary disease			75%	75%			61%	70%
All respiratory at ages 35–64	65%	79%			84%	52%		
All causes	79%	76%	72%	71%	72%	79%	72%	71%

1. Notes: from Jha, eLife Sciences 2020 <https://elifesciences.org/articles/49979/figures#tables>
2. Excess risk definition: If there were no differences in the extent to which smoking caused a disease between otherwise similar (in terms of age, obesity, alcohol use or other factors) smokers or former smokers and never smokers, this would yield a relative risk (RR) of 1. Any excess risk is defined as the number above a RR of 1, so a RR of 2.5 leads to an excess risk of 1.5 (i.e. 2.5-1).
3. The reduction in excess risk for each condition and sex compares the RR for former smokers *(RR_f) to the RR for current smokers (which generally is larger than for former smokers). It provides a metric as to what would be the reduction in excess mortality if current smokers were in fact to quit and have the mortality patterns of former smokers. Mathematically, this is $(1 - [RR_f - 1]) / [RR_c - 1]$, where RR_f and RR_c refer to the smoker: non-smoker RR for former and current smoking. These data use the RRs from the US Surgeon General's Report of 2014 (Table 1) U.S. Department of Health and Human Services, 2014

Appendix 2. Summary written by Jacqueline Wall, Ministry of the Attorney General, Ontario

In his preliminary report dated October 26, 2020, Dr. Prabhat Jha used the standard Cox proportional hazards regression model (“**Cox Model**”) to analyze data from the Canadian Community Health Survey (“**CCHS**”).

The Cox Model is an established statistical technique used to simultaneously evaluate the association between several risk factors or exposures (e.g. smoking, age, sex, education, alcohol use and body mass index) and survival time. It is used to investigate differences in survival between groups of individuals by examining how specified factors influence the rate of a particular event happening at a particular point in time. The measure of the effect of the risk factors is the hazard rate which is the risk or probability of suffering the event of interest (e.g. death from lung cancer) given that the individual has survived up to a specific time. The hazard rate represents the expected number of events per one unit of time.

In investigations where there are several known factors which could potentially affect outcome, adjustments must be made to take into account the impact of the other variables on the factor of interest. In his preliminary report, Dr. Jha presented two models which made adjustments for variables which tend to be different between smokers and never smokers, such as the fact that smokers tend to drink alcohol more commonly than non-smokers. In Model 1, he adjusted only for sex, age and education (smoking is higher in people of lower socioeconomic status, so education is used as the indicator of socioeconomic status). In Model 2 he also adjusted for body mass index (weight divided by the square of height) and alcohol use which are two major “confounding” risk factors that could alter the relationship of smoking with disease.

In paragraph 2 of his preliminary report, Dr. Jha explains how the ratio of chi squares is used to test the statistical significance between associations observed and what would arise simply by chance. When the chi square values are very similar in respect of a particular disease for Model 1 and Model 2, this finding suggests that the role of other confounding factors in explaining the links between smoking and that disease are quite small. Consistency between the two models was noted for nearly all conditions, and indeed much of the published literature finds that regardless of other behaviour or risk factors, smoking makes more common the diseases studied in the report.

The associations between risk factors and survival time in the Cox Model are expressed by Hazard Ratios (“**HR**”). The HR for a risk factor (e.g. smoking) represents the increase or decrease in the hazard (in this case, death) in one group (smokers) as compared to the other group (never smokers).

A HR of 1 means that the hazard rates in the two groups are equal, that is, there are no differences between smokers and otherwise similar never smokers. A HR other than 1 indicates that there is a difference in the hazard rates between the two groups. The higher the HR, the stronger the causal association of the disease with, in this case, smoking.

The HR can be translated into a percentage risk using the following formula:

$$\frac{\text{HR} - 1}{\text{HR}} = \text{percentage risk}$$

For example, using the HRs for Model 2 reported in Table 1 on page 3 of Dr. Jha's preliminary report:

Lung cancer: $\frac{29.13 - 1}{29.13} = 0.96$

96% of lung cancer deaths among smokers would not have occurred at never smoking lung cancer death rates

Pancreatic cancer: $\frac{2.12 - 1}{2.12} = 0.53$

53% of pancreatic cancer deaths among smokers would not have occurred at never smoking pancreatic cancer death rates

In his preliminary report, Dr. Jha used a 50% benchmark as the cut-off for causality. This threshold means that only half of the tobacco-attributable disease occurrences were caused by smoking. The 50% cut-off translates into a HR of 2. Pancreatic cancer, with the lowest HR of 2.12, is just above the 50% threshold.

Our objective is to develop a PCC compensation plan in which compensation will be provided to claimants suffering from diseases which are caused by smoking to a high degree of certainty such that an individual adjudication is not required to determine each claimant's entitlement to compensation. To achieve this goal, a higher cut-off for causality is required. Dr. Jha is of the view that a 75% cut-off for causality is defensible and will identify those diseases for which it is more certain that the cause is smoking. The higher cut-off is also defensible as it suggests that use of cigarettes is not required- smoking was a sufficiently important cause of disease that nearly all of the deaths that occurred did so due to smoking.

In his preliminary report, Dr. Jha reported the HRs with 95% confidence intervals. A 95% confidence interval means that if the measurement was conducted 100 times, 95 times the true value would be within the calculated confidence interval and 5 times the true value would be either higher or lower than the range of the confidence interval.

SCHEDULE “M”

CURRICULUM VITAE OF DR. PRABHAT JHA

PRABHAT JHA, OC, MD, DPhil, FACHS, FRSC

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EDUCATION AND TRAINING

1996	DPhil, University of Oxford , England, in Epidemiology and Public Health
1994	Medical Licensure , US Board of Medical Examiners
1991-1992	Visiting Scientist , Cancer Epidemiology Unit, University of Oxford, England
1989-1992	Rhodes Scholar, University of Oxford , England
1989	Medical Licensure , Medical Council of Canada
1988-1989	Medical Internship , University of Manitoba and University of Toronto, Canada.

Employment History

2002-present	Founder and Director, Centre for Global Health Research (CGHR), University of Toronto Unity Health Toronto/St. Michael's Hospital Responsible for: ▪ Growth of CGHR to 40 staff in Toronto, Delhi, Bangalore and Bo, Sierra Leone ▪ Technical and managerial leadership of \$50 M in research grants ▪ Academic leadership of the Indian Million Death Study, covering 900 field staff, 400 physician coders, 25 academic partners in 15 states ▪ Academic leadership of the Sierra Leone COMSA project, covering 65 field staff, ten physician coders and four academic partners in Sierra Leone ▪ Formation of the Statistical Alliance for Vital Events to expand the MDS to other low and middle-income countries.
1999-2002	Senior Scientist, World Health Organization (WHO), Geneva, Switzerland ▪ Acting Director, Economics Advisory Service; responsible for preparing the Report on the Health of the Poor for the Commission on Macroeconomics and Health ▪ Managed a total budget of \$4M over three years and six staff.
1995-1999	Senior Health Specialist, World Bank, Washington DC ▪ Responsible for malaria and HIV/AIDS projects in India, and for tobacco control ▪ Managed a total budget of \$3M and 30 staff and consultants.

Academic History

2023-	Visiting Professor , Nuffield Dept of Population Health, University of Oxford
2014-	Canada Research Chair of Global Health , U of Toronto, Canada (Tier 1, renewed 2021)
2010-	Chair in Global Health and Epidemiology , Dalla Lana School of Public Health
2010-	Professor (Tenured) , Dalla Lana School of Public Health, U of Toronto, Canada
2004-2009	Research Scholar , McLaughlin Centre for Molecular Medicine, University of Toronto
2002-2011	Canada Research Chair of Health and Development , U of Toronto, Canada (Tier 2)
2002-	Senior Editor and Chief Epidemiologist , Disease Control Priorities Project, USA
2002-2007	Associate Professor , Dalla Lana School of Public Health, University of Toronto, Canada
2001-2010	Co-Director , International Tobacco Evidence Network, Health Policy Center, USA
1994-1995	Young Professional , World Bank, Washington DC
1992-1994	Research Fellow , Institute for Clinical Evaluative Sciences, University of Toronto, Canada

SIGNIFICANT HONOURS AND AWARDS

2022	Award for Excellence – American Public Health Association
2019	University Professor – University of Toronto
2018	Elected Fellow – Royal Society of Canada
2016	Elected Foreign Member – US National Academy of Medicine, National Academies of Science
2016	CIHR Trailblazer Award – Inaugural Award in Population Health Solutions
2014	Region of the Americas Award – WHO World No Tobacco Day
2013	Elected Fellow – Canadian Academy of Health Sciences
2013	Officer of the Order of Canada – Contributions to epidemiology and economics of global health
2013	Alumni Achievement Award , Youth Parliament of Manitoba
2012	Luther L Terry Award – American Cancer Society – for Research on Tobacco Control
2011	Albie Award for Best Writing in Global Political Economy – Foreign Policy Magazine, USA
2011	Special President's Award – Global Organization of People of Indian Origin, India
2011	Arthur Award for Rapid Scientific Impact – St. Michael's Hospital, Toronto, Canada
2010	One of 25 Transformational Canadians – The Globe and Mail Newspaper, Canada
2010	Professional Male of the Year – Indo-Canada Chamber of Commerce, Canada
2009	Global Leadership Award (Finalist) – British Medical Journal, England
2008	One of 12 Outstanding Medical Scientists in Toronto – Globe and Mail Newspaper, Canada
2004	Premier's Research Excellence Award – Government of Ontario, Canada
2003	Top 40 Canadians Under age 40 – The Caldwell Partners, Canada
1998	Gold Medal – Poland Health Promotion Foundation, Poland
1998	Reward for Excellence in Supervision – World Bank, USA
1993	Research Fellowship – Heart and Stroke Foundation of Ontario, Canada
1992	Thorlakson Foundation Traveling Lectureship – University of Manitoba, Canada
1990-1992	Research Fellowship – St. Boniface Hospital Research Foundation, Canada
1988	Jack Hildes International Health Scholarship – University of Manitoba, Canada
1988	Best Actor – Faculty of Medicine Beer and Skits Night, University of Manitoba, Canada

Professional Affiliations and Activities

2023	Commissioner , Lancet Commission on Investing in Health, Harvard Univ, US
2022	Selection Committee , NIHR Global Scholars Award, UK
2021-	Commissioner , Lancet Commission on Cancer and Health Systems, U of Miami, US
2021-	Expert Advisory Committee , COVID Mortality Data Systems, WHO, Geneva
2021-	Advisory Committee , African Mortality Data Systems, CDC Africa, Ethiopia
2020-	Selection Committee , Rhodes Scholarship Finalists from University of Toronto, Toronto
2020	Selection Committee , McCall MacBain Scholarships, McGill University
2019-	Co-Chair , Advisory Panel, World Bank Healthy Longevity Initiative
2019-	Board of Reviewing Editors , eLife Sciences
2016-2020	Editorial Board , International Journal of Epidemiology, Sydney, Australia
2015-	Editorial Board Member , Clinical Epidemiology and Global Health
2015-2019	Executive Committee Member , McLaughlin Centre, University of Toronto, Canada
2014-	Adjunct Scientist , Institute for Clinical Evaluation Sciences, Toronto, Canada
2014-	Adjunct Senior Fellow , Public Health Foundation of India, New Delhi, India
2014-	Senior Fellow , Massey College

2014-2017 **Committee Member**, Ontario Rhodes Scholarship Selection Committee

2013 **Scientific Committee**, International Conference on Public Health Priorities in 21st Century

2013-2015 **Co-Chair and Member**, Big Data Committee, DLSPH, U of Toronto, Canada

2013- **International Advisory Board Member**, The Lancet Global Health

2012- **Steering Committee**, Research Committee, DLSPH, University of Toronto, Canada

2012-2014 **Expert Advisory Committee**, Millennium Village Projects, Columbia University, USA

2011-2018 **Founding Senior Editor**, eLife Sciences

2011- **Editorial Advisory Board**, Demography India Journal, India

2011-2020 **Board of Directors**, University of Toronto Schools, Toronto, Canada

2011-2012 **Advisory Board**, Harvard/World Economic Forum study on the economic burden of NCDs

2011- **Expert Advisory Committee**, Mortality Classification Systems, WHO, Geneva

2011-2018 **Management Committee**, Asian Institute of Public Health, India

2010-2011 **Scientific Review Committee**, American Association for Cancer Research, USA

2010-2011 **Advisory Panel**, Canada's Strategic Role in Global Health, Canadian Acad Health Sci

2009-2015 **National Health Insurance Expert Committee**, Government of South Africa, South Africa

2009-2015 **Advisory Committee**, National AIDS Control Organization, Government of India, India

2008-2011 **Advisory Board**, Canada Gairdner Foundation Awards, Canada

2008-2010 **Consultant**, Africa and Eastern Europe Departments, World Bank, USA

2008-2009 **Committee on the US Commitment to Global Health**, Institute of Medicine, USA

2007-2011 **Advisory Board**, Institute of Global Health, Emory University, USA

2007-2010 **Core Advisory Group on the Lancet's India series**, The Lancet Journal, UK

2007-2009 **Scientific Advisory Committee**, 13th World Conference on Tobacco and Health, USA

2007 **Steering Committee**, School of Public Health Review, University of Toronto, Canada

2006-2017 **International Scientific Advisory Board**, UK BioBank

2006-2007 **Scientific Director**, Short Course on HIV/AIDS Evidence, 2006 AIDS Conference, Canada

2005-2006 **Committee on Cancer Control in Developing Countries**, Institute of Medicine, USA

2005 **Documentary Consultant on Global Infectious Disease**, The Fifth Estate, CBC TV

2004-2011 **Ministerial Advisory Committee on Tobacco Control**, Government of Canada, Canada

2003-2008 **Acting Scientific Director**, Global Infectious Disease Evidence Alliance, Univ. of Toronto

2008-2009 **International Advisory Board**, National Rural Health Mission, Government of India, India

2006- **Senior Fellow**, Massey College, University of Toronto, Canada

2003-2009 **Technical Panel**, India AIDS Initiative, Bill and Melinda Gates Foundation, USA

2003-2007 **Steering Committee**, Policy Research Network, Bill and Melinda Gates Foundation, USA

2003-2006 **Editorial Board**, Canadian Medical Association Journal, Canada

2002- **Co-Investigator**, Ontario Tobacco Research Unit, Canada

2002- **Professeur Extraordinaire**, Inst. Universitaire de Médecine Sociale et Préventive, Lausanne

1999-2006 **Steering Committee**, Developing Countries CVD Research Initiative, World Heart Fedn.

1999-2006 **Council Member**, Scientific Section on Epidemiology, World Heart Federation, Switzerland

1997-2006 **Editorial Board**, Nutrition & Population Journal, World Bank Health, USA

1992-1994 **Steering Committee**, Heart Outcomes Prevention Evaluation, Canadian CVD Collaboration

TEACHING AND ACADEMIC SUPERVISOR EXPERIENCE

Primary/co-supervisor. Of these, 35 trainees have had high impact factor (IF>10) publications

As primary supervisor since 2010

1. Post-doctoral (QES Scholar): Angela Vega, Colombian mortality and longevity (2021-23)
2. Early-stage career (QES Scholar): Richard Wen, Machine learning for cause of death studies (2021-23)
3. Doctoral (QES Scholar): Tahir Bockerie, Sierra Leone mortality dashboards (2021-23)
4. Doctoral (QES Scholar): Asad Naveed, Sierra Leone priority health interventions (2021-23)
5. Post-Doctoral (QES Scholar): María Luisa Latorre, Colombia avoidable cancer mortality (2021-23)
6. Post-Doctoral (QES Scholar): Laura Mendoza Ardilla, Colombia mortality dashboards (2021-23)
7. Doctoral (QES Scholar): Prakash Kumar, Avoidable mortality demographics (2021-22)
8. Early-stage career (QES Scholar): Susan Thomas, Machine learning for childhood deaths (2019-21)
9. Early-stage career (QES Scholar): Nandita Saika, Selective Abortion in India (2020-21): Now Professor at IIPS, Mumbai
10. Post-doctoral (QES Scholar): Fernanda Ewerling, Stillbirths in India (2019-22)
11. Post-doctoral (QES Scholar): Ashley Aimone, Malaria deaths in Sierra Leone (2019-present)
12. Post-doctoral: Abha Sharma, Maternal deaths and COVID epidemiology (2019-present)
13. Post-doctoral: Bapujee Biswabandan, Improved learning for cause of death studies (2020-present)
14. Post-doctoral: Xuyang Tang, COVID and chronic disease epidemiology (2020-present)
15. Early-stage career (QES Scholar): Geetha Menon, National Burden of Disease in India (2018-19)
16. Doctoral (QES Scholar): Michelle Amri, ADB Urban Health Study (2018)
17. Post-doctoral: Mireille Gomes – Machine learning for causes of death (2014-2018), now at the Global Alliance for Vaccines, Geneva
18. Post-doctoral: Mavis Rebeira – Epidemiological and Economics Research Methodologies (2015-2018)
19. Post-doctoral: Anna Dare – CIHR Fellowship Award Quantifying time-critical surgical mortality and improving access to surgical services in India (2014-present)
20. Post-doctoral: Shaza Fadel – Child health and infectious disease (2016-2019)
21. Doctoral: Serena Jeblee – Natural language processing to determine causes of death in developing countries (2016-2021) Co-Supervisor, Google Scholar-funded
22. Doctoral: Kevin Taing – Blood pressure epidemiology (2010-2019)
23. Doctoral: Calvin Ke – Management and Outcomes of Type 2 Diabetes in Global Asian Population (2016-2021)
24. Masters: Richard Wen – Sensitivity Analysis of Spatial Clustering Methods (2015-present)
25. Masters: Alyssandra Chee-A-Tow – Description of age- sex- and cause specific trends in injury mortality in India (2017) Co-Supervisor
26. Master's: Daniel Farrar – Seasonality of childhood pneumonia and diarrhea mortality in India: Implications for disease aetiologies (2017) Now at Hospital for Sick Children
27. Master's: Benjamin Wong – Measles Mortality in India (2017)
28. Post-doctoral: Dewan Alam – Premature Mortality in Bangladesh (2014-2015)
29. Post-doctoral: Usha Ram – CIHR Canada-HOPE Fellowship Award Child Health and Mortality in India: Action to improve national child survival (2011-2014). Now Professor at IIPS, Mumbai
30. Doctoral: Paul Arora – Epidemiology of HIV-1 in India; Banting and Best CIHR PhD Fellowship; Randall Coates Prize in Infectious Disease Epidemiology (2004-2006 during Masters); (2009-2013 PhD Awarded)
31. Doctoral: Ann Montgomery – Cause-specific maternal mortality in India (2009-2013 PhD Awarded)
32. Post-doctoral: Marvin Hsiao – Surgical Scientist, Surgical Epidemiology (2010-2013 PhD Awarded)
33. Master's: David Paterson – Non communicable diseases, CIHR Fellowship (2012-2013)
34. Post-doctoral: Renu Joseph – Tobacco economics and epidemiology (2010-2012)
35. Post-doctoral: Jose Ricardo Brandao – CIHR Strategic Fellowship in Public Health Policy (2010-2011)
36. Post-doctoral: Shaun Morris – Fellowship of the Paediatric Scientist Development Program, Now on staff at Hospital for Sick Children, Canada (2009-2011)
37. Post-doctoral: Diego Bassani – Now on staff at Hospital for Sick Children (2009-2011)
38. Master's: Sonica Singhal – Social differences in smoking and male mortality in five countries (2009-2010), now with Health Canada
39. Master's: Adrianna Murphy – Cardiovascular disease in India- now Assistant Professor at LSHTM, London (2009-2010)

Refereed Publications**Published Papers:**

1. Cho E, Brown PE, Jha P. A commentary on: Smoking Cessation and Short- and Longer-Term Mortality. Practice Update website. 2024.
2. Brown PE, Fu SH, Newcombe L., Jha P (Senior Author), Ab-C Collaborators. Hybrid immunity from SARS-CoV-2 infection and vaccination in Canadian adults: cohort study. *Elife*. 2024. In press
3. Mekonnen W, Mariam DH, Meh C, Jha P (Senior Author). Child, maternal, and adult mortality in rural Ethiopia in 2019: a cross-sectional mortality survey using electronic verbal autopsies. *EClinicalMedicine*. 2024 Apr 6;71:102573.
4. Cho ER, Brill IK, Gram IT, Brown PE, Jha P. Smoking Cessation and Short- and Longer-Term Mortality. *NEJM Evid*. 2024 Mar;3(3):EVIDoA2300272.
5. Paraje G, Flores Muñoz M, Wu DC, Jha P. Reductions in smoking due to ratification of the Framework Convention for Tobacco Control in 171 countries. *Nat Med*. 2024 Mar;30(3):683-689.
6. Charalambous A, Price R, Jha P. Accelerating progress on EU cancer control. *Lancet Oncol*. 2024 Feb;25(2):158-160.
7. Jha P, Brown PE, Lam T, Morawski E, Reid A. Excess deaths in China during SARS-CoV-2 viral waves in 2022-2023. *Prev Med Rep*. 2024 May;41:102687.
8. Htun NSN, Perrone C, Phyo AP, Jha P (co-senior author) Lubell Y, Peto TJ. Ethical and cultural implications for conducting verbal autopsies in South and Southeast Asia: a qualitative study. *BMJ Glob Health*. 2023 Dec 11;8(12):e013462.
9. Chakraborty D, Wu DC, Jha P. Exploring the labour market outcomes of the risk factors for non-communicable diseases: A systematic review. *Social Society Med Popul Health*. 2023 Nov 24;25:101564..
10. Gelband H, Carshon-Marsh R, Ansumana R, Swaray IB, Pandey A, Aimone A, Bogoch I, Eikelboom J, Jha P. Could vaccinating adults against malaria materially reduce adult mortality in high-transmission areas? *Malar J*. 2023 Sep 19;22(1):278.
11. Murphy TJ, Swail H, Jain J, Jha P (middle author). The evolution of SARS-CoV-2 seroprevalence in Canada: a time-series study, 2020-2023. *CMAJ*. 2023 Aug 14;195(31):E1030-E1037.
12. Paraje GR, Jha P, Savedoff W, et al. Taxation of tobacco, alcohol, and sugar-sweetened beverages: reviewing the evidence and dispelling the myths. *BMJ Glob Health*. 2023; 0:e011866.
13. Nikam C, Suraweera W, Fu SH, Brown PE, Nagelkerke N, Jha P. PCR Test Positivity and Viral Loads during Three SARS-CoV-2 Viral Waves in Mumbai, India. *Biomedicine*. 2023 Jul 8; 11(7):1939.
14. Amarasekera S, Jha P. Understanding the links between cardiovascular and psychiatric conditions. *ELife*. 2022 Dec 2; 11:e84524.
15. Schwartz KL, Bogoch II, MacIntosh D, Barrow J, Sindrey D, Jha P (middle author). SARS-CoV-2 rapid antigen screening of asymptomatic employees: a pilot project. *Can J Public Health*. 2022 Dec; 113(6):898-903.
16. Meh C, Jha P. Trends in female-selective abortion among Asian diasporas in the United States, United Kingdom, Canada and Australia. *Elife*. 2022 Sep 27;11:e79853.
17. Brown PE, Izawa Y, Balakrishnan K, Jha P (senior author). Mortality Associated with Ambient PM2.5 Exposure in India: Results from the Million Death Study. *Environ Health Perspect*. 2022 Sep;130(9):97004.
18. Kim SJ, Yao Z, Marsh MC, et al., Jha P (middle author). Homogeneous surrogate virus neutralization assay to rapidly assess neutralization activity of anti-SARS-CoV-2 antibodies. *Nature Communications*. 2022 Jul 1. 13(1): 3716.
19. Brown PE, Fu SH, Bansal A, Jha P (senior author); Ab-C Study Collaborators; Ab-C Study Investigators. Omicron BA.1/1.1 SARS-CoV-2 Infection among Vaccinated Canadian Adults. *N Engl J Med*. 2022 Jun 16; 386(24):2337-2339.
20. Collins R, et al., Jha P. (middle author). Global priorities for large-scale biomarker-based prospective cohorts. *Cell Genomics*. 2022 Jun 8; 2(6): 100141.
21. Jha P, Jamison DT, Watkins DA, Bell J. A global compact to counter vaccine nationalism. *Lancet*. 2021 May 29; 397(10289):2046-2047.
22. Reynales-Shigematsu LM, Sáenz-de-Miera B, Llorente B, Maldonado N, Shanon G, Jha P. Benefits of the cigarette tax in Mexico, by sex and income quintile. Benefícios do imposto sobre cigarros no México: análise por sexo e quintil de renda. *Rev Panam Salud Publica*. 2022 May 10;46:e80.
23. Jha P, Brown PE, Ansumana R. Counting the Global COVID-19 Dead. *Lancet*. 2022 May 21;

- 399(10339): 1937-1938.
24. Wu DC, Essue BM, Jha P. Impact of vaping introduction on cigarette smoking in six jurisdictions with varied regulatory approaches to vaping: an interrupted time series analysis. *BMJ Open*. 2022 May 2;12(5):e058324.
 25. Le Foll B, Piper ME, Fowler CD, Tonstad S, Bierut L, Lu L, Jha P, Hall WD. Tobacco and nicotine use. *Nature Rev Dis Primers*. 2022 Mar 24;8(1):19.
 26. Nunes A, Jha P. Rethinking routine airline testing during COVID-19. *Nature Hum Behav*. 2022 Mar; 6(3):310.
 27. Meh C, Sharma A, Ram U, Fadel S, Correa N, Snelgrove JW, Shah P, Begum R, Shah M, Hana T, Fu SH, Raveendran L, Mishra B, Jha P. Trends in maternal mortality in India over two decades in nationally representative surveys. *BJOG*. 2022 Mar;129(4):550-561.
 28. Jana S, Fu SH, Gelband H, Brown P, Jha P. Spatio-temporal modelling of malaria mortality in India from 2004 to 2013 from the Million Death Study. *Malar J*. 2022 Mar 17;21(1):90.
 29. Fisher S, Bennett C, Hennessy D, Finès P, Jessri M, Bader Eddeen A, Frank J, Robertson T, Taljaard M, Rosella LC, Sanmartin C, Jha P, Leyland A, Manuel DG. Comparison of mortality hazard ratios associated with health behaviours in Canada and the United States: a population-based linked health survey study. *BMC Public Health*. 2022 Mar 10;22(1):478.
 30. Maldonado N, Llorente B, Reynales-Shigematsu LM, Saenz-de-Miera B, Jha P, Shannon G. Tobacco Taxes as the Unsung Hero: Impact of a Tax Increase on Advancing Sustainable Development in Colombia. *Int J Public Health*. 2022 Mar 30; 67:1604353.
 31. Tang X, Sharma A, Pasic M, Brown P, Colwill K, Gelband H, Birnboim HC, Nagelkerke N, Bogoch II, Bansal A, Newcombe L, et al. Jha P (senior author). Assessment of SARS-CoV-2 Seropositivity During the First and Second Viral Waves in 2020 and 2021 Among Canadian Adults. *JAMA Network Open*. 2022 Feb 1;5(2):e2146798.
 32. Jha P, Deshmukh Y, Tumbe C, Suraweera W, Bhowmick A, Sharma S, Novosad P, Fu SH, Newcombe L, Gelband H, Brown P. COVID mortality in India: National survey data and health facility deaths. *Science*. 2022 Feb 11; 375(6581):667-671.
 33. Saenz-de-Miera B, Wu DC, Essue BM, Maldonado N, Jha P, Reynales-Shigematsu LM. The distributional effects of tobacco tax increases across regions in Mexico: an extended cost-effectiveness analysis. *Int J Equity Health*. 2022 Jan 20;21(1):8.
 34. Carshon-Marsh R, Aimone A, Ansumana R, Swaray IB, Assalif A, Musa A, Meh C, Smart F, Hang Fu S, Newcombe L, Kamadod R, Saikia N, Gelband H, Jambai A, Jha P. Child, maternal, and adult mortality in Sierra Leone: nationally representative mortality survey 2018-20. *Lancet Glob Health*. 2022 Jan; 10(1):e114-e123.
 35. Jha P. The Links of Global Health Governance, Knowledge and Premature Mortality. *Global Health Governance* 2024; in press.
 36. Tang X, Gelband H, Nagelkerke N, Bogoch II, Brown P, Morawski E, Lam T, Jha P; Action to beat coronavirus/Action pour battre le coronavirus (Ab-C) Study Investigators. COVID-19 vaccination intention during early vaccine rollout in Canada: a nationwide online survey. *Lancet Reg Health Am*. 2021 Oct; 2:100055.
 37. Ke C, Gupta R, Shah BR, Stukel TA, Xavier D, Jha P. Association of Hypertension and Diabetes with Ischemic Heart Disease and Stroke Mortality in India: The Million Death Study. *Glob Heart*. 2021 Oct 14;16(1):69.
 38. Idicula-Thomas S, Gawde U, Jha P. Comparison of machine learning algorithms applied to symptoms to determine infectious causes of death in children: national survey of 18,000 verbal autopsies in the Million Death Study in India. *BMC Public Health*. 2021 Oct 4; 21(1):1787.
 39. Kumaran K, Krishnaveni GV, Suryanarayana KG, Prasad MP, et al., Jha P. Protocol for a cluster randomised trial evaluating a multifaceted intervention starting preconceptionally-Early Interventions to Support Trajectories for Healthy Life in India (EINSTEIN): a Healthy Life Trajectories Initiative (HeLTI) Study. *BMJ Open*. 2021 Feb 16;11(2):e045862.
 40. Saikia N, Meh C, Ram U, Mishra B, Chandra S, Jha P. Trends and patterns in missing girls in India 1981 to 2016: Analyses of 2.1 million birth histories in nationally representative surveys. *Lancet Global Health* 2021. 2021;9(6):e813-e821.
 41. Wu DC, Shannon G, Reynales-Shigematsu LM, Saenz de Miera B, Llorente B, Jha P. Implications of household tobacco and alcohol use on child health and women's welfare in six low and middle-income countries: An analysis from a gender perspective. *Soc Sci Med*. 2021 Jul; 281:114102.
 42. Saikia N, Meh C, Ram U, Bora JK, Mishra B, Chandra S, Jha P. Trends in missing females at birth

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SCHEDULE “N”

QUEBEC CLASS ACTION ADMINISTRATION PLAN

CANADA
PROVINCE OF QUEBEC DISTRICT OF
MONTREAL

No: 500-06-000076-980

No: 500-06-000070-983

SUPERIOR COURT
(Class Action Division)

**CONSEIL QUÉBÉCOIS SUR LE TABAC
ET LA SANTÉ and JEAN-YVES BLAIS**

Plaintiffs

v.

**JTI-MACDONALD CORP., IMPERIAL
TOBACCO CANADA LIMITED, AND
ROTHMANS, BENSON & HEDGES INC.**

Defendants

QUEBEC CLASS ACTION ADMINISTRATION PLAN

TABLE OF CONTENTS

GUIDING PRINCIPLES FOR THE PAN-CANADIAN CLAIMANTS’ COMPENSATION PLAN AND QUEBEC CLASS ACTION ADMINISTRATION PLAN	1
INTRODUCTION.....	4
Recitals	6
PART A: INTERPRETATION	8
SECTION I – INTERPRETATION	8
1. Definitions.....	8
2. Form of Documents	35
3. Headings.....	35
4. Extended Meanings.....	35
5. Terms of Inclusion	36
6. Acts to Occur on Next Business Day.....	36
7. Changes to Quebec Administration Plan	36
8. Currency	37
9. No Other Obligations of Tobacco Companies	37
10. Appendices	37
SECTION II – ROLES OF CCAA COURT, QUEBEC SUPERIOR COURT, ADMINISTRATIVE COORDINATOR, CLAIMS ADMINISTRATOR AND QUEBEC CLASS COUNSEL.....	38
11. Role of CCAA Court and Quebec Superior Court.....	38
12. Role of Administrative Coordinator	41
13. Costs of Administrative Coordinator	42
14. Appointment and Court Approval of Claims Administrator.....	42
15. Provision of Services in English and French	43

16.	Costs of Claims Administrator.....	43
17.	Role of Quebec Class Counsel.....	43
PART B: QUEBEC ADMINISTRATION PLAN		45
SECTION I – NOTICE OF QUEBEC ADMINISTRATION PLAN		45
18.	Duties and Responsibilities of Claims Administrator.....	45
19.	Form and Content of <i>Blais</i> Notices.....	46
20.	Costs of <i>Blais</i> Notice Plan	47
SECTION II – COMMUNICATIONS BY CLAIMS ADMINISTRATOR		47
21.	Duties and Responsibilities of Claims Administrator.....	47
SECTION III – <i>BLAIS</i> CLAIMS SUBMISSION PERIOD AND <i>BLAIS</i> CLAIMS APPLICATION DEADLINE.....		48
22.	<i>Blais</i> Claims Submission Period and <i>Blais</i> Claims Application Deadline	48
SECTION IV – SUBMISSION OF TOBACCO-VICTIM CLAIMS AND SUCCESSION CLAIMS.....		50
23.	Proof of Claim required to be submitted to Claims Administrator by Tobacco-Victim Claimants and Succession Claimants.....	50
SECTION V – PROCESSING OF CLAIMS		52
24.	Decision Tree for Claims Administrator.....	52
25.	Determination of Tobacco-Victim Claims and Succession Claims in Writing	52
26.	Review and Determination of Tobacco-Victim Claims and Succession Claims by Claims Administrator.....	53
27.	Death of Tobacco-Victim Claimant after Submission of Proof of Claim.....	55
28.	Review of Rejected Tobacco-Victim Claims and Rejected Succession Claims by Review Officer	55
29.	Finality of Decisions of Claims Administrator and Review Officer.....	54
SECTION VI – ELIGIBILITY CRITERIA, PROOF OF CLAIMS AND AMOUNT OF COMPENSATION PAYABLE TO TOBACCO-VICTIM CLAIMANTS AND SUCCESSION CLAIMANTS		56

30.	Criteria for Entitlement to Compensation	56
31.	Individuals who do not meet <i>Blais</i> Eligibility Criteria	58
32.	Proof that Tobacco-Victim Claimant or Succession Claimant meets <i>Blais</i> Eligibility Criteria.....	58
33.	Proof of Smoking History	58
34.	Proof of Diagnosis	59
35.	Official Confirmation of a Diagnosis of a <i>Blais</i> Compensable Disease	59
36.	Alternative Cancer Proof.....	61
37.	Alternative Emphysema/COPD (GOLD Grade III or IV) Proof	62
38.	Proof of Succession Status	63
39.	Reduction for Contributory Negligence.....	67
40.	Where Tobacco-Victim Claimant diagnosed with more than one <i>Blais</i> Compensable Disease	67
41.	Quantum of Compensation payable to Tobacco-Victim Claimants and Succession Claimants.....	68
SECTION VII – HARMONIZATION OF PCC COMPENSATION PLAN WITH CLAIMS PROCESS FOR <i>BLAIS</i> CLASS MEMBERS		69
42.	Claims Administrator is responsible for Harmonization	69
43.	Determination of Residency.....	70
44.	Quantum of Compensation payable to PCC-Claimants.....	71
45.	Claims Administrator’s Determination of Compensation payable to Quebec Residents who may qualify as both a <i>Blais</i> Class Member and a PCC-Claimant	72
SECTION VIII – ROLE OF CCAA PLAN ADMINISTRATORS IN QUEBEC ADMINISTRATION PLAN		75
46.	Appointment of CCAA Plan Administrators	75
47.	Advisors to CCAA Plan Administrators	76
48.	Payment for Services provided by CCAA Plan Administrators	76
49.	Investment of QCAP Settlement Amount.....	77

50.	Advancement of Funds to Claims Administrator for Payments to Eligible <i>Blais</i> Class Members	77
51.	Reporting by CCAA Plan Administrators	78
SECTION IX – DISTRIBUTION OF COMPENSATION PAYMENTS		78
52.	Determination of Quantum of Compensation Payments to Eligible <i>Blais</i> Class Members	78
53.	<i>Pro rata</i> Reduction if Aggregate of Compensation Payments exceeds Amount available from QCAP Settlement Amount	79
54.	Payment of Compensation Payments to Eligible <i>Blais</i> Class Members	79
55.	Distribution of any Residual Funds from QCAP Settlement Amount.....	80
56.	No Assignment or Direction to Pay	80
SECTION X – REPORTING OBLIGATIONS OF CLAIMS ADMINISTRATOR		80
57.	Engagement with Administrative Coordinator and reporting to CCAA Plan Administrators, CCAA Court and Quebec Superior Court	80
SECTION XI – CONFIDENTIALITY AND INFORMATION MANAGEMENT.....		82
58.	Confidentiality	82
59.	Retention and Destruction of Tobacco-Victim Claimant and Succession Claimant Information and Records	83
PART C: GENERAL		84
SECTION I – GENERAL PROVISIONS APPLICABLE TO QUEBEC ADMINISTRATION PLAN		84
60.	Effective in Entirety	84
61.	Termination of Quebec Administration Plan	84
62.	Governing Law.....	85
63.	Entire Agreement	85
64.	Benefit of the Quebec Administration Plan	85
65.	Official Languages	85
APPENDIX “A” <i>Blais</i> First Notice		

APPENDIX “B”	Notice of Rejection of <i>Blais</i> Claim
APPENDIX “C”	Tobacco-Victim Claim Form
APPENDIX “D”	Physician Form
APPENDIX “E”	Succession Claim Form
APPENDIX “F”	Rules for Legal Successions in the <i>Civil Code of Quebec</i> (in the absence of a will)
APPENDIX “G”	Decision Tree entitled “Determination of whether Canadian Residents qualify to receive Compensation either pursuant to <i>Blais</i> Judgment or from Pan-Canadian Claimants’ Compensation Plan
APPENDIX “H”	Acknowledgment of Receipt of <i>Blais</i> Claim
APPENDIX “I”	Proof of Claim Review Checklist for Tobacco-Victim Claims
APPENDIX “J”	Proof of Claim Review Checklist for Succession Claims
APPENDIX “K”	Notice of Incomplete <i>Blais</i> Claim
APPENDIX “L”	Notice of Acceptance of <i>Blais</i> Claim
APPENDIX “M”	Request for Review Form
APPENDIX “N”	Acknowledgement of Receipt of Request for Review
APPENDIX “O”	Brands of Cigarettes sold by Canadian Tobacco Companies in Canada between January 1, 1950 and November 20, 1998
APPENDIX “P”	Notice to Provide Alternative Proof

**GUIDING PRINCIPLES FOR THE
PAN-CANADIAN CLAIMANTS' COMPENSATION PLAN AND
QUEBEC CLASS ACTION ADMINISTRATION PLAN**

The following principles underpin and shall guide the approval, implementation and execution of the Pan-Canadian Claimants' Compensation Plan ("**PCC Compensation Plan**") and the Quebec Class Action Administration Plan ("**Quebec Administration Plan**"):

1. The CCAA Court shall have an ongoing supervisory role in respect of the administration of the CCAA Plans which include the Quebec Administration Plan and the PCC Compensation Plan that are Schedules "K" and "P" thereto.
2. The CCAA Court shall hear and determine the proceedings relating to the approval of the PCC Compensation Plan and the Quebec Administration Plan, including the approval of the retainer agreement respecting fees and disbursements between the Quebec Class Counsel and the representative plaintiffs, and the approval of the Quebec Class Counsel Fee. Matters relating to the ongoing supervision of the Quebec Administration Plan shall be heard and determined jointly by the CCAA Court and the Quebec Superior Court. In performing this function, the CCAA Court and the Quebec Superior Court may communicate with one another in accordance with a protocol to be worked out and established by them. Matters relating to the ongoing supervision of the PCC Compensation Plan shall be heard and determined solely by the CCAA Court.
3. No changes, modifications or revisions shall be made to the Quebec Administration Plan without the joint approval of the CCAA Court and the Quebec Superior Court as set out in an Order issued by the CCAA Court.
4. No changes, modifications or revisions shall be made to the PCC Compensation Plan without the approval of the CCAA Court as set out in an Order issued by the CCAA Court.
5. Upon the recommendation of the Court-Appointed Mediator and the Monitors and subject to the approval of the CCAA Court, Daniel Shapiro, K.C. will be appointed by the CCAA Court to serve as the Court-appointed Administrative Coordinator ("**Administrative**

Coordinator”) and, in that capacity, he will coordinate and serve as a liaison and conduit to facilitate the flow of information between the Claims Administrator and the CCAA Plan Administrators in regard to both the Quebec Administration Plan and the PCC Compensation Plan.

6. Upon the recommendation of the Court-Appointed Mediator and the Monitors and subject to the approval of the CCAA Court, the CCAA Court will appoint one Claims Administrator to administer both the Quebec Administration Plan and the PCC Compensation Plan.
7. The Claims Administrator shall be neutral and independent from the Quebec Class Action Plaintiffs (including the *Blais* Class Members and the *Létourneau* Class Members), Quebec Class Counsel, Raymond Chabot, Pan-Canadian Claimants, PCC Representative Counsel, Tobacco Companies, Claimants, CCAA Plan Administrators, Administrative Coordinator and Court-Appointed Mediator. The Claims Administrator may, in its discretion, retain its own legal or other advisors.
8. The Claims Administrator shall liaise with the Administrative Coordinator who will assist the Claims Administrator to address and resolve issues that may arise from time to time in the interpretation, implementation and ongoing administration of both plans. If the Administrative Coordinator and the Claims Administrator are unable to resolve an issue relating to the Quebec Administration Plan, then the Administrative Coordinator shall refer the matter to the CCAA Plan Administrators who may, in their discretion, refer the matter jointly to the CCAA Court and the Quebec Superior Court for resolution. If the Administrative Coordinator and the Claims Administrator are unable to resolve an issue relating to the PCC Compensation Plan, then the Administrative Coordinator shall refer the matter to the CCAA Plan Administrators who may, in their discretion, refer the matter to the CCAA Court for resolution.
9. In respect of all decisions regarding the implementation and execution of the Quebec Administration Plan, the Claims Administrator shall not collaborate or consult with or seek any advice, instructions or directions from the Quebec Class Counsel. Notwithstanding

the above, the Quebec Class Counsel shall communicate and cooperate with the Claims Administrator and the Administrative Coordinator so as to fulfill their duties and responsibilities to the *Blais* Class Members.

10. In respect of all decisions regarding the implementation and execution of the PCC Compensation Plan, the Claims Administrator shall not collaborate or consult with or seek any advice, instructions or directions from the PCC Representative Counsel. Notwithstanding the above, the PCC Representative Counsel shall communicate and cooperate with the Claims Administrator and the Administrative Coordinator so as to fulfill their duties and responsibilities to the PCCs.
11. The Quebec Class Counsel have a traditional solicitor-client relationship with the *Blais* Class Members and the *Létourneau* Class Members and a duty to act in the best interests of the classes as a whole.
12. The PCC Representative Counsel has a traditional solicitor-client relationship with the Pan-Canadian Claimants and a duty to act in the best interests of all Pan-Canadian Claimants in regard to the claims process for the PCC Compensation Plan.

QUEBEC CLASS ACTION ADMINISTRATION PLAN

INTRODUCTION

The Quebec Class Action Administration Plan, or Quebec Administration Plan, has been prepared to effect the distribution of the compensation ordered in the judgments rendered in the *Blais* Class Action by the Quebec Superior Court and the Quebec Court of Appeal, as compromised in accordance with the CCAA Plans, to be paid to eligible persons resident in Quebec who are suffering from at least one of three tobacco-related diseases caused by smoking cigarettes sold in Canada by three tobacco companies, Imperial Tobacco Canada Limited, Rothmans, Benson & Hedges and JTI-Macdonald Corp. Persons may be eligible to receive a compensation payment if they meet the following requirements of the certified class definition in the *Blais* Class Action:

1. They reside in Quebec and were alive on November 20, 1998.
2. Between January 1, 1950 and November 20, 1998:
 - (a) They smoked a minimum of 87,600 cigarettes (the Quebec Administration Plan explains how to calculate the number of cigarettes smoked); and
 - (b) The cigarettes that they smoked were of one or more of the following cigarette brands (the Quebec Administration Plan contains a complete list of the cigarette brands and sub-brands):

Accord	Craven "A"	Mark Ten	Number 7
B&H	Craven "M"	Matinee	Peter Jackson
Belmont	du Maurier	Medallion	Players
Belvedere	Dunhill	Macdonald	Rothmans
Camel	Export	More	Vantage
Cameo	LD	North American Spirit	Viscount
			Winston

3. Before March 12, 2012, they were diagnosed with Lung Cancer, Throat Cancer or Emphysema/COPD (GOLD Grade III or IV) (the Quebec Administration Plan contains

details of the tobacco-related diseases), and they resided in Quebec at the time of their diagnosis.

4. The Heirs of persons who meet the above criteria but died after November 20, 1998 may also be eligible to receive a Compensation Payment.

The Quebec Administration Plan provides important information and forms to help people decide whether they may have a claim for payment. If they think they have a claim, they may fill out the Claim Forms and file them by sending them in to Claims Administrator for the Quebec Administration Plan.

The Claims Process for the Quebec Administration Plan has been designed to make it easy for a person to complete the Claim Forms. The Claims Process also allows the Claims Administrator to quickly process each claim and decide whether the claim is eligible to be paid. The instructions and questions on the Claim Forms are easy to understand with fill in the blanks and boxes to check.

If a claimant has questions in respect of the Claims Process under the Quebec Administration Plan, they may consult the Claims Administrator's website at [\[URL for website of Claims Administrator\]](#) or call the Claims Administrator's Call Center at [\[Call Centre toll-free number\]](#) or send an email to [\[Claims Administrator's email\]](#). Services will be offered in English and French.

If a claimant requires any assistance to complete the Claims Forms, they may call the Quebec Class Action Call Centre at 1-888-880-1844 or send an email to tabac@tjl.quebec or visit the Quebec Tobacco Class Action website at www.recourstabac.com. Services will be offered in English and French.

To ensure the integrity and fairness of the Claims Process, persons who submit claims to the Quebec Administration Plan will be asked to declare that the answers they provide on their Claim Forms are true and accurate. Where the Claims Administrator finds evidence of fraud, material false information or an intentional misleading of the Claims Administrator, the claim will be disallowed.

QUEBEC CLASS ACTION ADMINISTRATION PLAN

WHEREAS the Quebec Class Actions were brought against the defendants, ITCAN, RBH and JTIM, in the *Blais* Class Action on behalf of individuals in Quebec who developed Lung Cancer, Throat Cancer and Emphysema/COPD (GOLD Grade III or IV) as a result of smoking the Tobacco Companies' cigarettes, and in the *Létourneau* Class Action on behalf of individuals in Quebec who developed an addiction to the nicotine contained in the cigarettes made by ITCAN, RBH and JTIM;

AND WHEREAS the *Blais* Judgment found ITCAN, RBH and JTIM to be liable to the *Blais* Class Members, and the *Létourneau* Judgment found ITCAN, RBH and JTIM to be liable to the *Létourneau* Class Members in the amounts and in the manner set forth in such judgments;

AND WHEREAS JTIM is insolvent and was granted protection from its creditors under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended ("CCAA"), pursuant to the Initial Order of the Honourable Justice Hailey of the CCAA Court dated March 8, 2019;

AND WHEREAS ITCAN and ITCO are insolvent and were granted protection from their creditors under the CCAA pursuant to the Initial Order of the Honourable Justice McEwen of the CCAA Court dated March 12, 2019;

AND WHEREAS RBH is insolvent and was granted protection from its creditors under the CCAA pursuant to the Initial Order of the Honourable Justice Pattillo of the CCAA Court dated March 22, 2019;

AND WHEREAS by the Initial Orders the CCAA Court appointed Deloitte Restructuring Inc., FTI Consulting Canada Inc. and Ernst & Young Inc. as officers of the CCAA Court and the Monitors respectively of JTIM, Imperial and RBH ("**Monitors**");

AND WHEREAS by an Order dated April 5, 2019, the CCAA Court appointed the Honourable Warren K. Winkler, K.C. (“**Court-Appointed Mediator**”) as an officer of the Court to, as a neutral third party, mediate a global settlement of the claims by the Claimants;

AND WHEREAS the Court-Appointed Mediator conducted the mediation with the Tobacco Companies and the Claimants.

AND WHEREAS by an Order dated September 27, 2023, the Honourable Chief Justice Geoffrey B. Morawetz directed the Monitors to work with the Court-Appointed Mediator to develop a plan of compromise and arrangement concerning each of JTIM, Imperial and RBH;

AND WHEREAS, subject to the approval of the CCAA Court, the Quebec Class Action Administration Plan (“**Quebec Administration Plan**”) has been prepared to provide for Compensation Payments to be made pursuant to the *Blais* Judgment, as compromised in accordance with the CCAA Plans, directly to Eligible *Blais* Class Members in Quebec who suffer from Lung Cancer, Throat Cancer, or Emphysema/COPD (GOLD Grade III or IV) attributable to smoking cigarettes sold by ITCAN, RBH and JTIM during the period from January 1, 1950 to November 20, 1998;

AND WHEREAS, pursuant to the *Létourneau* Judgment, no monies are required to be distributed directly to the *Létourneau* Class Members;

AND WHEREAS, the *Létourneau* Judgment has been fully settled by payment of the sum of \$131 million from the QCAP Settlement Amount into the Cy-près Fund.

AND WHEREAS the CCAA Court will seek the aid, recognition and assistance of the Quebec Superior Court to give full force and effect to the extent necessary to the orders rendered by the CCAA Court in relation to the sanction and implementation of the CCAA Plans;

AND WHEREAS, where appropriate and to the extent possible, the Quebec Administration Plan and the PCC Compensation Plan shall be harmonized with each other; and

NOW THEREFORE, set out herein are the terms of the Quebec Administration Plan that is attached as Schedule “N” to the CCAA Plans of JTIM and RBH and Schedule “K” to Imperial’s CCAA Plan.

PART A: INTERPRETATION

SECTION I – INTERPRETATION

1. Definitions

1.1 In this document, including all Appendices hereto, unless otherwise stated or the context otherwise requires:

“**Acknowledgement of Receipt**” means an acknowledgement sent by the Claims Administrator to a Tobacco-Victim Claimant or Succession Claimant acknowledging the receipt of documents submitted by them pursuant to the Quebec Administration Plan.

“**Acknowledgement of Receipt of *Blais* Claim**” means the notice, in the form attached hereto as **Appendix “H”**, sent by the Claims Administrator to a Tobacco-Victim Claimant or Succession Claimant acknowledging receipt of their Proof of Claim.

“**Administrative Coordinator**” means Daniel Shapiro, K.C. in his capacity as the Court-appointed Administrative Coordinator in respect of the administration of both the PCC Compensation Plan and the Quebec Administration Plan. Daniel Shapiro’s appointment as the Administrative Coordinator will be upon the recommendation of the Court-Appointed Mediator and the Monitors and subject to the approval of the CCAA Court.

“**Affiliate**” means a Person is an affiliate of another Person if,

- (a) one of them is the subsidiary of the other, or
- (b) each of them is controlled by the same Person.

For the purpose of this definition,

- (i) “subsidiary” means a Person that is controlled directly or indirectly by another Person and includes a subsidiary of that subsidiary, and
- (ii) a Person (first Person) is considered to control another Person (second Person) if,
 - (A) the first Person beneficially owns or directly or indirectly exercises control or direction over securities of the second Person carrying votes which, if exercised, would entitle the first Person to elect a majority of the directors of the second Person, unless that first Person holds the voting securities only to secure an obligation,
 - (B) the second Person is a partnership, other than a limited partnership, and the first Person holds more than 50% of the interests of the partnership, or
 - (C) the second Person is a limited partnership and the general partner of the limited partnership is the first Person.

“Alternative Cancer Proof” means the elements of proof set out in paragraphs 36.1 and 36.2 of the Quebec Administration Plan.

“Alternative Emphysema/COPD (GOLD Grade III or IV) Proof” means the elements of proof referred to in paragraphs 37.1 and 37.2 of the Quebec Administration Plan.

“Alternative Product” means (i) any device that produces emissions in the form of an aerosol and is intended to be brought to the mouth for inhalation of the aerosol without burning of (a) a substance; or (b) a mixture of substances; (ii) any substance or mixture of substances, whether or not it contains tobacco or nicotine, that is intended for use with or without those devices to produce emissions in the form of an aerosol without burning; (iii) any non-combustible tobacco (other than smokeless tobacco) or nicotine delivery product; and (iv) any component, part, or accessory of or used in connection with any such device or product referred to above.

Alternative Proof” means either the Alternative Cancer Proof or the Alternative Emphysema/COPD Proof, as applicable.

“Annual Contributions” has the meaning given in Article 5, Section 5.7 of the CCAA Plans, and **“Annual Contribution”** means any one of them.

“Bank” has the meaning given in Article 5, Section 5.3 of the CCAA Plans.

“Blais Claims Application Deadline” means the date twelve months after the Effective Time by which all Tobacco-Victim Claimants and Succession Claimants are required to submit their completed Proofs of Claim to the Claims Administrator. The *Blais* Claims Application Deadline may be extended jointly by the CCAA Court and the Quebec Superior Court if it is deemed necessary and expedient to do so as the implementation of the Quebec Administration Plan unfolds.

“Blais Claims Period” means the period of time before March 12, 2012 during which a *Blais* Class Member was diagnosed with a *Blais* Compensable Disease.

“Blais Claims Submission Period” means the twelve month period of time which shall commence at the Effective Time and shall end on the *Blais* Claims Application Deadline. The *Blais* Claims Submission Period may be extended jointly by the CCAA Court and the Quebec Superior Court if it is deemed necessary and expedient to do so as the implementation of the Quebec Administration Plan unfolds.

“Blais Class Action” means *Conseil québécois sur le tabac et la santé et al. v. JTI-Macdonald Corp. et al.*, Court File No. 500-06-000076-980 (Montreal, Quebec).

“Blais Class Members” means persons who meet the criteria of the following certified class definition in the *Blais* Class Action:

All persons residing in Quebec who satisfy the following criteria:

- (1) To have smoked, between January 1, 1950 and November 20, 1998, a minimum of 12 pack/years of cigarettes manufactured by the defendants (that is, the equivalent of a minimum of 87,600 cigarettes, namely any combination of the number of cigarettes smoked in a day multiplied by the number of days of consumption insofar as the total is equal to or greater than 87,600 cigarettes).

For example, 12 pack/years equals:

20 cigarettes a day for 12 years ($20 \times 365 \times 12 = 87,600$) or

30 cigarettes a day for 8 years ($30 \times 365 \times 8 = 87,600$) or

10 cigarettes a day for 24 years ($10 \times 365 \times 24 = 87,600$);

- (2) To have been diagnosed before March 12, 2012 with:
 - (a) Lung cancer or
 - (b) Cancer (squamous cell carcinoma) of the throat, that is to say of the larynx, the oropharynx or the hypopharynx or
 - (c) Emphysema/COPD (GOLD Grade III or IV).

The group also includes the Heirs of the persons deceased after November 20, 1998 who satisfied the criteria mentioned herein.

“Blais Compensable Diseases” means, collectively, Lung Cancer, Throat Cancer and Emphysema/COPD (GOLD Grade III or IV).

“Blais Eligibility Criteria” means the criteria set out in the certified class definition in the *Blais* Class Action which a person must meet to be eligible to receive a Compensation Payment as a Blais Class Member.

“**Blais First Notice**” means the initial notice which the Claims Administrator shall publish regarding the Quebec Administration Plan. Attached hereto as **Appendix “A”** is a version of the *Blais* First Notice which is provided for guidance only to assist the understanding of the Claims Administrator which shall be responsible for designing, implementing and managing the *Blais* Notice Plan pursuant to which prospective Tobacco-Victim Claimants and Succession Claimants in Quebec will be informed about the Quebec Administration Plan and be provided with ongoing notice throughout the *Blais* Claims Submission Period.

“**Blais First Notice Date**” means the date on which the Claims Administrator publishes the *Blais* First Notice.

“**Blais Judgment**” means the judgment rendered by the Honourable Justice Brian Riordan on May 27, 2015 as rectified on June 9, 2015, and the judgment of the Court of Appeal of Quebec dated March 1, 2019 in the class action commenced in the Quebec Superior Court in Court File No. 500-06-00076-980 (*Conseil québécois sur le tabac et la santé et Jean-Yves Blais c. Imperial Tobacco Ltée, Rothmans, Benson & Hedges Inc. et JTI-MacDonald Corp.*).

“**Blais Notice Plan**” means the plan to publish legal notice regarding the Quebec Administration Plan to prospective Tobacco-Victim Claimants and Succession Claimants in Quebec and provide the Tobacco-Victim Claimants and Succession Claimants with ongoing notice throughout the *Blais* Claims Submission Period.

“**Blais Notices**” means the legal notices that will provide notice to prospective Tobacco-Victim Claimants and Succession Claimants in Quebec regarding the Quebec Administration Plan and provide the Tobacco-Victim Claimants and Succession Claimants with ongoing notice throughout the *Blais* Claims Submission Period.

“**Business Day**” means, for the purpose of the Quebec Administration Plan, a day other than Saturday, Sunday or a day observed as a holiday under the laws of the Province or Territory in which the person who needs to take action pursuant to the Quebec Administration Plan is situated, or a holiday under the federal laws of Canada applicable in the said Province or Territory.

“Call Centre” means the call centre established by the Claims Administrator which will offer services in English and French to respond to inquiries from and provide information to Tobacco-Victim Claimants and Succession Claimants, and prospective Tobacco-Victim Claimants and Succession Claimants, as applicable, regarding the Quebec Administration Plan and the Claims Process.

“Cash Security Deposits” means, collectively, (i) in the case of Imperial, the cash and interest, if any, deposited by ITCAN as suretyship pursuant to the Order of the Quebec Court of Appeal dated October 27, 2015; and (ii) in the case of RBH, the cash deposited by RBH as suretyship pursuant to the Order of the Quebec Court of Appeal dated October 27, 2015, and **“Cash Security Deposit”** means any of them.

“CCAA” means the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended.

“CCAA Court” means the Ontario Superior Court of Justice (Commercial List) at Toronto.

“CCAA Plan” means in respect of each Tobacco Company, the Court-Appointed Mediator’s and Monitors’ plan of compromise and arrangement pursuant to the CCAA concerning, affecting and involving such Tobacco Company, including all Schedules thereto.

“CCAA Plan Administrators” has the meaning given in Article 14, Section 14.1 of the CCAA Plans.

“CCAA Proceeding” means, in respect of each Tobacco Company, the proceeding commenced by such Tobacco Company pursuant to the CCAA, namely Application No. CV-19-616077-00CL in respect of Imperial, Application No. CV-19-616779-00CL in respect of RBH, and Application No. CV-19-615862-00CL in respect of JTIM, collectively the **“CCAA Proceedings”**.

“Certificate” means the certificate filed by the Monitors with the CCAA Court confirming that the full amount of the Upfront Contributions has been received from the Tobacco Companies and deposited into the Global Settlement Trust Account.

“**Civil Code of Quebec**” means the *Civil Code of Quebec*, CQLR, c. CCQ-1991, as amended.

“**Claimants**” means, collectively, the Quebec Class Action Plaintiffs, Pan-Canadian Claimants, *Knight* Class Action Plaintiffs, Tobacco Producers, His Majesty the King in right of British Columbia, His Majesty the King in right of Alberta, His Majesty the King in right of Saskatchewan, His Majesty the King in right of Manitoba, His Majesty the King in right of Ontario, the Attorney General of Quebec, His Majesty the King in right of New Brunswick, His Majesty the King in right of Nova Scotia, His Majesty the King in right of Prince Edward Island, His Majesty the King in right of Newfoundland and Labrador, the Government of Yukon, the Government of the Northwest Territories and the Government of Nunavut.

“**Claims Administrator**” means the claims administrator approved and appointed by the CCAA Court to manage the overall administration of the individual Claims Process and perform all other duties and responsibilities assigned to it in regard to the Quebec Administration Plan. The appointment of Epiq as the Claims Administrator will be upon the recommendation of the Court-Appointed Mediator and the Monitors and subject to the approval of the CCAA Court.

“**Claims Administrator Order**” means the order of the CCAA Court made in the CCAA Proceeding appointing Epiq to serve in the role of Claims Administrator in respect of the PCC Compensation Plan and the Quebec Administration Plan and in the role of PCC Agent in respect of the PCC Compensation Plan, and, among other things, setting out the duties and responsibilities of the Claims Administrator and the PCC Agent in connection with such appointment.

“**Claims Process**” means the process by which Tobacco-Victim Claimants and Succession Claimants may assert, respectively, Tobacco-Victim Claims and Succession Claims for Compensation Payments as set forth in the Quebec Administration Plan.

“**Closing Judgment**” means the judgment terminating the *Blais* Class Action and the *Létourneau* Class Action which will be requested on a motion brought by the Quebec Class Counsel after all Eligible Blais Class Members have been paid their Compensation Payments.

“**Compensation Payment**” means the amount determined by the Claims Administrator to be payable to an Eligible *Blais* Class Member under the Quebec Administration Plan in satisfaction of their QCAP Claim.

“**Contribution Security Agreement**” has the meaning given in Article 5, Section 5.13 of the CCAA Plans and is attached to the CCAA Plans as Schedule ”E”.

“**COPD**” means chronic obstructive pulmonary disease (GOLD Grade III or IV). The Global Initiative for Chronic Obstructive Lung Disease (“**GOLD**”) developed a four grade classification system based upon severity of airflow limitation and other diagnostic parameters. The GOLD Grade III (severe) and GOLD Grade IV (very severe) classifications represent the two most severe categories of disease.

“**Costs**” has the meaning given in paragraph 48.1 of the Quebec Administration Plan.

“**Court-Appointed Mediator**” means the Honourable Warren K. Winkler, K.C., in his capacity as Court-appointed mediator in the CCAA Proceedings of the Tobacco Companies.

“**Cy-près Fund**” means the aggregate amount allocated from the Global Settlement Amount payable into the Cy-près Trust Account which shall be administered by the Cy-près Foundation.

“**Declaration**” means the applicable declaration contained in the Succession Claim Form, which is attached hereto as **Appendix “E”**.

“**Definitive Documents**” means the CCAA Plans, the Sanction Orders, the Contribution Security Agreements, the Hypothec, any intercreditor agreements, the documents required to implement and give effect to the PCC Compensation Plan and the Cy-près Fund, and all other agreements, documents and orders contemplated by, or necessary to implement the transactions contemplated by any of the foregoing.

“**Diagnosis**” means a Tobacco-Victim’s diagnosis of Throat Cancer, Lung Cancer or Emphysema/COPD (GOLD Grade III or IV), and the date of such diagnosis.

“Effective Time” means such time on the Plan Implementation Date as the Court-Appointed Mediator and the Monitors may determine and designate.

“Eligible *Blais* Class Members” means the Tobacco-Victim Claimants and Succession Claimants whom the Claims Administrator has determined meet all the *Blais* Eligibility Criteria such that their Tobacco-Victim Claims and Succession Claims are approved to receive a Compensation Payment in accordance with the terms of the Quebec Administration Plan, and **“Eligible *Blais* Class Member”** means any one of them.

“Emphysema” means the condition of the lung that is marked by distension and eventual rupture of the alveoli with progressive loss of pulmonary elasticity, that is accompanied by shortness of breath with or without cough, and that may lead to impairment of heart action. For the purpose of the Quebec Administration Plan, “Emphysema” includes COPD (GOLD Grade III or IV).

“Epiq” means Epiq Class Actions Services Canada, Inc.

“Estate” means the succession of a deceased Tobacco-Victim, whether pursuant to a will or by operation of law.

“Exit Report” means the final report that the Claims Administrator shall be required to submit to the CCAA Plan Administrators within six months, or as soon as is practicable, following the termination of the administration of the Quebec Administration Plan.

“FEV1” means the measurement recorded during a spirometry test of the maximum volume of air that the individual can forcibly expel during the first second following maximal inhalation.

“First Annual Global Claims Administration Costs Budget” means (i) the first budget for the PCC Claims Administration, and (ii) the first budget for the QCAP Claims Administration that the Claims Administrator and PCC Agent shall provide to the CCAA Plan Administrators in accordance with the terms of the Claims Administrator Order.

“Global Claims Administration Costs Framework” means the framework basis that will be used to review and assess the Costs of the services provided by Epiq in respect of each of (i) the claims administration under the PCC Compensation Plan (**“PCC Claims Administration”**), (ii) the claims administration under the Quebec Administration Plan (**“QCAP Claims Administration”**), (iii) the PCC Agent services, (iv) the PCC Notice Plan, (v) the *Blais* Notice Plan and (vi) the pre-CCAA Plan implementation activities relating to the PCC Compensation Plan.

“Global Settlement Amount” has the meaning given in Article 5, Section 5.1 of the CCAA Plans.

“Global Settlement Trust Account” has the meaning given in Article 5, Section 5.3 of the CCAA Plans.

“Heir” means:

- (i) a universal legatee to the Estate of a deceased Tobacco-Victim identified in a will in effect at time of death, who is entitled to receive all or a portion of the Compensation Payment payable in respect of the deceased Tobacco-Victim;
- (ii) a particular legatee where the will stipulates that such person is entitled to receive all or a portion of the Compensation Payment payable in respect of the deceased Tobacco-Victim;
- (iii) an heir pursuant to testamentary provisions in a registered marriage contract;
- (iv) an heir of a deceased Tobacco-Victim established by operation of law pursuant to the rules for legal successions contained in the Civil Code of Quebec, and summarized in the chart attached hereto as **Appendix “F”**; or
- (v) the estate, testamentary heirs or legal heirs of a deceased Heir, who takes the claim of the deceased Heir by representation;

and “**Heirs**” means all of them. In all cases, proof of such status of Heir must be submitted to the Quebec Administrator in a manner consistent with paragraphs 38.5 and 38.6 of the Quebec Administration Plan, as applicable.

“**Hypopharynx**” means the laryngeal part of the pharynx extending from the hyoid bone to the lower margin of the cricoid cartilage.

“**Imperial**” means, collectively, ITCAN and ITCO.

“**Individuals**” means all individuals residing in a Province or Territory of Canada, and

“**Individual**” means any one of them.

“**Initial Order**” means, in respect of each Tobacco Company, the initial order commencing the CCAA Proceedings of the Tobacco Company, as amended and restated from time to time.

“**ITCAN**” means Imperial Tobacco Canada Limited.

“**ITCO**” means Imperial Tobacco Company Limited.

“**JTIM**” means JTI-Macdonald Corp.

“***Knight Class Action***” means *Kenneth Knight v. Imperial Tobacco Canada Limited* (Supreme Court of British Columbia, Court File No. L031300).

“***Knight Class Action Plaintiffs***” means Individuals who meet the criteria of the certified class definition in the *Knight Class Action*. The fact that an Individual is a *Knight Class Action Plaintiff* does not thereby disqualify that Individual from being a Pan-Canadian Claimant.

“**Larynx**” means the upper part of the respiratory passage that is bounded above by the glottis and is continuous below with the trachea.

“**Legal Representative**” means an Individual who establishes through the submission to the Claims Administrator of one of the documents listed in Question 10(b) of the Tobacco-Victim

Claim Form that they have the right and are authorized to make a Tobacco-Victim Claim on behalf of the Tobacco-Victim Claimant.

“Létourneau Class Action” means *Cecilia Létourneau et al. v. Imperial Tobacco Canada Ltd., et al.*, Court File No. 500-06-000070-983 (Montreal, Quebec).

“Létourneau Class Members” means persons who meet the criteria of the following certified class definition in the *Létourneau Class Action*:

All persons residing in Quebec who, as of September 30, 1998, were addicted to the nicotine contained in the cigarettes made by the defendants and who otherwise satisfy the following criteria:

- (1) They started to smoke before September 30, 1994 and since that date have smoked principally cigarettes manufactured by the defendants;
- (2) Between September 1 and September 30, 1998, they smoked on a daily basis an average of at least 15 cigarettes manufactured by the defendants; and
- (3) On February 21, 2005, or until their death if it occurred before that date, they were still smoking on a daily basis an average of at least 15 cigarettes manufactured by the defendants.

The group also includes the Heirs of the members who satisfy the criteria described herein.

“Létourneau Judgment” means the judgment rendered by the Honourable Justice Brian Riordan on May 27, 2015 as rectified on June 9, 2015, and the judgment of the Court of Appeal of Quebec dated March 1, 2019 in the class action commenced in the Quebec Superior Court in Court File No. 500-06-000070-983 (*Cecilia Létourneau et al. v. Imperial Tobacco Canada Ltd., et al.*).

“**Liquidator**” means a liquidator, including an executor where that terminology is used, of the succession of a deceased Tobacco-Victim named under a will or designated by the Heirs or the court, and may include one or more liquidators so named or designated.

“**Lung Cancer**” means primary cancer of the lungs.

“**MED-ÉCHO**” means the database of the MSSS held by RAMQ that contains personal clinical-administrative information relating to the care and services rendered to a person admitted or registered for day surgery in a Quebec hospital center.

“**Monitor**” means, in respect of each Tobacco Company, the Court-appointed monitor appointed pursuant to the applicable Initial Order in the respective CCAA Proceedings.

“**MSSS**” means the Ministère de la Santé et des Services sociaux, or Ministry of Health and Social Services, of Quebec.

“**Notice of Acceptance of *Blais* Claim**” means the Notice, in the form attached hereto as **Appendix “L”**, sent by the Claims Administrator to a Tobacco-Victim Claimant or a Succession Claimant advising that their Proof of Claim has been accepted.

“**Notice of Incomplete *Blais* Claim**” means the Notice, in the form attached hereto as **Appendix “K”**, issued by the Claims Administrator to a Tobacco-Victim Claimant or a Succession Claimant advising them that the Proof of Claim is incomplete and of the corrective measures required to complete the Proof of Claim.

“**Notice of Rejection of *Blais* Claim**”, or “**Notice of Rejection of Claim**”, means the Notice, in the form attached hereto as **Appendix “B”**, issued by the Claims Administrator to a Tobacco-Victim Claimant or a Succession Claimant advising them that their Proof of Claim has been rejected and of the Request for Review.

“**Notice to Provide Alternative Proof**” means the Notice, in the form attached hereto as **Appendix “P”**, issued by the Claims Administrator to a Tobacco-Victim Claimant or Succession Claimant

requesting that they provide Alternative Cancer Proof or Alternative Emphysema/COPD (GOLD Grade III or IV) Proof, as applicable, to the Claims Administrator.

“Official Confirmation” means the confirmation of a Tobacco-Victim Claimant’s diagnosis of a *Blais* Compensable Disease or Diseases before March 12, 2012, either by confirmation from the Quebec Cancer Registry in respect of a diagnosis of Lung Cancer or Throat Cancer, or confirmation from MED-ÉCHO in the case of a diagnosis of Emphysema/COPD (GOLD Grade III or IV), as the case may be, and collectively the **“Official Confirmations”**.

“Official Confirmations of Diagnoses Order” means the order of the Quebec Superior Court dated July 21, 2025, among other things, (i) authorizing the MSSS and RAMQ to extract from the Quebec Cancer Registry and MED-ÉCHO information relating to diagnoses of Lung Cancer, Throat Cancer and Emphysema up to March 8, 2019, (ii) authorizing the RAMQ to communicate such information to Proactio Inc. and Epiq in their capacities as agents, respectively, for the Quebec Class Counsel and PCC Representative Counsel, and (iii) authorizing Proactio Inc. and Epiq to communicate such information to the Claims Administrator in Ontario.

“Oropharynx” means the part of the pharynx that is below the soft palate and above the epiglottis and is continuous with the mouth. It includes the back third of the tongue, the soft palate, the side and back walls of the throat, and the tonsils.

“Pan-Canadian Claimants”, or **“PCCs”**, means Individuals, excluding *Blais* Class Members and *Létourneau* Class Members in relation to QCAP Claims, who have asserted or may be entitled to assert a PCC Claim.

“Pan-Canadian Claimants’ Compensation Plan”, or **“PCC Compensation Plan”**, means the Pan-Canadian Claimants’ Compensation Plan which provides for the payment of compensation to Eligible PCC-Claimants.

“PCC Claim” means any claim of any Pan-Canadian Claimant that has been made or may in the future be asserted or made in whole or in part against or in respect of the Released Parties, or any one of them (either individually or with any other Person), that has been advanced, could have

been advanced or could be advanced, whether on such Pan-Canadian Claimant's own account, or on their behalf, or on behalf of a certified or proposed class, to recover damages or any other remedy in respect of the development, design, manufacture, production, marketing, advertising, distribution, purchase or sale of Tobacco Products, including any representations or omissions in respect thereof, the historical or ongoing use of or exposure (whether directly or indirectly) to Tobacco Products or their emissions and the development of any disease or condition as a result thereof, whether existing or hereafter arising, 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) including, all Claims that have been advanced, could have been advanced or could be advanced in the following actions commenced by individuals under provincial class proceedings legislation and actions commenced by individuals, or in any other similar proceedings:

- (a) *Barbara Bourassa v. Imperial Tobacco Canada Limited et al.* (Supreme Court of British Columbia, Court File No. 10-2780 and Court File No. 14-4722);
- (b) *Roderick Dennis McDermid v. Imperial Tobacco Canada Limited et al.* (Supreme Court of British Columbia, Court File No. 10-2769);
- (c) *Linda Dorion v. Canadian Tobacco Manufacturers' Council et al.* (Alberta Court of Queen's Bench, Court File No. 0901-08964);
- (d) *Thelma Adams v. Canadian Tobacco Manufacturers' Council et al.* (Saskatchewan Court of Queen's Bench, Court File No. 916 of 2009);
- (e) *Deborah Kunta v. Canadian Tobacco Manufacturers' Council et al.* (Manitoba Court of Queen's Bench, Court File No. CI09-01-61479);
- (f) *Suzanne Jacklin v. Canadian Tobacco Manufacturers' Council* (Ontario Superior Court of Justice, Court File No. 53794/12);

- (g) *Ben Semple v. Canadian Tobacco Manufacturers' Council et al.* (Supreme Court of Nova Scotia, Court File No. 312869);
- (h) *Victor Todd Sparkes v. Imperial Tobacco Canada Limited* (Newfoundland and Labrador Supreme Court - Trial Division, Court File No. 200401T2716 CP);
- (i) *Peter Stright v. Imperial Tobacco Canada Limited* (Supreme Court of Nova Scotia, Court File No. 177663);
- (j) *Ljubisa Spasic as estate trustee of Mirjana Spasic v. Imperial Tobacco Limited and Rothmans, Benson & Hedges Inc.* (Ontario Superior Court of Justice, Court File No. C17773/97);
- (k) *Ljubisa Spasic as estate trustee of Mirjana Spasic v. B.A.T. Industries P.L.C.* (Ontario Superior Court of Justice, Court File No. C18187/97);
- (l) *Ragoonanan v. Imperial Tobacco Canada Limited* (Ontario Superior Court of Justice, Court File No. 00-CV-183165-CP00);
- (m) *Scott Landry v. Imperial Tobacco Canada Limited* (Ontario Superior Court of Justice, Court File No. 1442/03);
- (n) *Joseph Battaglia v. Imperial Tobacco Canada Limited* (Ontario Superior Court of Justice, Court File No. 21513/97);
- (o) *Roland Bergeron v. Imperial Tobacco Canada Limited* (Quebec Superior Court, Court File No. 750-32-700014-163);
- (p) *Paradis, in personal capacity and on behalf of estate of Lorraine Trepanier v. Rothmans, Benson & Hedges Inc.* (Quebec Small Claims Court);
- (q) *Couture v. Rothmans, Benson & Hedges Inc.* (Quebec Superior Court); and

including any such Claim that is a Section 5.1(2) Claim or Section 19(2) Claim.

“PCC-Claimants” means the Pan-Canadian Claimants who are all Individuals resident in a Province or Territory of Canada, excluding the Quebec Class Action Plaintiffs in relation to QCAP Claims, but including the Pan-Canadian Claimants’ respective heirs, successors, assigns and representatives, who assert a PCC Claim by submitting a Claim Package to the Claims Administrator pursuant to the PCC Compensation Plan, and **“PCC-Claimant”** means any one of them.

“PCC Claims Administration” has the meaning given in the definition of Global Claims Administration Costs Framework.

“PCC Eligibility Criteria” means the criteria set out in the PCC Compensation Plan which a person must meet to be eligible to receive an Individual Payment as a PCC-Claimant.

“PCC Representative Counsel” means The Law Practice of Wagner & Associates, Inc.

“Person” means an individual, a corporation, a partnership, a limited liability company, a trust, an unincorporated association, or any other entity or body.

“Personal Information” means any information in any form, including any data which is derived from such information, about an identifiable Individual, whether living or deceased, including information relating to age, address, telephone number, email address, any identifying number assigned to the Individual (including Provincial or Territorial Health Insurance Number), personal health information, medical records, and the Individual’s name where it appears with other Personal Information relating to the Individual, or where the disclosure of the name would reveal other Personal Information about the Individual.

“Physician” means an Individual who is licensed to practice medicine in Canada.

“Physician Form” means the form attached hereto as **Appendix “D”** which may be completed by the treating Physician of a Tobacco-Victim, or any other Physician with access to the Tobacco-

Victim's medical records, and submitted to the Claims Administrator as Alternative Proof, if Alternative Proof has been requested by the Claims Administrator in order to complete a Proof of Claim.

“Place of Residence” has the meaning given in paragraph 43.1.3 of the Quebec Administration Plan.

“Plan Implementation Date” means the date upon which all of the conditions to the CCAA Plans and other Definitive Documents have been satisfied or waived and the transactions contemplated by the CCAA Plans, the Sanction Orders and the other Definitive Documents are to be implemented, as evidenced by the Monitors' Certificates to be delivered to the Tobacco Companies and filed with the CCAA Court.

“Proof of Claim” means all of the documents that a Tobacco-Victim Claimant or a Succession Claimant, as applicable, is required to complete and submit to the Claims Administrator including the Tobacco-Victim Claim Form or Succession Claim Form, as applicable, and, if requested, the Alternative Proof. .

“Proof of Claim Review Checklist for Succession Claims” means the checklist attached hereto as **Appendix “J”** which is a directory guide prepared for the convenience of and to assist the Claims Administrator in the determination of whether a Succession Claimant meets the *Blais* Eligibility Criteria to be an Eligible *Blais* Class Member who will receive a Compensation Payment.

“Proof of Claim Review Checklist for Tobacco-Victim Claims” means the checklist attached hereto as **Appendix “I”** which is a directory guide prepared for the convenience of and to assist the Claims Administrator in the determination of whether a Tobacco-Victim Claimant meets the *Blais* Eligibility Criteria to be an Eligible *Blais* Class Member who will receive a Compensation Payment.

“Proof of Diagnosis” means the proof of diagnosis of a *Blais* Compensable Disease and the date of diagnosis, by way of either an Official Confirmation or Alternative Proof.

“Proof of Smoking History” means proof of a Tobacco-Victim’s smoking history made in the Tobacco-Victim Claim Form or the Succession Claim Form, as applicable.

“Proof of Succession Status” means proof in the manner provided for in paragraphs 38.1 to 38.6 of the Quebec Administration Plan.

“Provinces” means, for the purpose of the Quebec Administration Plan, collectively, the geographic regions of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, and Newfoundland and Labrador, and **“Province”** means any one of these geographic regions.

“QCAP Claim” means any Claim that has been advanced, could have been advanced or could be advanced in the following class actions or in any other similar proceedings, whether before or after the Effective Time:

- (a) *Conseil québécois sur le tabac et la santé et Jean-Yves Blais c. Imperial Tobacco Ltée, Rothmans, Benson & Hedges inc. et JTI-MacDonald Corp.* (Quebec Superior Court, Court File No. 500-06-00076-980); and
- (b) *Létourneau c. Imperial Tobacco Ltée, Rothmans Benson & Hedges Inc. et JTI MacDonald Corp.* (Quebec Superior Court, Court File No. 500-06-000070-983),

including the judgment of the Honourable Justice Brian Riordan dated May 27, 2015 as rectified on June 9, 2015, and the judgment of the Court of Appeal of Quebec dated March 1, 2019, and any such Claim that is a Section 5.1(2) Claim or Section 19(2) Claim.

“QCAP Claims Administration” has the meaning given in the definition of Global Claims Administration Costs Framework.

“QCAP Settlement Amount” means the amount allocated from the Global Settlement Amount and paid for the benefit of the QCAPs in settlement of the Tobacco Companies’ liability pursuant

to the judgments rendered in the Quebec Class Actions, as set forth in as set forth in Article 16, Sections 16.1, 16.2 and 16.3 of the CCAA Plans.

“QCAP Trust Account” means the designated trust account or trust accounts held in the Bank for the benefit of the Quebec Class Action Plaintiffs and into which the QCAP Settlement Amount shall be paid and deposited from the Global Settlement Trust Account.

“Quebec Cancer Registry” means the Registre québécois du cancer (RQC) of the MSSS held by RAMQ which contains personal information on cases of cancer in Quebec.

“Quebec Class Action Administration Plan”, or “Quebec Administration Plan”, means the document (with attached appendices) that is subject to the approval of the CCAA Court setting out the process by which the Quebec Class Action Plaintiffs may submit claims for a Compensation Payment pursuant to the *Blais* Judgment, the process of administering such claims, and the joint oversight and supervision thereof by the CCAA Court and the Superior Court of Quebec.

“Quebec Class Action Call Centre” means the Call Centre maintained by Raymond Chabot and the Quebec Class Counsel.

“Quebec Class Action Plaintiffs”, or “QCAPs”, means individuals who meet the criteria of the certified class definitions in the Quebec Class Actions.

“Quebec Class Action Website” means the secure website at www.recourstabac.com maintained by Raymond Chabot and the Quebec Class Counsel.

“Quebec Class Actions” means, collectively, (i) *Conseil québécois sur le tabac et la santé et al. v. JTI-Macdonald Corp. et al.*, Court File No. 500-06-000076-980 (Montreal, Quebec), and (ii) *Cecilia Létourneau et al. v. Imperial Tobacco Canada Ltd., et al.*, Court File No. 500-06-000070-983 (Montreal, Quebec).

“Quebec Class Counsel” means, collectively, the law practices of Trudel Johnston & Lespérance s.e.n.c., Kugler Kandestin s.e.n.c.r.l., L.L.P., De Grandpré Chait s.e.n.c.r.l., L.L.P., and Fishman Flanz Meland Paquin s.e.n.c.r.l., L.L.P.

“Quebec Class Counsel Fee” means the amount that is subject to the approval of the CCAA Court that will be payable from the QCAP Settlement Amount to Quebec Class Counsel, and to any legal counsel providing services to the Quebec Class Counsel in connection with the CCAA Proceedings, the Quebec Class Actions and/or any other proceedings on behalf of the *Blais* Class Members and/or *Létourneau* Class Members, in respect of their fees, disbursements and costs as Quebec Class Counsel, and any GST, QST, HST and other applicable taxes payable thereon.

“Quebec Superior Court” means the Superior Court of Quebec, Class Action Division, at Montreal.

“RAMQ” means the Régie de l’assurance maladie du Québec.

“Raymond Chabot” means Raymond Chabot Administrateur Provisaires Inc. and its Affiliates.

“RBH” means Rothmans, Benson & Hedges Inc.

“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) JT International Group Holding B.V.,
- (i) the ITCAN Subsidiaries,
- (j) B.A.T. Investment Finance p.l.c.,
- (k) B.A.T Industries p.l.c.,
- (l) British American Tobacco (Investments) Limited,
- (m) Carreras Rothmans Limited,
- (n) Philip Morris U.S.A. Inc.,
- (o) Philip Morris Incorporated,
- (p) Philip Morris Global Brands Inc.,
- (q) Philip Morris S.A.,
- (r) Rothmans Inc.,
- (s) Ryesekks p.l.c.,
- (t) Altria Group, Inc.,
- (u) R.J. Reynolds Tobacco Company,
- (v) R.J. Reynolds Tobacco International Inc.,
- (w) RJR Nabisco, Inc.,

- (x) JT International SA,
- (y) JT Canada LLC Inc.,
- (z) Japan Tobacco Inc.,
- (aa) JTIM TM,
- (bb) Canadian Tobacco Manufacturers' Council, and
- (cc) every other current or former Affiliate of any of the companies listed in subparagraphs (a) to (aa) herein, and each of their respective indemnitees,

and “**Released Party**” means any of them. Each Released Party includes their respective Representatives.

“**Representatives**” means, in respect of a Person, as may be applicable, such Person’s past, present or future representatives, predecessors, successors, executors, trustees, heirs, dependents, children, siblings, parents, administrators, executors, directors, officers, shareholders, partners, employees, servants, agents, consultants, legal counsel and advisers, including their respective successors and assigns, and each of their respective directors, officers, partners and employees.

“**Request for Review**” has the meaning given in paragraph 28.1 of the Quebec Administration Plan and is in the form attached hereto as **Appendix “M”**.

“**Residual Funds**” means any residual funds that may remain from the Quebec Settlement Amount after the payment in full of (i) all Compensation Payments to all Eligible *Blais* Class Members, and (ii) the Quebec Class Counsel Fee.

“**Retention Period**” has the meaning given in paragraph 59.1 of the Quebec Administration Plan.

“**Review Officer**” means a senior employee or officer of the Claims Administrator who is screened from the Claims Process and whose role is designated solely to review upon an independent basis

any Requests for Review that may be submitted to the Claims Administrator by Tobacco-Victim Claimants or Succession Claimants and decide whether to confirm, reverse or vary the Claims Administrator's decision.

“Sanction Hearing” means the hearing before the CCAA Court in respect of the Sanction Orders.

“Sanction Orders” means the orders of the CCAA Court, among other things, sanctioning the CCAA Plans of Imperial, RBH and JTIM and granting, approving and declaring the settlements, compromises and releases, as applicable, contemplated by the CCAA Plans.

“Section 5.1(2) Claims” means any Claims against the directors of ITCAN, ITCO, RBH or JTIM that:

- (a) arose before the commencement of the CCAA Proceeding;
- (b) relate to the obligations of ITCAN, ITCO, RBH or JTIM where the directors are by law liable in their capacity as directors for the payment of such obligations; and
- (c) either relate to contractual rights of one or more creditors, or are based on allegations of misrepresentations made by directors to creditors, or of wrongful or oppressive conduct by directors.

“Section 19(2) Claims” means any Claims against ITCAN, ITCO, RBH or JTIM that relate to any of the following debts or liabilities, present or future, to which ITCAN, ITCO, RBH or JTIM is subject on the day on which the CCAA Proceeding commenced, or to which ITCAN, ITCO, RBH or JTIM may become subject before the compromise or arrangement is sanctioned by reason of any obligation incurred by ITCAN, ITCO, RBH or JTIM before the day on which the CCAA Proceeding commenced, unless the compromise or arrangement in respect of ITCAN, ITCO, RBH or JTIM explicitly provides for the Claim's compromise, and the creditor in relation to that debt has voted for the acceptance of the compromise or arrangement:

- (a) any fine, penalty, restitution order or other order similar in nature to a fine, penalty or restitution order, imposed by a court in respect of an offence;
- (b) any award of damages by a court in civil proceedings in respect of:
 - (i) bodily harm intentionally inflicted, or sexual assault, or
 - (ii) wrongful death resulting from an act referred to in subparagraph (i);
- (c) any debt or liability arising out of fraud, embezzlement, misappropriation or defalcation while acting in a fiduciary capacity or, in Quebec, as a trustee or an administrator of the property of others;
- (d) any debt or liability resulting from obtaining property or services by false pretences or fraudulent misrepresentation, other than a debt or liability of the company that arises from an equity claim; or
- (e) any debt for interest owed in relation to an amount referred to in any of paragraphs (a) to (d).

“Smoking History” means the number of pack-years smoked by a Tobacco-Victim between January 1, 1950 and November 20, 1998.

“Subsequent Annual Global Claims Administration Costs Budget” means, for each twelve calendar month period following the end of the twelve calendar month period covered by the First Annual Global Claims Administration Costs Budget until the PCC Claims Administration and the QCAP Claims Administration, respectively, are complete (i) each subsequent budget for the PCC Claims Administration, and (ii) each subsequent budget for the QCAP Claims Administration that the Claims Administrator and PCC Agent shall provide to the CCAA Plan Administrators and is subject to the joint approval of the CCAA Court and the Quebec Superior Court in accordance with the terms of the Claims Administrator Order.

“**Subsidiary**” has the meaning attributed thereto in Section 2(5) of the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended.

“**Succession Claim**” means the QCAP Claim of a Succession Claimant which is submitted to the Claims Administrator using the Succession Claim Form.

“**Succession Claim Form**” means the form attached hereto as **Appendix “E”** which a Succession Claimant is required to complete and submit to the Claims Administrator in order to make a Succession Claim pursuant to the Quebec Administration Plan.

“**Succession Claimant**” means a person who asserts a Succession Claim pursuant to the Quebec Administration Plan.

“**Succession Class Member**” means a Blais Class Member that either (i) represents the Estate of a deceased Tobacco-Victim; or (ii) is an Heir of a deceased Tobacco-Victim.

“**Supporting Documents**” means all documents submitted to the Claims Administrator by the Tobacco-Victim Claimant or Succession Claimant in support of a Proof of Claim, including the documents submitted by Succession Claimants pursuant to sections 35.3 and 35.4 of the Quebec Administration Plan.

“**Tax Refund Cash Payments**” has the meaning given in Article 5, Section 5.6 of the CCAA Plans.

“**Territories**” means, for the purpose of the Quebec Administration Plan, collectively, the geographic regions of Yukon, Northwest Territories and Nunavut, and “**Territory**” means any one of these geographic regions.

“**Throat Cancer**” means primary cancer (squamous cell carcinoma) of the Larynx, Oropharynx or Hypopharynx.

“Tobacco Companies” means, collectively, ITCAN, ITCO, RBH and JTIM, and **“Tobacco Company”** means any one of them.

“Tobacco Producers” means, collectively, the Ontario Flue-Cured Tobacco Growers’ Marketing Board, Andy J. Jacko, Brian Baswick, Ron Kichler, Arpad Dobrentey and all other tobacco growers and producers who sold their tobacco through the Ontario Flue-cured Tobacco Growers’ Marketing Board pursuant to the annual Heads of Agreement made by the Ontario Flue-cured Tobacco Growers’ Board with ITCAN, RBH and JTIM from January 1, 1986 to December 31, 1996, and **“Tobacco Producer”** means any one of them.

“Tobacco Product” means any product made in whole or in part of tobacco that is intended for human consumption or use, including any component, part, or accessory of or used in connection with a tobacco product, including cigarettes, tobacco sticks (intended for smoking and requiring further preparation before they are smoked), loose tobacco intended for incorporation into cigarettes, cigars, cigarillos, pipe tobacco, kreteks, bidis and smokeless tobacco (including chewing tobacco, nasal snuff and oral snuff), but does not include any Alternative Product.

“Tobacco-related Disease” means a disease or other illness or harm caused or contributed to by the use of or exposure (whether directly or indirectly) to a Tobacco Product.

“Tobacco-Victim” means any Individual who suffers or suffered from a Tobacco-related Disease.

“Tobacco-Victim Claim” is the QCAP Claim of a Tobacco-Victim which is submitted to the Claims Administrator using the Tobacco-Victim Claim Form.

“Tobacco-Victim Claim Form” means the form attached hereto as **Appendix “C”** which a Tobacco-Victim Claimant is required to complete and submit to the Claims Administrator in order to make a Tobacco-Victim Claim pursuant to the Quebec Administration Plan.

“Tobacco-Victim Claimant” means a person who asserts a Tobacco-Victim Claim pursuant to the Quebec Administration Plan.

“Twelve Pack-Years” means the equivalent of a minimum of 87,600 cigarettes, namely any combination of the number of cigarettes smoked in a day multiplied by the number of days of consumption insofar as the total is equal to or greater than 87,600 cigarettes. For example, Twelve Pack-Years equals:

- (a) 20 cigarettes a day for 12 years ($20 \times 365 \times 12 = 87,600$); or
- (b) 30 cigarettes a day for 8 years ($30 \times 365 \times 8 = 87,600$); or
- (c) 10 cigarettes a day for 24 years ($10 \times 365 \times 24 = 87,600$ “.

“Upfront Contributions” has the meaning given in Article 5, Section 5.4 of the CCAA Plans, and **“Upfront Contribution”** means any one of them.

2. Form of Documents

- 2.1 Any reference in this document to a notice, form, statutory declaration, acknowledgement, checklist, agreement, application or other document being in a particular form means that such document shall be substantially in such form.

3. Headings

- 3.1 The division of this document into “Sections” and “paragraphs”, the insertion of a table of contents and headings, and the appending of Appendices are for the convenience of reference only and do not affect the construction or interpretation of the provisions herein governing the Quebec Administration Plan.

4. Extended Meanings

- 4.1 In this document, the use of words in the singular or plural, or with a particular gender, including a definition, will not limit the scope or exclude the application of any provision

of the CCAA Plan or a schedule thereto to such Person (or Persons) or circumstances as the context otherwise permits.

5. Terms of Inclusion

- 5.1 In this document, the words “includes” and “including” and similar terms of inclusion shall not, unless expressly modified by the words “only” or “solely”, be construed as terms of limitation, but rather shall mean “includes but is not limited to” and “including but not limited to”, so that references to included matters shall be regarded as illustrative without being either characterizing or exhaustive.

6. Acts to Occur on Next Business Day

- 6.1 Where any payment, distribution or act pursuant to this document is required to be made or performed on a date that is not a Business Day, then the making of such payment or distribution, or the performance of the act, may be completed on the next succeeding Business Day, but shall be deemed to have been completed as of the required date.

7. Changes to Quebec Administration Plan

- 7.1 After the Plan Implementation Date, no changes, modifications or revisions shall be made to the Quebec Administration Plan without the joint approval of the CCAA Court and the Quebec Superior Court. The CCAA Plan Administrators, Claims Administrator and Quebec Class Counsel are the only persons who are entitled to apply to the CCAA Court and the Quebec Superior Court to seek a revision to the terms of the Quebec Administration Plan.
- 7.2 Notwithstanding paragraph 7.1 herein, the Claims Administrator may make revisions to the claims forms which are Schedules to the Quebec Administration Plan provided that (i) the proposed revisions are not substantive and are consistent with the terms of Quebec Administration Plan, (ii) the Claims Administrator has first reviewed the proposed non-substantive revisions with the Administrative Coordinator, and (iii) the Administrative

Coordinator has approved such revisions. The Administrative Coordinator shall advise the CCAA Plan Administrators and Quebec Class Counsel in writing of any revisions made to the claims forms.

8. Currency

- 8.1 All monetary amounts referenced in this document are expressed in the lawful currency of Canada.

9. No Other Obligations of Tobacco Companies

- 9.1 As more particularly set forth in Article 18, Sections 18.1.1, 18.1.2, 18.1.3, 18.1.8, 18.1.9 and 18.1.10 of the CCAA Plans and the Claimant Contractual Releases which are Schedule “T” to Imperial’s CCAA Plan and Schedule “W” to the CCAA Plans of RBH and JTIM, at the Effective Time all QCAP Claims shall be deemed to be fully, finally, irrevocably and unconditionally released and forever discharged against the Released Parties, and the Released Parties shall have no further liability to the Quebec Class Action Plaintiffs except as set out in the Definitive Documents and this document which gives effect to the Quebec Administration Plan.
- 9.2 For greater certainty, the terms of the CCAA Plans and the Claimant Contractual Releases, and not paragraph 9.1 herein, govern the scope of the release provided to the Released Parties.

10. Appendices

- 10.1 The following Appendices regarding the Quebec Administration Plan are incorporated into this document and form part of it as fully as if contained in the body of this document and must be read in conjunction therewith. In the event of a contradiction between the content of the body of this document and the content of the body of one of the Appendices below, the language of the body of this document shall govern:

- Appendix “A”: *Blais* First Notice
- Appendix “B”: Notice of Rejection of *Blais* Claim
- Appendix “C”: Tobacco-Victim Claim Form
- Appendix “D”: Physician Form
- Appendix “E”: Succession Claim Form
- Appendix “F”: Rules for Legal Successions in the *Civil Code of Quebec* (in the absence of a will)
- Appendix “G”: Decision Tree entitled “Determination of whether Canadian Residents qualify to receive Compensation either pursuant to *Blais* Judgment or from Pan-Canadian Claimants’ Compensation Plan”
- Appendix “H”: Acknowledgment of Receipt of *Blais* Claim
- Appendix “I”: Proof of Claim Review Checklist for Tobacco-Victim Claims
- Appendix “J”: Proof of Claim Review Checklist for Succession Claims
- Appendix “K”: Notice of Incomplete *Blais* Claim
- Appendix “L”: Notice of Acceptance of *Blais* Claim
- Appendix “M”: Request for Review Form
- Appendix “N”: Acknowledgment of Receipt of Request for Review
- Appendix “O”: Brands of Cigarettes sold by Canadian Tobacco Companies in Canada between January 1, 1950 and November 20, 1998
- Appendix “P”: Notice to Provide Alternative Proof

**SECTION II – ROLES OF CCAA COURT, QUEBEC SUPERIOR COURT,
ADMINISTRATIVE COORDINATOR, CLAIMS ADMINISTRATOR
AND QUEBEC CLASS COUNSEL**

11. Role of CCAA Court and Quebec Superior Court

- 11.1 The CCAA Court shall have an ongoing supervisory role in respect of the administration of the CCAA Plans, including the Quebec Administration Plan.

11.2 As described in paragraphs 11.2.1, 11.2.2 and 11.2.3 herein, the CCAA Court’s oversight of the Quebec Administration Plan shall be exercised in a joint and coordinated manner with the Quebec Superior Court as follows:

11.2.1 The CCAA Court and the Quebec Superior Court may establish a protocol for communications between one another to discuss, on an ongoing basis, matters relating to their co-supervision of the administration of the Quebec Administration Plan, including issues which are specifically referred for resolution to the CCAA Court and the Quebec Superior Court by the CCAA Plan Administrators. In resolving such referred matters, the CCAA Court and the Quebec Superior Court may, in their discretion, issue orders and/or provide such directions as are appropriate to facilitate the fair, efficient and timely administration of the Quebec Administration Plan;

11.2.2 The CCAA Court shall hear and determine proceedings addressing the following matters:

11.2.2.1 A motion by the Court-Appointed Mediator and the Monitors for orders approving and sanctioning the CCAA Plans, which shall include the approval of both the Quebec Administration Plan (Schedule “K” to Imperial’s CCAA Plan and Schedule “N” to RBH’s and JTIM’s CCAA Plans) and the PCC Compensation Plan (Schedule “P” to Imperial’s CCAA Plan and Schedule “S” to RBH’s and JTIM’s CCAA Plans);

11.2.2.2 The approval and appointment of the Claims Administrator;

11.2.2.3 The approval and appointment of the Administrative Coordinator;

11.2.2.4 The approval of the *Blais* Notice Plan;

- 11.2.2.5 The approval of the retainer agreement respecting fees and disbursements between the Quebec Class Counsel and the representative plaintiffs, and the approval of the Quebec Class Counsel Fee; and
 - 11.2.2.6 Any matters which are referred for joint determination by the CCAA Court and the Quebec Superior Court.
- 11.2.3 The Quebec Superior Court shall hear and determine proceedings addressing the following matters:
- 11.2.3.1 A motion to be brought in the *Blais* Class Action by the Quebec Class Counsel: (a) requesting that the Quebec Superior Court come in aid, recognize, assist and give full force and effect to the extent necessary to the orders issued by the CCAA Court in the CCAA Proceedings, including in respect of the sanction of the CCAA Plans and the approval of the Quebec Administration Plan; (b) seeking orders authorizing and directing the MSSS and RAMQ to provide to the Claims Administrator Official Confirmations (i) from the Quebec Cancer Registry of Tobacco-Victims' diagnoses of Lung Cancer or Throat Cancer, and (ii) from MED-ÉCHO of Tobacco-Victims' diagnoses of Emphysema/COPD (GOLD Grade III or IV); and (c) if deemed feasible by Quebec Class Counsel, seeking an order directing the MSSS to effect direct notification of the Quebec Administration Plan to potential *Blais* Class Members on the Quebec Cancer Registry;
 - 11.2.3.2 Motions seeking the Closing Judgment to be brought in the *Blais* Class Action and the *Létourneau* Class Action by the Quebec Class Counsel after the Claims Process has ended and all Eligible *Blais* Class Members have been paid their Compensation Payments; and

- 11.2.3.3 Any matters which are referred for joint determination by the CCAA Court and the Quebec Superior Court.

12. Role of Administrative Coordinator

- 12.1 The Administrative Coordinator's role in regard to the administration of the Quebec Administration Plan and the administration of the PCC Compensation Plan is as follows:

12.1.1 The Administrative Coordinator will coordinate and serve as a liaison and conduit to facilitate the flow of information between the Claims Administrator and the CCAA Plan Administrators in regard to both the Quebec Administration Plan and the PCC Compensation Plan. Where the Claims Administrator requires directions from either the CCAA Plan Administrators directly, or jointly from the CCAA Court and the Quebec Superior Court through the CCAA Plan Administrators, the Administrative Coordinator will bring the Claims Administrator's request to the CCAA Plan Administrators and notify the Quebec Class Counsel;

12.1.2 The Administrative Coordinator may also assist the Claims Administrator to address issues that may arise from time to time in the interpretation, implementation and ongoing administration of the Quebec Administration Plan and that, in the opinion of the Administrative Coordinator, (i) are possible of resolution short of obtaining direction from the CCAA Court and the Quebec Superior Court, (ii) where such an approach is appropriate in the circumstances, and (iii) where the resolution of the issue does not require the sanction of either the CCAA Plan Administrators or the CCAA Court and the Quebec Superior Court, as the case may be;

12.1.3 If the Administrative Coordinator and the Claims Administrator are unable to resolve an issue relating to the Quebec Administration Plan, then the Administrative Coordinator will refer the matter to the CCAA Plan Administrators who may, in their discretion, refer the matter jointly to the CCAA

Court and the Quebec Superior Court for resolution or directions in accordance with paragraph 11.2 herein. The CCAA Plan Administrators will advise the Quebec Class Counsel of all such matters that they refer jointly to the CCAA Court and the Quebec Superior Court; and

- 12.1.4 The Administrative Coordinator may also work with the Claims Administrator to coordinate the harmonization of the claims administration of the *Blais* Judgment under the Quebec Administration Plan and the claims administration of the PCC Compensation Plan in accordance with the harmonization principles set out in Section VII herein.

13. Costs of Administrative Coordinator

- 13.1 All fees, costs, disbursements, expenses and other expenditures of the Administrative Coordinator, including for the services of any legal or other advisors, shall be paid directly by the Tobacco Companies and shall not be deducted from the QCAP Settlement Amount or the PCC Compensation Plan Amount.

14. Appointment and Court Approval of Claims Administrator

- 14.1 The Claims Administrator of the Quebec Administration Plan is to be identified and recommended by the Court-Appointed Mediator and the Monitors for approval and appointment by the Order of the CCAA Court at the Sanction Hearing.
- 14.2 The Claims Administrator shall be neutral and independent from the Quebec Class Action Plaintiffs (including the *Blais* Class Members and the *Létourneau* Class Members), Quebec Class Counsel, Raymond Chabot, Pan-Canadian Claimants, PCC Representative Counsel, Tobacco Companies, Claimants, CCAA Plan Administrators, Administrative Coordinator and Court-Appointed Mediator. The Claims Administrator may, in its discretion, retain its own legal or other advisors.

- 14.3 In respect of all decisions regarding the implementation and execution of the Quebec Administration Plan, the Claims Administrator shall not collaborate or consult with or seek any advice, instructions or directions from the Quebec Class Counsel. Notwithstanding the above, the Quebec Class Counsel shall communicate and cooperate with the Claims Administrator and the Administrative Coordinator so as to fulfill their duties and responsibilities to the *Blais* Class Members.

15. Provision of Services in English and French

- 15.1 The Claims Administrator shall provide services including the forms and documents that are Appendix “A” through Appendix “P” hereto, in both English and French. All communications between the Claims Administrator and the Tobacco-Victim Claimants, Succession Claimants and *Blais* Class Members shall be in the official language chosen by the Tobacco-Victim Claimants, Succession Claimants and *Blais* Class Members.

16. Costs of Claims Administrator

- 16.1 All Costs for the services of the Claims Administrator, including for the services of any of its legal or other advisors, incurred in respect of the administration of the Quebec Administration Plan shall be paid from the balance of the QCAP Settlement Amount net of the Quebec Class Counsel Fee.
- 16.2 The payment of the costs, fees and disbursements incurred by the Claims Administrator in respect of the administration of the Quebec Administration Plan shall be governed by the terms of the Claims Administrator Order.

17. Role of Quebec Class Counsel

- 17.1 The Quebec Class Counsel have a traditional solicitor-client relationship with the *Blais* Class Members and the *Létourneau* Class Members and a duty to act in the best interests of the classes as a whole and will represent their interests in regard to the Claims Process.

- 17.2 The Quebec Class Counsel may assist Tobacco-Victim Claimants and Succession Claimants to complete and submit their Proofs of Claim to the Claims Administrator.
- 17.3 The Quebec Class Counsel have retained Raymond Chabot to assist Quebec Class Counsel to perform their duties as class counsel. All costs for the services of Raymond Chabot shall be paid directly out of the Quebec Class Counsel Fee.
- 17.4 The Quebec Class Counsel will bring a motion before the Quebec Superior Court seeking orders authorizing and directing the MSSS and RAMQ to provide to the Claims Administrator Official Confirmations (i) from the Quebec Cancer Registry of Tobacco-Victims' diagnoses of Lung Cancer or Throat Cancer, and (ii) from MED-ÉCHO of Tobacco-Victims' diagnoses of Emphysema/COPD (GOLD Grade III or IV).
- 17.5 While no appeals, requests for review, or requests for direction to the CCAA Court or the Quebec Superior Court shall be permitted to be brought in respect of individual QCAP Claims under the Quebec Administration Plan, in the event an issue arises that is of significant general application to the Claims Process for *Blais* Class Members as a whole, Quebec Class Counsel shall in the first instance attempt to resolve the issue informally with the Administrative Co-ordinator and Claims Administrator. If the issue cannot be resolved informally, then, subject to section 7.1, Quebec Class Counsel may bring a request for directions jointly to the CCAA Court and the Quebec Superior Court for determination.
- 17.6 The Quebec Class Counsel may liaise with the Claims Administrator and/or the Administrative Coordinator regarding matters relating to the Quebec Administration Plan and its implementation, including informing them of any difficulties faced by *Blais* Class Members as a whole in connection with the Claims Process and making suggestions in that regard.

PART B: QUEBEC ADMINISTRATION PLAN

SECTION I – NOTICE OF QUEBEC ADMINISTRATION PLAN

18. Duties and Responsibilities of Claims Administrator

- 18.1 The Claims Administrator will design the *Blais* Notice Plan which must effectively reach prospective Tobacco-Victim Claimants and Succession Claimants and capture their attention with notices communicated in clear, concise, plain language so that they fully understand their rights and options (“***Blais* Notices**”). The *Blais* Notice Plan may include communications in newspapers, other print media, television, radio, social media, other digital media and direct communications where appropriate in order to reach as many prospective Tobacco-Victim Claimants and Succession Claimants in Quebec as possible. The *Blais* Notice Plan shall be subject to CCAA Court approval.
- 18.2 The Claims Administrator shall implement and manage the *Blais* Notice Plan pursuant to which prospective Tobacco-Victim Claimants and Succession Claimants will be informed about the Quebec Administration Plan and be provided with ongoing notice throughout the *Blais* Claims Submission Period.
- 18.3 The *Blais* Notices shall:
- 18.3.1 Provide a description of the Quebec Administration Plan to prospective Tobacco-Victim Claimants and Succession Claimants, including the *Blais* Eligibility Criteria;
 - 18.3.2 Provide prospective Tobacco-Victim Claimants and Succession Claimants with notice of the date upon which the *Blais* Claims Submission Period commences, as well as the *Blais* Claims Application Deadline;

- 18.3.3 Explain the Claims Process and invite prospective Tobacco-Victim Claimants and Succession Claimants to submit a completed Proof of Claim to the Claims Administrator;
- 18.3.4 Provide contact information for the Claims Administrator, including the URL for the Claims Administrator's website which will contain links to the forms comprising the Proof of Claim, and the telephone number for the Call Centre; and
- 18.3.5 Provide contact information for Quebec Class Counsel through the Quebec Class Action Website and the Quebec Class Action Call Centre.

19. Form and Content of *Blais* Notices

- 19.1 All *Blais* Notices shall be published in both English and French.
- 19.2 The ***Blais* First Notice** to prospective Tobacco-Victim Claimants and Succession Claimants notifying them of the CCAA Court's approval of the Quebec Administration Plan, the commencement of the *Blais* Claims Submission Period, the Claims Process and the *Blais* Claims Application Deadline for Tobacco-Victim Claimants and Succession Claimants to submit their completed Proof of Claim to the Claims Administrator is subject to the approval of the CCAA Court as part of the approval of the Notice Plan. Attached hereto as **Appendix "A"** is a version of the *Blais* First Notice that is provided for guidance only to assist the understanding of the Claim Administrator which shall be responsible for designing, implementing and managing the *Blais* Notice Plan pursuant to which prospective Tobacco-Victim Claimants and prospective Succession Claimants will be informed about the Quebec Administration Plan and be provided with ongoing notice throughout the *Blais* Claims Submission Period. The *Blais* First Notice shall be in final form and ready to be published at the Effective Time, which is the commencement of the *Blais* Claims Submission Period.

20. Costs of *Blais* Notice Plan

- 20.1 The projected costs for all services to be rendered by the Claims Administrator in connection with the *Blais* Notice Plan, as well as the costs to publish notice to prospective Tobacco-Victim Claimants and prospective Succession Claimants in Quebec through communications in newspapers, other print media, television, radio, social media, other digital media and direct communications where appropriate shall be set out in the Global Claims Administration Costs Framework and otherwise governed by the terms of the Claims Administrator Order. The projected costs of the Global Claims Administration Costs Framework for the *Blais* Notice Plan shall be subject to the approval of the CCAA Court.
- 20.2 All fees, disbursements, costs and other expenses associated with the *Blais* Notice Plan shall be paid directly by the Tobacco Companies and shall not be deducted from the QCAP Settlement Amount.
- 20.3 The payment of the costs, fees and disbursements incurred by the Claims Administrator in connection with the *Blais* Notice Plan shall be governed by the terms of the Claims Administrator Order.

SECTION II – COMMUNICATIONS BY CLAIMS ADMINISTRATOR

21. Duties and Responsibilities of Claims Administrator

- 21.1 The Claims Administrator shall establish and operate a toll-free Call Centre providing services in English and French to respond to inquiries from and provide information to Tobacco-Victim Claimants and Succession Claimants, and prospective Tobacco-Victim Claimants and Succession Claimants, regarding the Quebec Administration Plan and the Claims Process. The Call Centre shall operate from 9:00 a.m. to 9:00 p.m. Eastern Time, Monday to Friday, or such further extended hours as may be determined by the Claims Administrator to be necessary for the efficient administration of the Quebec Administration Plan.

- 21.2 The Claims Administrator shall develop, host, maintain and manage an accessible website where Tobacco-Victim Claimants and Succession Claimants, and prospective Tobacco-Victim Claimants and Succession Claimants, may access:
- 21.2.1 Information, documents, and Frequently Asked Questions and Answers regarding the Quebec Administration Plan and the Claims Process;
 - 21.2.2 Updates regarding the Claims Administrator's progress in administering the Quebec Administration Plan and an explanation for any delays in processing the Tobacco-Victim Claims and the Succession Claims;
 - 21.2.3 Information regarding the status of their Tobacco-Victim Claim or Succession Claim, as applicable, including whether the Official Confirmation of the diagnosis with a *Blais* Compensable Disease has been received by the Claims Administrator, and whether Alternative Proof has been requested and received; and
 - 21.2.4 Contact information for the Claims Administrator.

SECTION III – *BLAIS* CLAIMS SUBMISSION PERIOD AND *BLAIS* CLAIMS APPLICATION DEADLINE

22. *Blais* Claims Submission Period and *Blais* Claims Application Deadline

- 22.1 The *Blais* Claims Submission Period shall commence at the Effective Time and run for twelve months until the *Blais* Claims Application Deadline. The *Blais* Claims Submission Period may be extended jointly by the CCAA Court and the Quebec Superior Court if it is deemed necessary and expedient to do so as the implementation of the Quebec Administration Plan unfolds.
- 22.2 All Proofs of Claim must be submitted to the Claims Administrator:

- 22.2.1 Online at [\[insert URL for website of Claims Administrator\]](#) by no later than 5:00 p.m. Eastern Time on the *Blais* Claims Application Deadline;
 - 22.2.2 By email to [\[insert Claims Administrator's email address\]](#) by no later than 5:00 p.m. Eastern Time on the *Blais* Claims Application Deadline;
 - 22.2.3 By facsimile transmission to [\[insert fax number of Claims Administrator\]](#) by no later than 5:00 p.m. Eastern Time on the *Blais* Claims Application Deadline;
or
 - 22.2.4 If sent by registered mail to the following address [\[insert address of Claims Administrator\]](#), postmarked by no later than the *Blais* Claims Application Deadline.
- 22.3 Any Proofs of Claim, or forms or documents comprising parts of Proofs of Claim, submitted to the Claims Administrator after 5:00 p.m. Eastern Time on the *Blais* Claims Application Deadline shall not be accepted by the Claims Administrator which shall send to the Tobacco-Victim-Claimant or Succession Claimant, as applicable, a **Notice of Rejection of *Blais* Claim** in the form set out in **Appendix “B”**.
- 22.4 For clarity, notwithstanding paragraph 22.3, if, pursuant to paragraph 35.4 herein, the Claims Administrator issues a Notice to Provide Alternative Proof in respect of a Proof of Claim, then the Tobacco-Victim Claimant or Succession Claimant shall have 120 days from the date on which the Claims Administrator issued the Notice to Provide Alternative Proof to submit their Alternative Cancer Proof or Alternative Emphysema/COPD (GOLD Grade III or IV) Proof, as applicable, to the Claims Administrator. Similarly, if pursuant to paragraph 26.6 herein, the Claims Administrator issues a Notice of Incomplete *Blais* Claim in respect of a Proof of Claim, then the Tobacco-Victim Claimant or the Succession Claimant shall have 60 days from the date on which the Claims Administrator issued the Notice of Incomplete *Blais* Claim to submit the completed Proof of Claim to the Claims Administrator.

SECTION IV – SUBMISSION OF TOBACCO-VICTIM CLAIMS AND SUCCESSION CLAIMS

23. **Proof of Claim required to be submitted to Claims Administrator by Tobacco-Victim Claimants and Succession Claimants**

23.1 To make a QCAP Claim to the Quebec Administration Plan, a Tobacco-Victim Claimant, or their Legal Representative as applicable, shall be required to submit to the Claims Administrator by the *Blais* Claims Application Deadline a Proof of Claim comprised of all the following fully completed documents:

23.1.1 The **Tobacco-Victim Claim Form** in the form set out in **Appendix “C”**. If a Legal Representative of the Tobacco-Victim Claimant is assisting the Tobacco-Victim Claimant to submit their Tobacco-Victim Claim, they must complete the Tobacco-Victim Claim Form with all requested documents attached to establish that the Legal Representative has the right and is duly authorized to make a Tobacco-Victim Claim on behalf of the Tobacco-Victim Claimant; and

23.1.2 Only if the Claims Administrator requests that the Tobacco-Victim Claimant submit an Alternative Cancer Proof or an Alternative Emphysema/COPD (GOLD Grade III or IV) Proof, the documents which meet the requirements set out in paragraphs 36.1, 36.2, 37.1 and 37.2 herein to provide evidence that the Tobacco-Victim was diagnosed with Lung Cancer, Throat Cancer or Emphysema/COPD (GOLD Grade III or IV) before March 12, 2012 (“***Blais* Claims Period**”).

23.2 To make a QCAP Claim to the Quebec Administration Plan, a Succession Claimant shall be required to submit to the Claims Administrator by the *Blais* Claims Application Deadline a Proof of Claim comprised of all the following fully completed documents:

23.2.1 The **Succession Claim Form** in the form set out in **Appendix “E”** with all requested documents attached to establish that the Succession Claimant has the right and is duly authorized to make a Succession Claim on behalf of the

Tobacco-Victim Claimant's Estate in accordance with the Proof of Succession requirements set out in paragraphs 38.1 to 38.6 herein; and

- 23.2.2 Only if the Claims Administrator requests that the Succession Claimant submit an Alternative Cancer Proof or an Alternative Emphysema/COPD (GOLD Grade III or IV) Proof, the documents which meet the requirements set out in paragraphs 36.1, 36.2, 37.1 and 37.2 herein to provide evidence that the Tobacco-Victim was diagnosed with Lung Cancer, Throat Cancer or Emphysema/COPD (GOLD Grade III or IV) before March 12, 2012.
- 23.3 Tobacco-Victim Claimants and Succession Claimants may submit their Proof of Claim:
 - 23.3.1 Online on the website of the Claims Administrator at [\[insert URL for website of Claims Administrator\]](#) by no later than 5:00 p.m. Eastern Time on the *Blais* Claims Application Deadline;
 - 23.3.2 By email to [\[insert Claims Administrator's email address\]](#) by no later than 5:00 p.m. Eastern Time on the *Blais* Claims Application Deadline;
 - 23.3.3 By facsimile transmission to [\[insert fax number of Claims Administrator\]](#) by no later than 5:00 p.m. Eastern Time on the *Blais* Claims Application Deadline; or
 - 23.3.4 By registered mail, to the following address [\[insert address of Claims Administrator\]](#), postmarked by no later than the *Blais* Claims Application Deadline.
- 23.4 The Claims Administrator shall develop a process to receive and manage Proofs of Claim submitted by Tobacco Victim-Claimants and Succession Claimants in writing by registered mail, by fax, via fillable pdf or other online format, or via scanned email at the choice of the Tobacco-Victim Claimants and Succession Claimants.

- 23.5 Subject to paragraph 22.4 herein, any Proofs of Claim, or forms or documents comprising parts of Proofs of Claim, submitted to the Claims Administrator after 5:00 p.m. Eastern Time on the *Blais* Claims Application Deadline shall not be accepted by the Claims Administrator which shall send to the Tobacco-Victim Claimant or Succession Claimant, as applicable, a **Notice of Rejection of *Blais* Claim** in the form set out in **Appendix “B”**.
- 23.6 Quebec Class Counsel and Raymond Chabot may assist Tobacco-Victim Claimants and Succession Claimants with the preparation and submission of their Proof of Claim forms and documents.

SECTION V – PROCESSING OF CLAIMS

24. Decision Tree for Claims Administrator

- 24.1 **Appendix “G” is the Decision Tree entitled “Determination of whether Canadian Residents qualify to receive compensation either pursuant to *Blais* Judgment or from Pan-Canadian Claimants’ Compensation Plan”** that will guide the Claims Administrator in the determination of whether (i) a PCC-Claimant meets the PCC Eligibility Criteria to be an Eligible PCC-Claimant who will receive an Individual Payment, or (ii) a Tobacco-Victim Claimant or Succession Claimant meets the *Blais* Eligibility Criteria to be an Eligible *Blais* Class Member who will receive a Compensation Payment.
- 24.2 For greater certainty, the Decision Tree is not to be used by the CCAA Court or any Individual in the interpretation of the PCC Compensation Plan or the Quebec Administration Plan in the event of a dispute.

25. Determination of Tobacco-Victim Claims and Succession Claims in Writing

- 25.1 The Claims Administrator shall determine whether a Tobacco-Victim Claimant or Succession Claimant is eligible to receive a Compensation Payment based upon the review

of the information provided by the Tobacco-Victim Claimant or Succession Claimant in writing in the Proof of Claim.

- 25.2 In determining the eligibility of a Tobacco-Victim Claimant or Succession Claimant to receive a Compensation Payment, the Claims Administrator shall not conduct any hearing.

26. Review and Determination of Tobacco-Victim Claims and Succession Claims by Claims Administrator

- 26.1 Upon receipt of a Proof of Claim, the Claims Administrator shall send an **Acknowledgement of Receipt of *Blais* Claim** to the Tobacco-Victim Claimant or Succession Claimants, as applicable, in the form set out in **Appendix “H”**.

- 26.2 The Claims Administrator may use the **Proof of Claim Review Checklist for Tobacco-Victim Claims** in the form set out in **Appendix “I”** as a directory guide to assist the Claims Administrator to determine whether a Tobacco-Victim Claimant meets each of the *Blais* Eligibility Criteria.

- 26.3 The Claims Administrator shall use the **Proof of Claim Review Checklist for Succession Claims** in the form set out in **Appendix “J”** as a directory guide to assist the Claims Administrator to determine whether a Succession Claimant meets each of the *Blais* Eligibility Criteria.

- 26.4 The Claims Administrator shall develop and implement procedures for preventing and identifying duplicate or fraudulent Tobacco-Victim Claims and duplicate or fraudulent Succession Claims.

- 26.5 If a Proof of Claim is incomplete and the missing information is straightforward, the Claims Administrator may contact the Tobacco-Victim Claimant, Succession Claimant or Physician, as applicable, verbally or in writing to invite the Tobacco-Victim Claimant, Succession Claimant or Physician, as applicable, to provide the missing information for

insertion by the Claims Administrator on the applicable form in the Proof of Claim within a specified time period which shall not extend past the *Blais* Claims Application Deadline.

- 26.6 If the Proof of Claim is otherwise *prima facie* incomplete, for example, if the Smoking History has not been provided, the Claims Administrator shall issue a **Notice of Incomplete *Blais* Claim**, in the form attached hereto as **Appendix “K”**, advising the Tobacco-Victim Claimant or Succession Claimant of the corrective measures required to complete the Proof of Claim, and inviting the Tobacco-Victim Claimant or Succession Claimant to resubmit a revised Proof of Claim before the *Blais* Claims Application Deadline. If there are less than sixty days until the *Blais* Claims Application Deadline, or if the review of the Proof of Claim occurs after the *Blais* Claims Application Deadline has passed, then the Claims Administrator shall advise the Tobacco-Victim Claimant or Succession Claimant that they have sixty days from the date of the issuance of the Notice of Incomplete *Blais* Claim within which to resubmit a revised Proof of Claim.
- 26.7 If the Claims Administrator determines that a Tobacco-Victim Claimant or Succession Claimant meets all the *Blais* Eligibility Criteria, the Claims Administrator shall issue a **Notice of Acceptance of *Blais* Claim**, in the form set out in **Appendix “L”**, which advises that the Tobacco-Victim Claim or Succession Claim, as applicable, has been accepted. The Notice of Acceptance of *Blais* Claim shall: (i) indicate the maximum amount of the Compensation Payment that may be payable; (ii) advise that the actual quantum of the Compensation Payment that will be paid to the Tobacco-Victim Claimant or Succession Claimant will be determined on a *pro rata* basis between all *Blais* Class Members based on the number of Tobacco-Victim Claims and Succession Claims approved and the amount available for distribution to *Blais* Class Members after all claims have been received, reviewed and processed by the Claims Administrator; and (iii) advise that it is anticipated that the distribution of Compensation Payments to Class Members will commence after the *Blais* Claims Application Deadline.
- 26.8 If a Tobacco-Victim Claimant or Succession Claimant does not meet all the *Blais* Eligibility Criteria, the Claims Administrator shall issue a **Notice of Rejection of *Blais***

Claim in the form set out in **Appendix “B”** which clearly states the reason for the rejection of the Tobacco-Victim Claim or Succession Claim, as applicable.

- 26.9 The Claims Administrator will advise the Quebec Class Counsel of the decision made in respect of each Proof of Claim submitted to the Claims Administrator.

27. Death of Tobacco-Victim Claimant after Submission of Proof of Claim

- 27.1 If the Claims Administrator receives notice that a Tobacco-Victim Claimant has died after they submitted their Proof of Claim to the Claims Administrator but before they received a Compensation Payment, the Claims Administrator shall complete the review of the Proof of Claim. If the Claims Administrator determines that the Tobacco-Victim Claimant meets the *Blais* Eligibility Criteria, then the Claims Administrator shall make the Compensation Payment payable to the Estate of the Tobacco-Victim Claimant.

28. Review of Rejected Tobacco-Victim Claims and Rejected Succession Claims by Review Officer

- 28.1 When the Claims Administrator issues a Notice of Rejection of *Blais* Claim, the Tobacco-Victim Claimant or Succession Claimant, as applicable, shall also be sent a **Request for Review** in the form set out in **Appendix “M”**.
- 28.2 A Tobacco Victim-Claimant or Succession Claimant who has received a Notice of Rejection of *Blais* Claim shall have sixty days from the date that the Claims Administrator issues the Notice of Rejection of *Blais* Claim to submit a completed Request for Review and any supporting documents to the Claims Administrator. The Tobacco Victim-Claimant’s or Succession Claimant’s Request for Review shall contain a statement clearly identifying the error which they allege was made by the Claims Administrator in the review of their Tobacco-Victim Claim or Succession Claim, as applicable. If the Tobacco Victim-Claimant or Succession Claimant fails to identify the alleged error, the Tobacco-Victim Claim or Succession Claim will not be reviewed by the Review Officer.

- 28.3 Upon receipt of a Request for Review, the Claims Administrator shall send an **Acknowledgement of Receipt of Request for Review** to the Tobacco-Victim Claimant or Succession Claimant in the form set out in **Appendix “N”**.
- 28.4 The Claims Administrator shall designate a Review Officer to conduct an independent review of (i) the Proof of Claim submitted by a Tobacco-Victim Claimant or Succession Claimant who has requested a review of the Claims Administrator’s decision, and (ii) the Request for Review and any supporting documents submitted by the Tobacco-Victim Claimant or Succession Claimant. The Review Officer shall either confirm, reverse or vary the Claims Administrator’s decision and issue a Notice of Rejection of *Blais* Claim or Notice of Acceptance of *Blais* Claim to the Tobacco-Victim Claimant or Succession Claimant, as applicable.

29. Finality of Decisions of Claims Administrator and Review Officer

- 29.1 The decisions of the Claims Administrator and the Review Officer shall be final and binding without recourse to any Court or other forum or tribunal. For greater certainty, there is no right of appeal, judicial review, judicial recourse or other access to the CCAA Court, Quebec Superior Court or any other court in any Province or Territory from any decision of the Claims Administrator or the Review Officer.

SECTION VI – ELIGIBILITY CRITERIA, PROOF OF CLAIMS AND AMOUNT OF COMPENSATION PAYABLE TO TOBACCO-VICTIM CLAIMANTS AND SUCCESSION CLAIMANTS

30. Criteria for Entitlement to Compensation

- 30.1 To be eligible to receive compensation under the Quebec Administration Plan, the Tobacco-Victim Claimant must meet all of the following criteria (“***Blais* Eligibility Criteria**”):
- 30.1.1 On the date that a Tobacco-Victim Claimant or Succession Claimant submits their Proof of Claim:

30.1.1.1 If the Tobacco-Victim Claimant is alive, they must reside in Quebec,
or

30.1.1.2 If the Tobacco-Victim Claimant is deceased, they must have resided
in Quebec on the date of their death;

30.1.2 The Tobacco-Victim Claimant was alive on November 20, 1998;

30.1.3 Between January 1, 1950 and November 20, 1998, the Tobacco-Victim Claimant
smoked a minimum of Twelve Pack-Years of cigarettes sold by the Tobacco
Companies:

Twelve Pack-Years of cigarettes is the equivalent of 87,600 cigarettes which is
calculated as any combination of the number of cigarettes smoked in a day
multiplied by the number of days of consumption. For example, Twelve Pack-
Years equals:

10 cigarettes smoked per day for 24 years $(10 \times 365 \times 24) = 87,600$ cigarettes, or

20 cigarettes smoked per day for 12 years $(20 \times 365 \times 12) = 87,600$ cigarettes,

or

30 cigarettes smoked per day for 8 years $(30 \times 365 \times 8) = 87,600$ cigarettes;

30.1.4 Before March 12, 2012, the Tobacco-Victim Claimant was diagnosed with:

30.1.4.1 Lung Cancer, or

30.1.4.2 Throat Cancer, or

30.1.4.3 Emphysema/COPD (GOLD Grade III or IV) (collectively, the “***Blais***
Compensable Diseases”);

and

30.1.5 On the date of the diagnosis with a *Blais* Compensable Disease the Tobacco Victim-Claimant resided in Quebec.

30.2 The brands of cigarettes sold by the Tobacco Companies in Canada between January 1, 1950 and November 20, 1998 include the brands and sub-brands listed in **Appendix “O”** hereto.

31. Individuals who do not meet *Blais* Eligibility Criteria

31.1 Pursuant to the *Blais* Judgment, the Heirs of Tobacco-Victims who died prior to or on November 20, 1998 are not eligible to receive a Compensation Payment from the Quebec Administration Plan.

31.2 Pursuant to the *Blais* Judgment, the Heirs of Tobacco-Victims who died after November 20, 1998 may qualify to receive a Compensation Payment through a Succession Claim made under the Quebec Administration Plan, subject to the terms hereof.

32. Proof that Tobacco-Victim Claimant or Succession Claimant meets *Blais* Eligibility Criteria

32.1 The eligibility of a Tobacco-Victim Claimant to receive a Compensation Payment must be proven by (i) Proof of Smoking History and (ii) Proof of Diagnosis in the form of either an Official Confirmation or an Alternative Proof.

32.2 The eligibility of a Succession Claimant to receive a Compensation Payment must be proven by (i) Proof of Smoking History, (ii) Proof of Diagnosis in the form of either an Official Confirmation or an Alternative Proof, and (iii) Proof of Succession Status in accordance with paragraphs 38.1 to 38.6 herein.

33. Proof of Smoking History

33.1 A Tobacco-Victim Claimant or Succession Claimant shall provide Proof of Smoking History on the Tobacco-Victim Claim Form or Succession Claim Form, as applicable, by

stating when the Tobacco-Victim started smoking cigarettes, providing an estimate of the number of cigarettes the Tobacco-Victim smoked per day per year, and identifying which of the brands of cigarettes sold by the Tobacco Companies in Canada the Tobacco-Victim smoked between January 1, 1950 and November 20, 1998, the complete list of which (including all sub-brands) is set out in **Appendix “O”**.

34. Proof of Diagnosis

- 34.1 In order to obtain the Proof of Diagnosis, on the Tobacco-Victim Claim Form or Succession Claim Form, as applicable, the Tobacco-Victim Claimant or Succession Claimant shall authorize the Claims Administrator to request an Official Confirmation through the MSSS and RAMQ (i) from the Quebec Cancer Registry in respect of a diagnosis of Lung Cancer or Throat Cancer, and (ii) from MED-ÉCHO in respect of a diagnosis of Emphysema/COPD (GOLD Grade III or IV) .
- 34.2 At the time of submitting the Tobacco-Victim Claim Form or Succession Claim Form to the Claims Administrator, the Tobacco-Victim Claimants and Succession Claimants are not required to submit an Alternative Cancer Proof or Alternative Emphysema/COPD a Proof, as applicable. In the event that the Claims Administrator is unable to obtain an Official Confirmation in respect of the Tobacco-Victim, then the Claims Administrator will request that the Tobacco-Victim Claimant or Succession Claimant submit an Alternative Proof.

35. Official Confirmation of a Diagnosis of a *Blais* Compensable Disease

- 35.1 On an ongoing basis, pursuant to the Official Confirmations of Diagnoses Order, in respect of all Proofs of Claim received that *prima facie* appear to meet the *Blais* Eligibility Criteria other than Diagnosis, the Claims Administrator shall request Official Confirmations through the MSSS and RAMQ (i) from the Quebec Cancer Registry in respect of a diagnosis of Lung Cancer or Throat Cancer, and (ii) from MED-ÉCHO in respect of a diagnosis of Emphysema/COPD (GOLD Grade III or IV).

- 35.2 Upon receipt and review of the Official Confirmations, the Claims Administrator will determine whether a Tobacco-Victim Claimant meets all of the *Blais* Eligibility Criteria, or whether a Succession Claimant meets all of the *Blais* Eligibility Criteria.
- 35.3 If the Diagnosis in respect of a Tobacco-Victim Claim or a Succession Claim is proven by an Official Confirmation, the Claims Administrator shall issue a **Notice of Acceptance of *Blais* Claim**, in the form attached hereto as **Appendix “L”**, advising the Tobacco-Victim Claimant or Succession Claimant, as applicable, of the acceptance of their Proof of Claim. The Notice of Acceptance of *Blais* Claim shall: (i) indicate the maximum amount of the Compensation Payment that may be payable; (ii) advise that the actual quantum of the Compensation Payment that will be paid to the Tobacco-Victim Claimant or Succession Claimant will be determined on a *pro rata* basis between all *Blais* Class Members based on the number of Tobacco-Victim Claims and Succession Claims received and the amount available for distribution to *Blais* Class Members after all claims have been received, reviewed and processed by the Claims Administrator; and (iii) advise that it is anticipated that the distribution of Compensation Payments to Class Members will commence after the *Blais* Claims Application Deadline.
- 35.4 If (i) the Tobacco-Victim Claimant or Succession Claimant, as applicable, has not authorized the Claims Administrator to request an Official Confirmation through the MSSS and RAMQ, or (ii) the Diagnosis in respect of a Proof of Claim cannot be confirmed by an Official Confirmation, then the Claims Administrator shall request that the Tobacco-Victim Claimant or Succession Claimant provide Alternative Cancer Proof or Alternative Emphysema/COPD (GOLD Grade III or IV) Proof, as applicable, by sending to them a **Notice to Provide Alternative Proof** in the form attached hereto as **Appendix “P”**.
- 35.5 If the Alternative Proof submitted by the Tobacco-Victim Claimant or Succession Claimant confirms the Diagnosis, then the Claims Administrator shall issue a **Notice of Acceptance of *Blais* Claim** advising the Tobacco-Victim Claimant or Succession Claimant, as applicable, of the acceptance of their Proof of Claim, and the amount of their Compensation Payment.

- 35.6 If the Alternative Proof submitted by the Tobacco-Victim Claimant or Succession Claimant does not confirm the Diagnosis, then the Claims Administrator shall send a **Notice of Rejection of *Blais* Claim** to the Tobacco-Victim Claimant or Succession Claimant, as applicable.

36. Alternative Cancer Proof

- 36.1 If the Claims Administrator requests Alternative Cancer Proof, the Tobacco-Victim Claimant or Succession Claimant shall be required to submit to the Claims Administrator, within 120 days after the date on which the Claims Administrator issued the Notice to Provide Alternative Proof, a copy of a pathology report which confirms that the Tobacco-Victim was diagnosed with Lung Cancer or Throat Cancer, as applicable, before March 12, 2012.
- 36.2 If the Tobacco-Victim Claimant or Succession Claimant is unable to provide a pathology report as specified in paragraph 36.1 herein, then they may submit to the Claims Administrator one of the following documents as Alternative Cancer Proof:
- 36.2.1 A copy of an extract from a medical file of the Tobacco-Victim confirming the diagnosis of Lung Cancer or Throat Cancer before March 12, 2012;
- 36.2.2 A completed **Physician Form** in the form attached hereto as **Appendix “D”**; or
- 36.2.3 A written statement, in a form and content acceptable to the Claims Administrator, from a Physician of the Tobacco-Victim, or another physician having access to the medical record, confirming the diagnosis of Lung Cancer or Throat Cancer before March 12, 2012 and providing at least one of the following records to verify the diagnosis and date of diagnosis: pathology report, operative report, biopsy report, MRI report, CT scan report, PET scan report, x-ray report and/or sputum cytology report.

- 36.3 If the 120 day period during which the Tobacco-Victim Claimant or the Succession Claimant is required to submit their Alternative Cancer Proof to the Claims Administrator will end after the *Blais* Claims Application Deadline, then such deadline will be extended for that Tobacco-Victim Claimant or the Succession Claimant to the end of the 120 day period.

37. Alternative Emphysema/COPD (GOLD Grade III or IV) Proof

- 37.1 If the Claims Administrator requests Alternative Emphysema/COPD Proof, the Tobacco-Victim Claimant or Succession Claimant shall be required to submit to the Claims Administrator, within 120 days after the date on which the Claims Administrator issued the Notice to Provide Alternative Proof, a copy of a report of a spirometry test performed on the Tobacco-Victim before March 12, 2012, demonstrating a FEV1 (non-reversible) of less than 50% of the predicted value.
- 37.2 If the Tobacco-Victim Claimant or Succession Claimant is unable to provide a report of a spirometry test as specified in paragraph 37.1 herein, then they may submit to the Claims Administrator one of the following documents as Alternative Emphysema/COPD (GOLD Grade III or IV) Proof:
- 37.2.1 A completed **Physician Form** in the form attached hereto as **Appendix “D”**;
 - 37.2.2 A copy of an extract from a medical file of the Tobacco-Victim confirming the diagnosis of Emphysema/COPD (GOLD Grade III or IV) before March 12, 2012;
or
 - 37.2.3 A written statement, in a form and content acceptable to the Claims Administrator, from Physician of the Tobacco-Victim, or another physician having access to the medical record, confirming the diagnosis of Emphysema/COPD (GOLD Grade III or IV) before March 12, 2012 providing at least one of the following records to verify the diagnosis and date of diagnosis: spirometry report or CT scan report.

- 37.3 If the 120 day period during which the Tobacco-Victim Claimant or the Succession Claimant is required to submit their Alternative Emphysema/COPD (GOLD Grade III or IV) Proof to the Claims Administrator will end after the *Blais* Claims Application Deadline, then such deadline will be extended for that Tobacco-Victim Claimant or the Succession Claimant to the end of the 120 day period.

38. Proof of Succession Status

- 38.1 Succession Claims must be submitted by the Liquidator to the Estate of the deceased Tobacco-Victim, where there is a Liquidator appointed and still acting in that capacity.
- 38.2 If there is no acting Liquidator to the Estate of the deceased Tobacco-Victim, including if the Estate is no longer open, then Succession Claims may be submitted by individual Heirs.
- 38.3 Where an Heir has died, Succession Claims may also be submitted by a person who takes the claim of the deceased Heir by representation.
- 38.4 **If a Succession Claim is submitted by a Liquidator:** Proof of Succession Status shall be made by submitting to the Claims Administrator the following Supporting Documents, together with the appropriate Declaration included in the **Succession Claim Form** which is attached hereto as **Appendix “E”**:
- 38.4.1 The deceased Tobacco-Victim’s death certificate; and
- 38.4.2 The will searches in respect of the Tobacco-Victim from the Bar of Quebec and the Chambre des notaires du Québec; and
- 38.4.2.1 **If the deceased Tobacco-Victim had a will:** either (i) a copy of the notarial will of the deceased Tobacco-Victim, appointing the Claimant as the Liquidator of the Estate of the deceased Tobacco-Victim; or (ii) a copy of the judgment probating the will of the deceased Tobacco-

Victim, confirming the appointment of the Succession Claimant as the Liquidator of the Estate of the deceased Tobacco-Victim; or

38.4.2.2 **If the deceased Tobacco-Victim did not have a will:** either (i) a judgment confirming the appointment of the Succession Claimant as the Liquidator of the Estate of the deceased Tobacco-Victim, or (ii) a notarial deed or private writing whereby the Liquidator was appointed by the Heirs to manage the succession of the deceased Tobacco-Victim.

38.5 **If a Succession Claim is submitted by an Heir:** Proof of Succession Status shall be made by submitting to the Claims Administrator the following Supporting Documents, together with the appropriate Declaration included in the **Succession Claim Form** which is attached hereto as **Appendix “E”**:

38.5.1 The deceased Tobacco-Victim’s death certificate; and

38.5.2 The will searches in respect of the Tobacco-Victim from the Bar of Quebec and the Chambre des notaires du Québec; and

38.5.3 **If the deceased Tobacco-Victim had a will or testamentary provisions in their registered marriage contract:**

38.5.3.1 Copies of (i) the notarial will of the deceased Tobacco-Victim, confirming that the Claimant is an Heir of the Tobacco-Victim; (ii) the deceased Tobacco-Victim’s registered marriage contract, confirming that the Claimant is an Heir of the Tobacco-Victim; or (iii) the will and a judgment probating the will of the deceased Tobacco-Victim, confirming that the Claimant is an Heir of the Tobacco-Victim; and

38.5.3.2 A confirmation that the Estate of the deceased Tobacco-Victim is no longer open and/or there is no acting Liquidator for the Estate, together with any reasonable evidence in support thereof; and the

names and contact information for any of the deceased Tobacco-Victim's living Heirs referenced in the will or marriage contract. If any such Heirs are deceased, the names and contact information for the Heirs by representation must be submitted to the Claims Administrator.

38.5.4 If the deceased Tobacco-Victim did not have a will or testamentary provisions in their registered marriage contract:

38.5.4.1 If the deceased Tobacco-Victim did not have a will or testamentary provisions in their registered marriage contract, an affidavit attesting to the following information:

38.5.4.1.1 The nature of the relationship between the Succession Claimant and the deceased Tobacco-Victim, together with any reasonable evidence in support thereof (for example, a power of attorney signed at a financial institution; an authorization to cash cheques on behalf of the estate; a marriage certificate);

38.5.4.1.2 That to the best of the Succession Claimant's knowledge, the deceased Tobacco-Victim did not have a will;

38.5.4.1.3 If the Heirs had appointed a Liquidator, that the Liquidator is no longer acting in such capacity and providing the contact information for such Liquidator; and

38.5.4.1.4 The names, and contact information (if still alive), of the deceased Tobacco-Victim's Heirs, including, as applicable, the deceased Tobacco-Victim's spouse, children, parents, siblings, nieces and nephews. If any such Heirs are deceased, the names and contact information for the Heirs by representation.

38.6 Where a Succession Claim is submitted by an Heir and the deceased Tobacco-Victim did not have a will or testamentary provisions in their registered marriage contract:

38.6.1 If the affidavit submitted by the Succession Claimant satisfies the Claims Administrator in regard to all information attested to therein, including the identities of the Heirs of the deceased Tobacco-Victim, then the Claims Administrator shall be entitled to rely upon such information for the purpose of making payment of the Compensation Payment in regard to the Succession Claim, and the Claims Administrator shall not have any responsibility to conduct any further inquiry or investigation to confirm, verify, substantiate or otherwise corroborate the information; and

38.6.2 If the affidavit submitted by the Succession Claimant is not satisfactory to the Claims Administrator and if, after the issuance of a Notice of Incomplete *Blais* Claim and the review of any revised Proof of Claim submitted by the Succession Claimant in response thereto, the Claims Administrator is still not satisfied in regard to the information provided, then the Claims Administrator shall issue a Notice of Rejection of *Blais* Claim.

38.7 Where a Succession Claim asserted by an Heir (which for certainty may include an Heir by representation) meets the *Blais* Eligibility Criteria for entitlement to a Compensation Payment, but the Claims Administrator has insufficient information to establish the apportionment thereof between multiple Heirs, the Claims Administrator shall issue the Compensation Payment to the Succession Claimant in the name of the Estate of the deceased Tobacco-Victim. In such event, it shall be the sole responsibility of the Succession Claimant, to the complete exoneration of the Claims Administrator, to engage a Quebec notary to effect the partition of the Compensation Payment or to otherwise have such partition ascertained in accordance with Quebec law.

39. Reduction for Contributory Negligence

39.1 The quantum of the Compensation Payment (see **Table 1** in paragraph 41.1 below) payable to a Tobacco-Victim Claimant or Succession Claimant who meets all the *Blais* Eligibility Criteria will depend upon the date on which the Tobacco-Victim started smoking the Tobacco Companies' cigarettes as follows:

39.1.1 A Tobacco-Victim who started to smoke the Tobacco Companies' cigarettes *before* January 1, 1976 will be eligible to receive 100% of the compensation available under the Quebec Administration Plan, or such prorated amount as may be payable pursuant to paragraph 53.1 herein; and

39.1.2 A Tobacco-Victim who started to smoke the Tobacco Companies' cigarettes *on or after* January 1, 1976 will be designated as being 20% contributorily negligent and eligible to receive 80% of the compensation available under the Quebec Administration Plan, or such prorated amount as may be payable pursuant to paragraph 53.1 herein.

40. Where Tobacco-Victim Claimant diagnosed with more than one *Blais* Compensable Disease

40.1 Where a Tobacco-Victim Claimant meets all of the *Blais* Eligibility Criteria but has been diagnosed with more than one *Blais* Compensable Disease, the Tobacco-Victim Claimant or Succession Claimant, as applicable, shall be paid for the single *Blais* Compensable Disease with which the Tobacco-Victim has been diagnosed that will provide the highest amount of compensation under the Quebec Administration Plan. No "double recovery" or overlapping recovery will be permitted if a Tobacco-Victim has been diagnosed with more than one *Blais* Compensable Disease.

41. Quantum of Compensation payable to Tobacco-Victim Claimants and Succession Claimants

41.1 The Claims Administrator shall review the Proofs of Claim and will decide whether the Tobacco-Victim Claimants and Succession Claimants fulfill the *Blais* Eligibility Criteria such that they are eligible to receive a Compensation Payment as set out in the Compensation Grid in **Table 1** below. An Eligible *Blais* Class Member shall be paid for the single *Blais* Compensable Disease with which they have been diagnosed that will provide them with the highest amount of compensation from the Quebec Administration Plan. No “double recovery” or overlapping recovery will be permitted if a Tobacco-Victim Claimant has been diagnosed with more than one *Blais* Compensable Disease. The quantum of the payments indicated in subparagraphs 41.1.1 to 41.1.3 and **Table 1** may be reduced on a *pro rata* basis based upon the actual take-up rate and other factors:

41.1.1 If the Eligible *Blais* Class Member was diagnosed with Emphysema/COPD (GOLD Grade III or IV), they will be paid \$24,000 or \$30,000, or such other amount as may be determined by the Claims Administrator to be available for that subclass of Eligible *Blais* Class Members;

41.1.2 If the Eligible *Blais* Class Member was diagnosed with Lung Cancer, they will be paid \$80,000 or \$100,000, or such other amount as may be determined by the Claims Administrator to be available for that subclass of Eligible *Blais* Class Members; and

41.1.3 If the Eligible *Blais* Class Member was diagnosed with Throat Cancer, they will be paid \$80,000 or \$100,000, or such other amount as may be determined by the Claims Administrator to be available for that subclass of Eligible *Blais* Class Members.

Table 1

Disease(s) with which Eligible <i>Blais</i> Class Member was diagnosed	Compensation Payment (or such lesser amount as may be determined by the Claims Administrator to be available for the subclass of Eligible <i>Blais</i> Class Members; quantum will vary based upon the actual take-up rate and other factors and shall not exceed the maximum amounts specified in this table)	
	Compensation for Eligible <i>Blais</i> Class Members who started smoking before January 1, 1976	Compensation for Eligible <i>Blais</i> Class Members who started smoking on or after January 1, 1976
Emphysema/COPD (GOLD Grade III or IV)	\$30,000	\$24,000
Lung Cancer	\$100,000	\$80,000
Throat Cancer	\$100,000	\$80,000

- 41.2 The amounts of the Compensation Payments to Eligible *Blais* Class Members shall not exceed the maximum amounts specified in **Table 1** above.
- 41.3 The amounts payable to Eligible *Blais* Class Members under the Quebec Administration Plan are inclusive of any prejudgment interest, postjudgment interest and any other amounts that may be claimed by Eligible *Blais* Class Members.

SECTION VII – HARMONIZATION OF PCC COMPENSATION PLAN WITH CLAIMS PROCESS FOR *BLAIS* CLASS MEMBERS

42. Claims Administrator is responsible for Harmonization

- 42.1 The Claims Administrator shall harmonize the claims administration of the *Blais* Judgment under the Quebec Administration Plan and the claims administration of the PCC Compensation Plan in accordance with the harmonization principles set out in this Section for the purpose of ensuring that a resident of Quebec is not paid a Compensation Payment

under the Quebec Administration Plan pursuant to the *Blais* Judgment as well as an Individual Payment from the PCC Compensation Plan. An individual resident in Quebec is only permitted to make one claim for compensation either as a *Blais* Class Member under the Quebec Administration Plan or as a PCC-Claimant under the PCC Compensation Plan. A Quebec resident is not permitted to make a claim to both Claims Processes.

43. Determination of Residency

43.1 For the purpose of the administration of the Tobacco-Victim Claims and Succession Claims under the Quebec Administration Plan pursuant to the *Blais* Judgment and the PCC Claims under the PCC Compensation Plan:

43.1.1 If an Individual does not reside in Canada both on the date of their diagnosis with a PCC Compensable Disease and on the date on which they submit their PCC Claim to the Claims Administrator, then they are not eligible to receive compensation from the PCC Compensation Plan;

43.1.2 If an Individual does not reside in Quebec on the date on which they submit their Tobacco-Victim Claim or Succession Claim to the Quebec Administration Plan, then they are not eligible to receive a Compensation Payment pursuant to the *Blais* Judgment;

43.1.3 In respect of an Individual resident in Canada, their “**Place of Residence**” shall be deemed to be the Province or Territory which issued their health insurance card and/or their driver’s licence;

43.1.4 If an Individual’s answers to the questions on the Tobacco-Victim Claim Form, Succession Claim Form, or Claim Form for PCC-Claimant, as applicable, establish that, between January 1, 1950 and November 20, 1998, they smoked a minimum of Twelve Pack-Years of cigarettes (equivalent of 87,600 cigarettes) sold by the Canadian Tobacco Companies, then they will be considered to have resided in Canada between January 1, 1950 and November 20, 1998; and

- 43.1.5 In order to qualify to receive a Compensation Payment under the Quebec Administration Plan pursuant to the *Blais* Judgment, an Individual's Place of Residence must have been Quebec on the date that they were diagnosed with Emphysema/COPD (GOLD Grade III or IV), Lung Cancer and/or Throat Cancer before March 12, 2012.

44. Quantum of Compensation payable to PCC-Claimants

- 44.1 In accordance with the terms of the PCC Compensation Plan, upon review of the Claim Packages by the Claims Administrator, PCC-Claimants who fulfill the PCC Eligibility Criteria may be determined to be eligible to receive an Individual Payment as set out in the Compensation Grid in **Table 2** below. An Individual who meets all the PCC Eligibility Criteria shall be paid for the single PCC Compensable Disease with which they have been diagnosed that will provide them with the highest amount of compensation from the PCC Compensation Plan. No "double recovery" or overlapping recovery will be permitted if a PCC-Claimant has been diagnosed with more than one PCC Compensable Disease. The quantum of the payments indicated in subparagraphs 44.1.1 through 44.1.3 and **Table 2** will vary based upon the actual take-up rate and other factors:

- 44.1.1 If the PCC-Claimant was diagnosed with Emphysema/COPD (GOLD Grade III or IV), they will be paid \$14,400 or \$18,000, or such other amount as may be determined by the Claims Administrator to be available for that subclass of PCC-Claimants;
- 44.1.2 If the PCC-Claimant was diagnosed with Lung Cancer, they will be paid \$48,000 or \$60,000, or such other amount as may be determined by the Claims Administrator to be available for that subclass of PCC-Claimants; and
- 44.1.3 If the PCC-Claimant was diagnosed with Throat Cancer, they will be paid \$48,000 or \$60,000, or such other amount as may be determined by the Claims Administrator to be available for that subclass of PCC-Claimants.

Table 2

Disease(s) with which Eligible PCC-Claimant was diagnosed	Individual Payment (or such lesser amount as may be determined by the Claims Administrator to be available for the subclass of Eligible PCC-Claimants; quantum will vary based upon the actual take-up rate and other factors and shall not exceed the maximum amounts specified in this table)	
	Compensation for Eligible PCC-Claimants who started smoking before January 1, 1976	Compensation for Eligible PCC-Claimants who started smoking on or after January 1, 1976
Emphysema/COPD (GOLD Grade III or IV)	\$18,000	\$14,400
Lung Cancer	\$60,000	\$48,000
Throat Cancer	\$60,000	\$48,000

44.2 The amounts of the Individual Payments to Eligible PCC-Claimants shall not exceed the maximum amounts specified in **Table 2** above.

44.3 The amounts payable to Eligible PCC-Claimants under the PCC Compensation Plan are inclusive of any prejudgment interest, postjudgment interest and any other amounts that may be claimed by Eligible PCC-Claimants.

45. Claims Administrator's Determination of Compensation payable to Quebec Residents who may qualify as both a *Blais* Class Member and a PCC-Claimant

45.1 Depending upon the disease(s) with which they are diagnosed and the timing of the diagnoses, there are four possible cases in which a Quebec resident may meet both the PCC Eligibility Criteria and the *Blais* Eligibility Criteria. The four cases are described in **Table 3** below. However, since the *Blais* Class Members and the PCC-Claimants shall only be paid for the single compensable disease with which they have been diagnosed that will provide them with the highest amount of compensation pursuant to either the *Blais*

Judgment or the PCC Compensation Plan, as applicable, **Table 3** indicates whether the compensation would be paid pursuant to the *Blais* Judgment under the Quebec Administration Plan or pursuant to the terms of the PCC Compensation Plan. The questions on the Tobacco-Victim Claim Form (Appendix “C”) and the Succession Claim Form (Appendix “E”) will elicit responses from the individual submitting the claim that will enable the Claims Administrator to determine whether the Quebec resident meets either the PCC Eligibility Criteria or the *Blais* Eligibility Criteria:

Table 3

Case	Diseases with which Quebec Residents were diagnosed and Timing of Diagnoses	How Compensation will be paid (Amounts shown are for illustrative purposes only. The actual quantum will be determined by the Claims Administrator. The quantum will vary based upon the actual take-up rate and other factors and shall not exceed the maximum amounts specified in this table.)	
		Compensation for <i>Blais</i> Class Members who started smoking before January 1, 1976	Compensation for <i>Blais</i> Class Members who started smoking on or after January 1, 1976
1.	Quebec resident was: (a) diagnosed with Emphysema/COPD (GOLD Grade III or IV) before March 12, 2012; (b) diagnosed with either Lung Cancer or Throat Cancer between March 8, 2015 and March 8, 2019; and (c) alive on March 8, 2019.	<i>Blais</i> Judgment: \$0 PCC Compensation Plan: \$60,000 Total: \$60,000	<i>Blais</i> Judgment: \$0 PCC Compensation Plan: \$48,000 Total: \$48,000
2.	Quebec resident was: (a) diagnosed with Lung Cancer or Throat	<i>Blais</i> Judgment: \$100,000 PCC Compensation Plan: \$0	<i>Blais</i> Judgment: \$80,000 PCC Compensation Plan: \$0

Case	Diseases with which Quebec Residents were diagnosed and Timing of Diagnoses	How Compensation will be paid (Amounts shown are for illustrative purposes only. The actual quantum will be determined by the Claims Administrator. The quantum will vary based upon the actual take-up rate and other factors and shall not exceed the maximum amounts specified in this table.)	
		Compensation for <i>Blais</i> Class Members who started smoking before January 1, 1976	Compensation for <i>Blais</i> Class Members who started smoking on or after January 1, 1976
	Cancer before March 12, 2012; (b) diagnosed with Emphysema/COPD (GOLD Grade III or IV) between March 8, 2015 and March 8, 2019; and (c) alive on March 8, 2019.	Total: \$100,000	Total: \$80,000
3.	Quebec resident was: (a) diagnosed with Lung Cancer before March 12, 2012; (b) diagnosed with Throat Cancer between March 8, 2015 and March 8, 2019; and (c) alive on March 8, 2019.	<i>Blais</i> Judgment: \$100,000 PCC Compensation Plan: \$0 Total: \$100,000	<i>Blais</i> Judgment: \$80,000 PCC Compensation Plan: \$0 Total: \$80,000

Case	Diseases with which Quebec Residents were diagnosed and Timing of Diagnoses	How Compensation will be paid (Amounts shown are for illustrative purposes only. The actual quantum will be determined by the Claims Administrator. The quantum will vary based upon the actual take-up rate and other factors and shall not exceed the maximum amounts specified in this table.)	
		Compensation for <i>Blais</i> Class Members who started smoking before January 1, 1976	Compensation for <i>Blais</i> Class Members who started smoking on or after January 1, 1976
4.	Quebec resident was: (a) diagnosed with Throat Cancer before March 12, 2012; (b) diagnosed with Lung Cancer between March 8, 2015 and March 8, 2019; and (c) alive on March 8, 2019.	<i>Blais</i> Judgment: \$100,000 PCC Compensation Plan: \$0 Total: \$100,000	<i>Blais</i> Judgment: \$80,000 PCC Compensation Plan: \$0 Total: \$80,000

45.2 The amounts of the Compensation Payments to Quebec residents shall not exceed the maximum amounts specified in **Table 3** above.

45.3 The amounts payable to Quebec residents are inclusive of any prejudgment interest, postjudgment interest and any other amounts that may be claimed by Quebec residents.

SECTION VIII – ROLE OF CCAA PLAN ADMINISTRATORS IN QUEBEC ADMINISTRATION PLAN

46. Appointment of CCAA Plan Administrators

46.1 The CCAA Court shall be requested to approve the appointment of the three CCAA Plan Administrators in the manner contemplated by the CCAA Plans and other Definitive Documents.

- 46.2 Subject to the approval of the CCAA Court, the following three firms shall be appointed to serve as the CCAA Plan Administrators until such time as such firms may be replaced with the further approval of the CCAA Court: Ernst & Young Inc.; FTI Consulting Canada Inc.; and Deloitte Restructuring Inc.
- 46.3 In the CCAA Court's discretion, when the CCAA Court approves the Tobacco Companies' CCAA Plans, and whether at that time or at some future date or as otherwise set out in the CCAA Plans, the CCAA Court may abridge, suspend or otherwise deal with the CCAA proceedings as the CCAA Court may see fit, and Ernst & Young Inc., FTI Consulting Canada Inc. and Deloitte Restructuring Inc. shall be discharged and relieved of any further duties and obligations in regard to their capacities as Monitors, but shall continue without interruption in their capacities as CCAA Plan Administrators until such time as they may be replaced with the approval of the CCAA Court.

47. Advisors to CCAA Plan Administrators

- 47.1 The CCAA Plan Administrators, in their discretion, may retain any advisors, including legal, financial, investment or other advisors, to advise and assist them to carry out their duties in relation to the administration of the Quebec Administration Plan.

48. Payment for Services provided by CCAA Plan Administrators

- 48.1 All professional fees, other fees, costs, disbursements, expenses, court costs and other expenditures, and all applicable sales taxes thereon (collectively, "**Costs**"), incurred in respect of the services provided by the CCAA Plan Administrators in relation to the administration of the Quebec Administration Plan, and the services provided by all legal, financial, investment or other advisors with whom the CCAA Plan Administrators in their discretion may consult regarding the administration of the Quebec Administration Plan, shall be paid biweekly directly by the Tobacco Companies, and such amounts shall not be deducted from the QCAP Settlement Amount. All such Costs shall be subject to the approval of the CCAA Court.

49. Investment of QCAP Settlement Amount

- 49.1 In accordance with the terms of the CCAA Plans, the QCAP Settlement Amount shall be paid from the Global Settlement Trust Account and deposited into the QCAP Trust Account for the benefit of the Quebec Class Action Plaintiffs.
- 49.2 The CCAA Plan Administrators shall ensure that the amounts from time to time in the QCAP Trust Account are invested in accordance with approved investment guidelines pending disbursement to the Eligible *Blais* Class Members.
- 49.3 The CCAA Plan Administrators shall provide to the Quebec Class Counsel a monthly report of the receipts and disbursements for the QCAP Trust Account.

50. Advancement of Funds to Claims Administrator for Payments to Eligible *Blais* Class Members

- 50.1 From time to time, the Claims Administrator shall submit to the CCAA Plan Administrators a requisition with sufficiently detailed information and supporting data requesting the advancement of a specified sum of money from the QCAP Settlement Amount to be used by the Claims Administrator for the purpose of making Compensation Payments to Eligible *Blais* Class Members.
- 50.2 Upon receipt of each such requisition and supporting information and data from the Claims Administrator, the CCAA Plan Administrators will verify the calculation of the sum requisitioned by the Claims Administrator. In their discretion, the CCAA Plan Administrators may request further information from the Claims Administrator before they authorize the advancement of an instalment of funds from the QCAP Settlement Amount held in the QCAP Trust Account to the Claims Administrator to enable it to make Compensation Payments to Eligible *Blais* Class Members.

51. Reporting by CCAA Plan Administrators

- 51.1 On an annual basis, and as circumstances warrant at any other times in the CCAA Plan Administrators' discretion or as the CCAA Court and the Quebec Superior Court jointly direct, the CCAA Plan Administrators shall report to the CCAA Court and the Quebec Superior Court regarding the progress of the administration of the Quebec Administration Plan including the publication of notices, the *Blais* Claims Application Deadline to file Tobacco-Victim Claims and Succession Claims, the Tobacco-Victim Claims and Succession Claims approved, the Tobacco-Victim Claims and Succession Claims rejected, any delays in the Claims Process, amounts distributed, fees charged and disbursements made and any other matter which the CCAA Plan Administrators in their discretion deem to be appropriate.

SECTION IX – DISTRIBUTION OF COMPENSATION PAYMENTS

52. Determination of Quantum of Compensation Payments to Eligible *Blais* Class Members

- 52.1 Upon the completion of the processing of the Tobacco-Victim Claims and Succession Claims, the CCAA Plan Administrators, in consultation with the Claims Administrator, shall determine the quantum of the Compensation Payments which may be made from the amount in the QCAP Trust Account based upon several factors, including: the timing of the payment of the total QCAP Settlement Amount by the Tobacco Companies; the amount in the QCAP Trust Account available for distribution after the payment of the Quebec Class Counsel Fee; the numbers of Tobacco-Victim Claims and Succession Claims accepted in respect of each of the diagnoses of Lung Cancer, Throat Cancer and Emphysema/COPD (GOLD Grade III or IV); and the numbers of Eligible *Blais* Class Members who started smoking before and on or after January 1, 1976.

53. *Pro rata* Reduction if Aggregate of Compensation Payments exceeds Amount available from QCAP Settlement Amount

53.1 If, after the payment of the Quebec Class Counsel Fee, the funds remaining in the QCAP Trust Account are not sufficient to pay the aggregate of the Compensation Payments determined to be payable by the CCAA Plan Administrators, in consultation with the Claims Administrator, then the Compensation Payments owing to the Eligible *Blais* Class Members shall be divided on a *pro rata* basis among the Eligible *Blais* Class Members so that the aggregate amount of the Compensation Payments otherwise payable to the Eligible *Blais* Class Members does not exceed the total amount of the funds remaining in the QCAP Trust Account.

54. Payment of Compensation Payments to Eligible *Blais* Class Members

54.1 Once the CCAA Plan Administrators have finally determined the quanta of the Compensation Payments which may be made from the QCAP Trust Account, at the direction of the CCAA Plan Administrators, the Claims Administrator shall be responsible for making the Compensation Payments to the Eligible *Blais* Class Members.

54.2 The Claims Administrator shall make payment of the Compensation Payments by either cheque or direct deposit as designated on the Tobacco-Victim Claim Form by the Tobacco-Victim Claimant or by the Succession Claimant on the Succession Claim Form, as applicable.

54.3 Cheques for Compensation Payments shall be issued in the name of each Eligible *Blais* Class Member or in the name of the Estate of a deceased Tobacco-Victim, as applicable. Cheques will be mailed to the address of the Eligible *Blais* Class Member that was provided on the Tobacco-Victim Claim Form or Succession Claim Form.

54.4 An Eligible *Blais* Class Member who receives a Compensation Payment by cheque shall have 180 days from the date inscribed on the cheque to present it for payment. After 180 days, any amount not deposited shall be returned to the QCAP Settlement Amount.

- 54.5 Compensation Payments made by direct deposit shall be deposited into a bank account in the name of the Eligible *Blais* Class Member.

55. Distribution of any Residual Funds from QCAP Settlement Amount

- 55.1 Three years after the Claims Administrator commenced its review and processing of the Tobacco-Victim Claims and Succession Claims, or at such other time as the CCAA Plan Administrators are of the view that the administration of the Tobacco-Victim Claims and Succession Claims has been substantially completed, to the extent that there remains any Residual Funds in the Quebec Administration Plan, any such Residual Funds shall be allocated to the Provinces and Territories Settlement Amount and apportioned among the Provinces and Territories in accordance with the percentages set out in the table in Article 16, Section 16.3 of the CCAA Plan.

56. No Assignment or Direction to Pay

- 56.1 No amount payable under the Quebec Administration Plan may be assigned, and any such assignment shall be null and void.
- 56.2 No amount payable under the Quebec Administration Plan may be subject to a direction to pay, and any such direction to pay shall be null and void.

SECTION X – REPORTING OBLIGATIONS OF CLAIMS ADMINISTRATOR

57. Engagement with Administrative Coordinator and reporting to CCAA Plan Administrators, CCAA Court and Quebec Superior Court

- 57.1 The Claims Administrator shall bring to the attention of and work with the Administrative Coordinator to address and resolve issues that may arise from time to time in the interpretation, implementation and ongoing administration of the Quebec Administration Plan. If the Administrative Coordinator and the Claims Administrator are unable to resolve an issue relating to the Quebec Administration Plan, then the Administrative Coordinator shall refer the matter to the CCAA Plan Administrators who, in their discretion, may bring

the matter jointly before the CCAA Court and the Quebec Superior Court for resolution or directions.

- 57.2 The Claims Administrator shall keep accurate and complete records to allow for verification, audit or review as required by the CCAA Plan Administrators and, as circumstances may warrant, by the CCAA Court and the Quebec Superior Court which shall jointly hear and determine matters relating to the ongoing supervision of the Quebec Administration Plan.
- 57.3 In accordance with the terms of the Claims Administrator Order, the Claims Administrator shall prepare the Global Claims Administration Costs Framework. The Claims Administrator shall also prepare the First Annual Global Claims Administration Costs Budget and Subsequent Annual Global Claims Administration Costs Budget which the Claims Administrator shall submit to the CCAA Court and the Quebec Superior Court for joint approval.
- 57.4 The Claims Administrator shall manage and track the budget for the administration of the Quebec Administration Plan.
- 57.5 Annually and as circumstances warrant at any other times as requested by the CCAA Plan Administrators in their discretion or as the CCAA Court and the Quebec Superior Court acting jointly direct, the Claims Administrator shall report through the Administrative Coordinator to the CCAA Plan Administrators regarding the progress of the administration of the Quebec Administration Plan including the publication of notices, the *Blais* Claims Application Deadline to file Claims, the Tobacco-Victim Claims and Succession Claims approved, the Tobacco-Victim Claims and Succession Claims rejected, any delays in the Claims Process, amounts distributed, fees charged and disbursements made.
- 57.6 Annually and as circumstances warrant at any other times as requested by the CCAA Plan Administrators in their discretion or as the CCAA Court and the Quebec Superior Court acting jointly direct, the Claims Administrator shall provide through the Administrative Coordinator to the CCAA Plan Administrators who, in turn, shall report to the CCAA

Court, an accounting of the fees charged, disbursements made and, after the *Blais* Claims Application Deadline, the distributions made to Eligible *Blais* Class Members for approval by the CCAA Court.

- 57.7 The Claims Administrator shall provide an Exit Report through the Administrative Coordinator to the CCAA Plan Administrators within six months, or as soon as is practicable, following the termination of the administration of the Quebec Administration Plan.
- 57.8 The Administrative Coordinator shall provide to the Quebec Class Counsel copies of the budget, reports, accounting of fees and Exit Report that the Claims Administrator submits through the Administrative Coordinator to the CCAA Plan Administrators pursuant to paragraphs 57.3, 57.5, 57.6 and 57.7 herein.

SECTION XI – CONFIDENTIALITY AND INFORMATION MANAGEMENT

58. Confidentiality

- 58.1 The Claims Administrator shall develop a privacy policy which shall be posted on the website maintained by the Claims Administrator. The privacy policy shall include a description of how the Claims Administrator will collect Personal Information regarding the Tobacco-Victim Claimants and the Succession Claimants, and how the Personal Information may be used, shared, stored, safeguarded and destroyed by the Claims Administrator.
- 58.2 The Claims Administrator shall develop, host, maintain and manage an electronic database of all Tobacco-Victim Claims and Succession Claims submitted by Tobacco-Victim Claimants and Succession Claimants and maintain the confidentiality of the Personal Information and data regarding the Tobacco-Victim Claimants and Succession Claimants in the database through security measures which include: the training of staff regarding their privacy obligations; administrative controls to restrict access to Personal Information

on a “need to know basis”; and technological security measures such as firewalls, multi-factor authentication, encryption and anti-virus software.

- 58.3 Any Personal Information and data regarding a Tobacco-Victim Claimant or Succession Claimant that is provided, created or obtained in the course of the claims administration, whether written or oral, shall be kept confidential by the Claims Administrator, the Review Officer, the Administrative Coordinator, and the CCAA Plan Administrators and shall not be disclosed, shared or used for any purpose other than the determination of the Tobacco-Victim Claims and Succession Claims, without the consent of the Tobacco-Victim Claimant or the Succession Claimant, as applicable, or as required by law.
- 58.4 The Personal Information and data regarding the Tobacco-Victim Claimants and the Succession Claimants that is collected by the Claims Administrator shall not be used for any research or any other purpose that is not related to the administration of Tobacco-Victim Claims and Succession Claims made pursuant to the Quebec Administration Plan.
- 58.5 The Claims Administrator shall obtain from all its employees, officers, contractors, subcontractors, agents and representatives who are engaged in the administration of Tobacco-Victim Claims and Succession Claims under the Quebec Administration Plan, an executed non-disclosure agreement in a form approved by the CCAA Plan Administrators.
- 58.6 The Claims Administrator shall store all Personal Information and data regarding the Tobacco-Victim Claims and Succession Claims in a secure location and only permit authorized Individuals who have executed a non-disclosure agreement to have access to the Personal Information.

59. Retention and Destruction of Tobacco-Victim Claimant and Succession Claimant Information and Records

- 59.1 The Claims Administrator shall retain all Personal Information and documentation in its possession provided in connection with the Proofs of Claim submitted by the Tobacco-Victim Claimants and the Succession Claimants for three years following the completion

of the distribution of the Compensation Payments (“**Retention Period**”). The Personal Information and documents provided in respect of a Tobacco-Victim Claimant or Succession Claimant, or the fact that a Proof of Claim has been submitted in respect of a Tobacco-Victim Claimant or Succession Claimant, shall not be disclosed by the Claims Administrator to anyone, except with the consent of the Tobacco-Victim Claimant or Succession Claimant, as applicable, or as required by law.

- 59.2 Subject to the prior approval of the CCAA Court, the Claims Administrator shall conduct the secure destruction of all electronic Personal Information, including all data and metadata, and all Personal Information in document form in the Claims Administrator’s possession that was provided as part of the Proofs of Claim, with the exception of the Claims Administrator’s reports and administrative records, as soon as reasonably practicable after the expiry of the Retention Period, and shall provide certification of such destruction to the CCAA Court.

PART C: GENERAL

SECTION I – GENERAL PROVISIONS APPLICABLE TO QUEBEC ADMINISTRATION PLAN

60. Effective in Entirety

- 60.1 None of the terms herein regarding the Quebec Administration Plan shall become effective unless and until all the terms of the Quebec Administration Plan have been finally approved by the CCAA Court. If such CCAA Court approval is not granted, the Quebec Administration Plan will thereupon be terminated, and none of the Tobacco Companies or the Quebec Class Action Plaintiffs will be liable for such termination.

61. Termination of Quebec Administration Plan

- 61.1 The Quebec Administration Plan will continue in full force and effect until all obligations under the Quebec Administration Plan are fulfilled.

62. Governing Law

- 62.1 The Quebec Administration Plan shall be governed and construed in accordance with the laws of the Province of Quebec and the applicable laws of Canada.

63. Entire Agreement

- 63.1 The terms and conditions set forth in Part B regarding the Quebec Administration Plan constitute the entire Agreement between the Tobacco Companies and the Quebec Class Action Plaintiffs with respect to the Quebec Administration Plan, and cancel and supersede any prior or other understandings and agreements between the Tobacco Companies and the Tobacco-Victim Claimants and Succession Claimants. There are no representations, warranties, terms, conditions, undertakings, covenants or collateral agreements, express, implied or statutory between the Tobacco Companies and the Tobacco-Victim Claimants and Succession Claimants with respect to the Quebec Administration Plan other than as expressly set forth or referred to in Part B of this document.

64. Benefit of the Quebec Administration Plan

- 64.1 The terms and conditions set forth in Part B regarding the Quebec Administration Plan shall enure to the benefit of and be binding upon the Tobacco Companies and the Tobacco-Victim Claimants and Succession Claimants who are alive and deceased, and their successors, heirs, administrators and estate trustees.

65. Official Languages

- 65.1 The Tobacco Companies shall pay for the cost to prepare a French translation of this document and all Notices and Forms regarding the Quebec Administration Plan that are attached to this document as Appendices. To the extent that there are any inconsistencies between the English and the French versions of this document, the Notices or the

Appendices, the English version shall be authoritative and shall govern and prevail in all respects.

DATED as of the 22nd day of August, 2025.

APPENDIX “A”

Note: Appendix “A” is a version of the *Blais* First Notice that is provided for guidance only to assist the understanding of the Claim Administrator which shall be responsible for designing, implementing and managing the *Blais* Notice Plan pursuant to which prospective Tobacco-Victim Claimants and prospective Succession Claimants will be informed about the Quebec Administration Plan and be provided with ongoing notice throughout the *Blais* Claims Submission Period.

Quebec Class Action Administration Plan

BLAIS FIRST NOTICE

To all individuals resident in Quebec who smoked Twelve Pack-Years of cigarettes sold in Canada by Imperial Tobacco Canada Limited, Rothmans, Benson & Hedges Inc. and JTI-Macdonald Corp. during the period from January 1, 1950 to November 20, 1998, and were diagnosed before March 12, 2012 with Lung Cancer, Throat Cancer or Emphysema/COPD (GOLD Grade III or IV) attributable to smoking cigarettes.

You may be eligible to receive compensation.

A person smoked Twelve Pack-Years of cigarettes if they smoked the equivalent of a minimum of 87,600 cigarettes calculated as any combination of the number of cigarettes smoked in a day multiplied by the number of days of consumption (for example, 20 cigarettes a day for 12 years; 30 cigarettes a day for 8 years; or 10 cigarettes a day for 24 years).

Please read this Notice carefully.

To learn more about the Quebec Class Action Administration Plan go to [\[URL for website of Claims Administrator\]](#) or contact the Claims Administrator’s Call Centre by telephone at [\[Call Centre toll-free number\]](#) or by email at [\[Call Centre email address\]](#).

You may also contact the Quebec Class Counsel through the Quebec Class Action Call Centre at 1-888-880-1844 or send an email to tabac@tjl.quebec or

The Ontario Superior Court of Justice (Commercial List) (“CCAA Court”) authorized this Notice. It is not a solicitation from a lawyer.

What is the *Blais* Class Action?

In 1998, the action in *Conseil québécois sur le tabac et la santé et al. v. JTI-Macdonald Corp. et al.* (“**Blais Class Action**”) was commenced against three Canadian Tobacco Companies, Imperial Tobacco Canada Limited, Rothmans, Benson & Hedges Inc. and JTI-Macdonald Corp. (“**Tobacco Companies**”) in the Superior Court of Quebec (“**QSC**”). The proceeding was certified as a class action on February 21, 2005. The **Blais Class Members** are comprised of approximately 100,000 smokers resident in Quebec who developed lung cancer, throat cancer or Emphysema/COPD (GOLD Grade III or IV) prior to March 12, 2012, after having smoked a stipulated quantity of cigarettes manufactured by the Tobacco Companies.

Following a lengthy trial, on May 27, 2015, the QSC granted judgment against the Tobacco Companies. On March 1, 2019, the Quebec Court of Appeal upheld the trial judgment. The Quebec Courts awarded the *Blais* Class Members moral damages, punitive damages, interest and additional indemnity totalling approximately \$13.7 billion.

What is the Quebec Class Action Administration Plan?

In March, 2019, the Tobacco Companies filed for protection from their creditors, including the *Blais* Class Members, under the *Companies’ Creditors Arrangement Act* (“**CCAA**”). The Tobacco Companies participated in a comprehensive Court-supervised mediation with the Provinces, Territories, *Blais* Class Members and other persons with claims and potential claims against them to negotiate a global settlement of all claims arising from the development, design, manufacture, production, marketing, advertising, distribution, purchase or sale of tobacco products, including the historical or ongoing use of or exposure to tobacco products or their emissions and the development of any resulting disease or condition in Canada.

Following a Court-supervised mediation, on [date], the CCAA Court approved the plans of compromise and arrangement (“**CCAA Plans**”) pursuant to the CCAA of the Tobacco Companies. The CCAA Plans include compensation to be provided through the Quebec Class Action Administration Plan (“**Quebec Administration Plan**”) to residents of Quebec who meet the prescribed criteria to be the *Blais* Class Members.

If you are a resident of Quebec, smoked Twelve pack-years of cigarettes sold by any of the Tobacco Companies between January 1, 1950 and November 20, 1998, and were diagnosed with Lung Cancer, Throat Cancer, or Emphysema/COPD (GOLD Grade III or IV) attributable to smoking cigarettes before March 12, 2012, you may be eligible to receive compensation from the Quebec Administration Plan.

Who can receive money from the Quebec Administration Plan?

You are a *Blais* Class Member and may be entitled to receive compensation in the form of a monetary payment if you fulfill the following criteria (“**Blais Eligibility Criteria**”):

- (a) You were alive on November 20, 1998;
- (b) You reside in Quebec;

- (c) Between January 1, 1950 and November 20, 1998, you smoked a minimum of Twelve Pack-Years of cigarettes sold by the Tobacco Companies;
- (d) Before March 12, 2012, you were diagnosed with:
 - (i) Lung cancer,
 - (ii) Throat cancer, or
 - (iii) Emphysema/COPD (GOLD Grade III or IV); and
- (e) On the date of your diagnosis, you resided in Quebec.

The heirs of persons who meet the above criteria but died after November 20, 1998 may also be eligible to receive a compensation payment.

“Lung Cancer” has been defined to mean primary cancer of the lungs.

“Throat Cancer” has been defined to mean primary cancer (squamous cell carcinoma) of the larynx, the oropharynx or the hypopharynx.

“Larynx” has been defined to mean the upper part of the respiratory passage that is bounded above by the glottis and is continuous below with the trachea.

“Oropharynx” has been defined to mean the part of the pharynx that is below the soft palate and above the epiglottis and is continuous with the mouth. It includes the back third of the tongue, the soft palate, the side and back walls of the throat, and the tonsils.

“Hypopharynx” has been defined to mean the laryngeal part of the pharynx extending from the hyoid bone to the lower margin of the cricoid cartilage.

“Emphysema” has been defined to mean the condition of the lung that is marked by distension and eventual rupture of the alveoli with progressive loss of pulmonary elasticity, that is accompanied by shortness of breath with or without cough, and that may lead to impairment of heart action. For the purpose of the Quebec Administration Plan, “Emphysema” includes COPD (GOLD Grade III or IV).

“COPD” has been defined to mean chronic obstructive pulmonary disease (GOLD Grade III or IV). The Global Initiative for Chronic Obstructive Lung Disease (**“GOLD”**) developed a four grade classification system based upon severity of airflow limitation and other diagnostic parameters. The GOLD Grade III (severe) and GOLD Grade IV (very severe) classifications represent the two most severe categories of disease.

“Twelve pack-years of cigarettes” has been defined to mean the minimum amount of the Tobacco Companies’ cigarettes that a Pan-Canadian Claimant is required to have smoked between January

1, 1950 and November 20, 1998. One pack-year is the number of cigarettes smoked daily and is equivalent to 7,300 cigarettes. Twelve pack-years of cigarettes is the equivalent of 87,600 cigarettes which is calculated as any combination of the number of cigarettes smoked in a day multiplied by the number of days of consumption. For example, twelve pack-years equals:

10 cigarettes smoked per day for 24 years $(10 \times 365 \times 24) = 87,600$ cigarettes
 or
 20 cigarettes smoked per day for 12 years $(20 \times 365 \times 12) = 87,600$ cigarettes
 or
 30 cigarettes smoked per day for 8 years $(30 \times 365 \times 8) = 87,600$ cigarettes

“Cigarettes sold by the Tobacco Companies” has been defined to mean the following brands and sub-brands of cigarettes:

Accord	Craven “A”	Mark Ten	Number 7
B&H	Craven “M”	Matinee	Peter Jackson
Belmont	du Maurier	Medallion	Players
Belvedere	Dunhill	Macdonald	Rothmans
Camel	Export	More	Vantage
Cameo	LD	North American Spirit	Viscount
Other Brands [link to document listing sub-brands]			Winston

What compensation may you be eligible to receive from the Quebec Administration Plan?

The Quebec Administration Plan provides financial compensation for *Blais* Class Members who fulfill the *Blais* Eligibility Criteria. The amount of compensation for which a *Blais* Class Member will be assessed to be eligible will depend upon several factors including the number of individuals in Quebec who fulfill the *Blais* Eligibility Criteria, the number of individuals diagnosed with each of Lung Cancer, Throat Cancer and Emphysema/COPD (GOLD Grade III or IV), and whether each *Blais* Class Member started smoking the Tobacco Companies’ cigarettes before January 1, 1976, or on or after January 1, 1976. **An Eligible *Blais* Class member shall be paid for the single compensable disease with which they have been diagnosed that will provide them with the highest amount of compensation from the Quebec Administration Plan. The amounts of the Compensation Payments to Eligible *Blais* Class Members shall not exceed and may be less than the maximum amounts specified in the table below:**

Disease(s) with which you were diagnosed	Maximum Amount of Compensation (CAD)	
	If you started smoking before January 1, 1976	If you started smoking on or after January 1, 1976
Emphysema/COPD (GOLD Grade III or IV)	Up to \$30,000	Up to \$24,000
Lung cancer	Up to \$100,000	Up to \$80,000

Disease(s) with which you were diagnosed	Maximum Amount of Compensation (CAD)	
	If you started smoking before January 1, 1976	If you started smoking on or after January 1, 1976
Throat cancer	Up to \$100,000	Up to \$80,000

How do I submit a Claim?

To make a Claim to the Quebec Administration Plan, **by no later than [the *Blais* Claims Application Deadline which is TBD]**, you must submit to the Claims Administrator a **Proof of Claim** consisting of a **Tobacco-Victim Claim Form or Succession Claim Form** as applicable.

In order to obtain the Proof of Diagnosis, on the Tobacco-Victim Claim Form or Succession Claim Form, as applicable, you will be asked to authorize the Claims Administrator to request an Official Confirmation through the Ministry of Health and Social Services of Quebec (“MSSS”) and the *Régie de l’assurance maladie du Québec* (“RAMQ”) from (i) the Quebec Cancer Registry in respect of a diagnosis of Lung Cancer or Throat Cancer, and (ii) from MED-ÉCHO, a MSSS database of clinical information, in respect of a diagnosis of Emphysema/COPD (GOLD Grade III or IV). In the event that the Claims Administrator is unable to obtain an Official Confirmation in respect of the Tobacco-Victim, then the Claims Administrator will request that you submit an Alternative Cancer Proof or Alternative Emphysema/COPD (GOLD Grade III or IV) Proof which you will be responsible to obtain and submit.

If you are requested by the Claims Administrator to submit an Alternative Cancer Proof or an Alternative Emphysema/COPD (GOLD Grade III or IV) Proof, you must submit such proof to the Claims Administrator by no later than 120 days following receipt of such request in one of the following forms:

- (a) a copy of a pathology report which confirms that you were diagnosed with Lung Cancer or Throat Cancer, as applicable, before March 12, 2012; or
- (b) a copy of a report of a spirometry test performed on you before March 12, 2012, demonstrating a FEV1 (non-reversible) of less than 50% of the predicted value to establish a diagnosis of Emphysema/COPD (GOLD Grade III or IV); or
- (c) A copy of an extract from your medical file confirming the diagnosis of Lung Cancer, Throat Cancer or Emphysema/COPD (GOLD Grade III or IV) before March 12, 2012; or
- (d) A completed **Physician Form**; or
- (e) A written statement from your Physician, or another physician having access to your medical record, confirming the diagnosis of Lung Cancer or Throat Cancer before March 12, 2012 and providing at least one of the following records to verify the diagnosis and date of diagnosis: pathology report, operative report, biopsy report,

MRI report, CT scan report, PET scan report, x-ray report and/or sputum cytology report.

The Tobacco-Victim Claim Form, Succession Claim Form and Physician Form can be found [here \[link to forms on Claims Administrator's website\]](#) on the website for the Quebec Administration Plan. You must sign the Tobacco-Victim Claim Form or Succession Claim Form, as applicable, before a Commissioner for Oaths.

If you are the Legal Representative for an individual who is currently alive, or is now deceased, and who may fulfill the *Blais* Eligibility Criteria, you must provide the Claims Administrator with a document proving that you have the right and are authorized to make a Claim on behalf of the individual. You must also submit a Tobacco-Victim Claim Form or Succession Claim Form, as applicable, and, if requested, Alternative Cancer Proof or an Alternative Emphysema/COPD (GOLD Grade III or IV) Proof to the Claims Administrator **by no later than [the *Blais* Claims Application Deadline which is TBD]**.

You may submit your Proof of Claim to the Claims Administrator by:

By Registered Mail to: [\[Address of Claims Administrator\]](#)

Online at: [\[URL for website of Claims Administrator\]](#)

By email to: [\[Email address of Claims Administrator\]](#)

By fax to: [\[Fax Number of Claims Administrator\]](#)

We recommend that you take a few minutes to review the [FAQ section on the website of the Claims Administrator \[link to Claims Administrator's website\]](#) for further details about the Quebec Administration Plan and the financial compensation that may be available to you. If you have any questions about the Quebec Administration Plan, you may contact the Claims Administrator at: [\[insert URL for website of Claims Administrator and Call Centre toll-free number and email address\]](#).

You may also contact the Quebec Class Counsel through the Quebec Class Action Call Centre at 1-888-880-1844 or send an email to tabac@tjl.quebec or visit the Quebec Tobacco Class Action website at www.recourstabac.com.

WHAT IS THE DEADLINE FOR SUBMITTING A CLAIM?

The deadline to file your Tobacco-Victim Claim Form or Succession Claim Form, as applicable, and, if requested, Alternative Cancer Proof or an Alternative Emphysema/COPD (GOLD Grade III or IV) Proof with the Claims Administrator is [**the *Blais* Claims Application Deadline which is TBD**].

**IF YOU DO NOT FILE YOUR COMPLETE CLAIM ON TIME,
YOUR CLAIM WILL NOT BE ALLOWED.**

**YOU MUST FILE A CLAIM EVEN IF YOU HAVE ALREADY REGISTERED
ON THE QUEBEC CLASS ACTION WEBSITE**

APPENDIX "B"

Quebec Class Action Administration Plan

NOTICE OF REJECTION OF *BLAIS* CLAIM

[on Claims Administrator's Letterhead]

BY [METHOD OF COMMUNICATION]

Claimant's Name
 Claim Number
 Claimant's Address

Dear [Full name of Tobacco-Victim Claimant / Succession Claimant or representative],

By way of the present Notice, we hereby advise you that your claim [claim number] relating to [your/ the Tobacco-Victim's name] diagnosis of [lung cancer/throat cancer/Emphysema/COPD (GOLD Grade III or IV)] has been rejected for the following reason(s): [Select appropriate reasons or add additional reasons]

- ☐ The Claim Form was not properly completed, despite having received a Notice of Incomplete Claim;
- ☐ The Claimant has not established that they are the proper claimant to be asserting the Tobacco-Victim's claim;
- ☐ A Succession Claim has been submitted by the Liquidator of the estate of the deceased Tobacco-Victim, or by an Heir with a priority claim to the Compensation Payment;
- ☐ The supporting documents do not support that the Tobacco-Victim smoked at least 12 pack-years of the Tobacco Companies' cigarettes between January 1, 1950 and November 20, 1998;
- ☐ The supporting documents do not support that the Tobacco-Victim was diagnosed with [lung cancer, throat cancer or Emphysema/COPD (GOLD Grade III or IV)] prior to March 12, 2012;
- ☐ The Tobacco-Victim's diagnosis or date of diagnosis could not be confirmed;
- ☐ The Tobacco-Victim does not reside in Quebec; and/or
- ☐ The Tobacco-Victim was not alive on November 20, 1998.

[If applicable: Although your claim has been rejected in the *Blais* Class Action, the date of your/the Tobacco-Victim's diagnosis is within the period between March 8, 2015 and March 8, 2019 which is covered by the Pan-Canadian Claimants' Compensation Plan ("**PCC Compensation Plan**"). You will be receiving instructions from the Claims Administrator regarding on how to proceed with your claim under the PCC Compensation Plan.]

If you believe that your claim has been improperly rejected, you may submit your Claim for review by the Review Officer. To do so, you must fully complete and submit the attached Request for Review Form and any supporting documents to the Claims Administrator by not later than 5:00 p.m. Eastern Time **sixty (60) days** from the date this Notice of Rejection of *Blais* Claim. The Claims Administrator will not accept and review your Request for Review unless it has been submitted by this deadline by one of the following methods:

SUBMIT YOUR REQUEST FOR REVIEW BY REGISTERED MAIL TO: [\[Address of Claims Administrator\]](#);

OR

SUBMIT YOUR REQUEST FOR REVIEW ONLINE AT: [\[URL for website of Claims Administrator\]](#);

OR

SUBMIT YOUR REQUEST FOR REVIEW BY EMAIL TO: [\[Email address for Claims Administrator\]](#);

OR

SUBMIT YOUR REQUEST FOR REVIEW BY FAX TO: [\[Fax Number of Claims Administrator\]](#).

In accordance with the terms of the Quebec Administration Plan, the decision of the Claims Administrator, and the decision of the Review Officer if you chose to submit a Request for Review, are final and binding without any recourse to any Court, forum or tribunal.

If you have questions in respect of the Claims Process, including this Notice of Rejection of *Blais* Claim or the Request for Review, under the Quebec Administration Plan, please consult the Claims Administrator's website at [\[URL for website of Claims Administrator\]](#) or call the Claims Administrator's Call Center at [\[Call Centre toll-free number\]](#) or send an email to [\[Claims Administrator's email\]](#).

If you require any assistance to complete a Request for Review, you may contact the Quebec Class Counsel through the Quebec Class Action Call Centre at 1-888-880-1844 or send an email to tabac@tjl.quebec or visit the Quebec Tobacco Class Action website at www.recourstabac.com.

[Place], this • day of •, 202•

Claims Administrator

APPENDIX “C”

Quebec Class Action Administration Plan

CLAIM FORM A**TOBACCO-VICTIM CLAIM FORM****PROOF OF CLAIM – GENERAL INSTRUCTIONS**

If you have questions in respect of the Claims Process, including the status of your claim, under the Quebec Administration Plan, please consult the Claims Administrator’s website at [\[URL for website of Claims Administrator\]](#) or call the Claims Administrator’s Call Center at [\[Call Centre toll-free number\]](#) or send an email to [\[Claims Administrator’s email\]](#).

If you require any assistance to complete this form, please call the Quebec Class Action Call Centre at 1-888-880-1844 or send an email to tabac@tjl.quebec or visit the Quebec Tobacco Class Action website at www.recourstabac.com.

You must submit your Claim Form and any required supporting documents to the Claims Administrator by *[Blais Claims Application Deadline]* before 5 PM EST.

Proofs of Claim may be submitted:

1. Electronically via the website at [\[URL for website of Claims Administrator\]](#);
2. By email to [\[Claims Administrator’s email\]](#);
3. By fax to: [\[Fax Number of Claims Administrator\]](#); or
4. By registered mail to the following address: [\[Address of Claims Administrator\]](#).

Your claim will be deemed to be received **only when received by the Claims Administrator**. All Tobacco-Victim Claimants will be sent an Acknowledgement of Receipt of Claim by email or by mail once their Proof of Claim has been received by the Claims Administrator. You must keep your record of transmission of your Proof of Claim until you receive the Acknowledgement of Receipt of Claim. Please note that there may be a delay of several days before you receive your Acknowledgment of Receipt of Claim from the Claims Administrator.

PLEASE DO NOT SUBMIT YOUR CLAIM MORE THAN ONCE OR THROUGH MULTIPLE MEANS.

To be eligible to receive payment of financial compensation from the Quebec Administration Plan you (or the Tobacco-Victim for whom you are submitting a claim) must meet all of the following *Blais* Eligibility Criteria:

1. You reside in Quebec;
2. Between January 1, 1950 and November 20, 1998, you smoked a minimum of twelve pack-years of cigarettes sold by the Canadian Tobacco Companies.

Note: The calculator at this link [\[insert link to Pack-Years Calculator\]](#) will assist you to calculate the number of pack-years that you (or the Tobacco-Victim for whom you are submitting a claim) smoked.

3. Before March 12, 2012, you were diagnosed with:
 - (a) Primary lung cancer, or
 - (b) Primary cancer (squamous cell carcinoma) of the larynx, the oropharynx or the hypopharynx (throat cancer), or
 - (c) Emphysema/COPD (GOLD Grade III or IV).
4. On the date of your diagnosis with lung cancer, throat cancer or Emphysema/COPD (GOLD Grade III or IV) you resided in Quebec.

AND

5. The *Blais* Class Members include the heirs of all persons who died after November 20, 1998 and satisfied the above criteria.

If you reside in Quebec and do not meet the above *Blais* Eligibility Criteria, you may be eligible to receive compensation as a Pan-Canadian Claimant under the Pan-Canadian Claimant Compensation Plan (“PCC Compensation Plan”), if you meet all of the following criteria:

1. You reside in any Province or any Territory;
2. You were alive on March 8, 2019;
3. Between January 1, 1950 and November 20, 1998, you smoked a minimum of twelve pack-years of cigarettes sold by the Canadian Tobacco Companies;

Note: The calculator at this link [\[insert link to Pack-Years Calculator\]](#) will assist you to calculate the number of pack-years that you smoked.

4. Between March 8, 2015 and March 8, 2019, you were diagnosed with:
 - (a) Primary lung cancer, or
 - (b) Primary cancer (squamous cell carcinoma) of the larynx, the oropharynx or the hypopharynx (throat cancer), or
 - (c) Emphysema/COPD (GOLD Grade III or IV);

AND

5. On the date of your diagnosis with lung cancer, throat cancer or Emphysema/COPD (GOLD Grade III or IV) you resided in any Province or any Territory.

You are only permitted to make one claim for compensation as either a *Blais* Class Member or a PCC-Claimant under the PCC Compensation Plan. You cannot make a claim to both Claims Processes. You may determine whether you are eligible to receive compensation as a PCC-Claimant at [\[link to PCC section of Claims Administrator’s website\]](#).

You must fill out either Claim Form A or Claim Form B, depending on your situation:

Claim Form A is the Tobacco-Victim Claim Form (living class members)

Use Claim Form A – Tobacco-Victim Claim Form:

- If you are a Tobacco-Victim who was diagnosed with lung cancer, throat cancer and/or Emphysema/COPD (GOLD Grade III or IV) before March 12, 2012; or
- If you have a mandate or power of attorney to represent a living Tobacco-Victim who was diagnosed with lung cancer, throat cancer and/or Emphysema/COPD (GOLD Grade III or IV) before March 12, 2012.

Claim Form B is the Succession Claim Form (succession class members)

Use Claim Form B – Succession Claim Form:

- If you are the liquidator of the estate of a Tobacco-Victim who was diagnosed with lung cancer, throat cancer and/or Emphysema/COPD (GOLD Grade III or IV) before March 12, 2012, and who died after November 20, 1998;
- If you are an heir of a Tobacco-Victim who was diagnosed with lung cancer, throat cancer and/or Emphysema/COPD (GOLD Grade III or IV) before March 12, 2012 and who died after November 20, 1998, and the estate is closed, or if the Tobacco-Victim died without a will; or
- If you have a mandate or power of attorney to represent the heir of a Tobacco-Victim who was diagnosed with lung cancer, throat cancer and/or Emphysema/COPD (GOLD Grade III or IV) before March 12, 2012 and who died after November 20, 1998, and the estate is closed or the Tobacco-Victim died without a will.

If the heir has died, a person who assumes the claim of the deceased heir by representation may also file a Succession Claim using Claim Form B.

Confidentiality Declaration by the Claims Administrator

All personal information collected by the Claims Administrator through the Claims Process will be kept confidential in accordance with the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5 (“**PIPEDA**”). This information is collected only for the purpose of administering the Quebec Administration Plan and to assess a Tobacco-Victim Claimant’s or Succession Claimant’s eligibility to receive a Compensation Payment as an Eligible *Blais* Class Member and will not be disclosed without the express written permission of the Tobacco-Victim Claimant or Succession Claimant, except as provided for in the Quebec Administration Plan or by Court Order.

INSTRUCTIONS – CLAIM FORM A: TOBACCO-VICTIM CLAIM FORM

As a person who has suffered from lung cancer, throat cancer and/or Emphysema/COPD (GOLD Grade III or IV), you are considered a “Tobacco-Victim Claimant” under the terms of the Quebec Administration Plan.

This document is intended to assist you in completing Claim Form A, and assembling the documentation required in order to prove your claim.

If you need any help or have questions, please call the Claims Administrator’s Call Center at [Call Centre toll-free number] or send an email to [Claims Administrator’s email].

You may also contact the Quebec Class Counsel through the Quebec Class Action Call Centre at 1-888-880-1844 or send an email to tabac@tlj.quebec or visit the Quebec Tobacco Class Action website at www.recourstabac.com.

***If you are filling out this form on your own behalf, provide your own information where information is requested about the “Tobacco-Victim.”

Part A: Information about the Tobacco-Victim

In **Question 1**, provide the Tobacco-Victim’s full name.

In **Question 2**, provide the Tobacco-Victim’s birth date.

In **Question 3**, provide the Tobacco-Victim’s health insurance card number. This information is required to enable the Claims Administrator to make requests to the Ministry of Health and Social Services of Quebec (“MSSS”) and Régie de l’assurance maladie du Québec (RAMQ) for documents that will assist the Tobacco-Victim Claimant to prove the diagnosis and the date of diagnosis of the Tobacco-Victim’s tobacco-related disease(s).

In **Question 4**, confirm whether the Tobacco-Victim was alive on November 20, 1998. If the Tobacco-Victim died before November 20, 1998, then neither the estate of the Tobacco-Victim nor the Tobacco-Victim’s Heirs are eligible to receive a Compensation Payment.

In **Question 5**, confirm whether the Tobacco-Victim resided in Quebec during the period from January 1, 1950 to November 20, 1998.

In **Question 6**, indicate whether the Tobacco-Victim resided in Quebec on the date of their diagnosis.

In **Question 7**, indicate whether the Tobacco-Victim currently resides in Quebec.

Only answer **Question 8** if the answer to Questions 5, 6 or 7 was “No” and provide the details concerning the Tobacco-Victim’s time living in Quebec. Please note that the Tobacco-Victim must have been a resident of the Province of Quebec in order to be entitled to compensation. **Please note that, in order to be entitled to compensation, the Tobacco-Victim must have been a resident of Quebec at the time of diagnosis as well as a resident of Quebec at the time of submitting the Proof of Claim to the Claims Administrator.**

In **Question 9**, indicate whether you are acting as a representative of the Tobacco-Victim.

Only answer **Question 10** if you are a representative of the Tobacco-Victim. In response to these questions, indicate your full name and the type of mandate that you are acting pursuant to. You must attach a copy of the mandate or power of attorney with the Proof of Claim, marked with the words “Representative’s Mandate”, followed by the Tobacco-Victim’s name on the front page of the document, and in the file name, if submitted electronically.

In **Questions 11 and 12**, provide your own mailing address and other contact information so that the Claims Administrator can communicate with you in respect of your claim. Note that the Claims Administrator will communicate with you by email, if an email address is provided. Please add the Claims Administrator's email address [\[Claims Administrator's email\]](#) to your list of contacts to ensure that correspondence in connection with your claim reaches your Inbox.

In **Question 12**, indicate your language of preference for communications from the Claims Administrator.

Part B: Proof of Diagnosis

To be eligible for compensation, the Tobacco-Victim must have been diagnosed with primary lung cancer, primary cancer (squamous cell carcinoma) of the larynx, oropharynx or hypopharynx and/or Emphysema/COPD (GOLD Grade III or IV) before **March 12, 2012**. These are the only diseases covered by the Quebec Administration Plan.

In response to **Question 1**, indicate what disease(s) the Tobacco-Victim has been diagnosed with, and for each, indicate the initial date of diagnosis. While a Tobacco-Victim has a distinct claim for each occurrence of a covered disease, a recurrence or a relapse is not considered a primary cancer. In the case of a recurrence or relapse, only the initial diagnosis date should be indicated. Please note that the Tobacco-Victim Claimant will only receive compensation relating to the proven claim which entitles the Tobacco-Victim to the highest compensation.

If you do not recall the exact date of the Tobacco-Victim's diagnosis, please provide the most accurate estimate possible, as this information will be verified in the Claims Process.

If you are unsure of which category your claim falls into, please call the Claims Administrator's Call Center at [\[Call Centre toll-free number\]](#) or send an email to [\[Claims Administrator's email\]](#).

You may also contact the Quebec Class Counsel through the Quebec Class Action Call Centre at 1-888-880-1844 or send an email to tabac@tlj.quebec or visit the Quebec Tobacco Class Action website at www.recourstabac.com.

In **Section 2**, you must provide your authorization for the Claims Administrator to obtain medical information concerning the Tobacco-Victim from the sources listed therein for the purpose of confirming the diagnosis and the date of diagnosis of the disease(s) indicated in response to **Question 1**.

To facilitate the process of proving a Tobacco-Victim's diagnosis, the Claims Administrator will request the official records from the Quebec Cancer Registry and the MED-ÉCHO database which are held by RAMQ and the Ministry of Health and Social Services.

If an official confirmation of disease/diagnosis cannot be made from these sources, the Claims Administrator will contact you to request that you submit an alternative method of proof. By way of example only, such proof may include: a copy of a pathology report which confirms that the Tobacco-Victim was diagnosed with Lung Cancer or Throat Cancer, as applicable, before March 12, 2012; a copy of a report of a spirometry test performed on the Tobacco-Victim before March 12, 2012, demonstrating a FEV1 (non-reversible) of less than 50% of the predicted value to establish a diagnosis of Emphysema/COPD (GOLD Grade III or IV); an extract from the Tobacco-Victim's medical records or a written statement of the Tobacco-Victim's Physician. **Do not submit any alternative evidence unless it has been explicitly requested from you by way of a Notice from the Claims Administrator entitled "Notice to Provide Alternative Proof."**

If submitting your Alternative Proof electronically, please name the PDF document "[your health insurance card number]-Alternative Medical Proof.pdf" as applicable.

PART C. Proof of Smoking History

In this section, you must confirm the Tobacco-Victim's smoking habits.

In **Section 1**, you must indicate whether the Tobacco-Victim started smoking either (a) before or (b) on or after January 1, 1976. The Quebec Courts reduced the tobacco companies' liability by 20% for Tobacco-Victims who started smoking after January 1, 1976. This is because the Courts determined that, by January 1, 1980, the dangers of

contracting a disease from smoking were known to the public, and that it would have taken 4 years for an individual to become addicted to smoking. Thus, people who started smoking after January 1, 1976 are deemed to have been aware of the dangers of contracting a disease from smoking (the Courts also determined that the public was deemed to have knowledge as of March 1, 1996 that cigarettes were addictive). Consequently, Tobacco-Victims who started smoking after January 1, 1976 are entitled to compensation to the extent of 80%. These determinations by the Courts are final and cannot be appealed.

Note that in order to be entitled to compensation, the Tobacco-Victim must have smoked 12 pack-years, or 87,600 cigarettes between January 1, 1950 and November 20, 1998.

A pack-year is 7,300 cigarettes, expressed in terms of daily smoking. For example, 12 pack-years equals:

- 20 cigarettes a day for 12 years ($20 \times 365 \times 12 = 87,600$) or
- 30 cigarettes a day for 8 years ($30 \times 365 \times 8 = 87,600$) or
- 10 cigarettes a day for 24 years ($10 \times 365 \times 24 = 87,600$);

It is not necessary for you to calculate the number of pack-years smoked by the Tobacco-Victim, as this calculation will be done by the Claims Administrator when reviewing the Proof of Claim.

If the Tobacco-Victim's smoking history can be easily expressed in terms of number of cigarettes smoked per year, then please fill out the requisite information where indicated in **Section 2(a)**. If the Tobacco-Victim's smoking history cannot be easily expressed in such terms, please provide a summary where indicated in **Section 2(b)** describing the Tobacco-Victim's smoking habits between January 1, 1950 and November 20, 1998.

In **Section 3**, please check the boxes for all brands of cigarettes that the Tobacco-Victim smoked on a regular basis between January 1, 1950 and November 20, 1998. The brand choices listed include the "family" of those brands, for example, Players includes Players Light and Players Filter etc. The purpose of providing this information is to confirm that the Tobacco-Victim smoked cigarettes manufactured by the defendant tobacco companies.

PART D. Payment Method

In this section indicate your preference to receive payment by either cheque or direct deposit of any Compensation Payment for which the Tobacco-Victim may be determined to be eligible.

PART E. Signature

In this section indicate your own name and the date, and add your signature. By signing this form, you are acknowledging that the information submitted is true, and all supporting documents are authentic and have not been altered.

The Claim Form must be signed before a Commissioner for Oaths.

If Quebec Class Counsel are assisting you with your Claim Form, they can arrange for a Commissioner for Oaths to commission your Claim Form prior to submitting it to the Claims Administrator.

If you are not using the assistance of Quebec Class Counsel, you may locate a Commissioner for Oaths at <https://www.assermentation.justice.gouv.qc.ca/ServicesPublicsConsultation/Commissaires/Proximite/Criteres.aspx>.

CLAIM FORM A
TOBACCO-VICTIM CLAIM FORM

Part A: Information about the Tobacco-Victim

1. What is your (the Tobacco-Victim's) full legal name?

Last name: _____ Given name(s): _____

2. What is your (the Tobacco-Victim's) date of birth (YYYY-MM-DD)?

3. What is your (the Tobacco-Victim's) health insurance card number? _____

4. Was the Tobacco-Victim alive on November 20, 1998? ☐ Yes ☐ No

5. Between January 1, 1950 and November 20, 1998, did you (the Tobacco-Victim) reside in Quebec?

☐ No ☐ Yes

6. Did you reside in Quebec on the date on which you were diagnosed with primary lung cancer, primary squamous cell carcinoma of the larynx, the oropharynx or the hypopharynx (throat cancer), or Emphysema/COPD (GOLD Grade III or IV)?

☐ Yes ☐ No

7. Do you (the Tobacco-Victim) currently reside in Quebec? ☐ Yes ☐ No

8. If you answered "No" to any of Questions 4, 5 and/or 6, during which periods of time were you a resident of Quebec?

9. Are you (the Tobacco-Victim) represented by another person? ☐ Yes ☐ No

10. If you answered "Yes" to Question 9:

(a) What is the representative's full legal name?

Last name: _____ Given name(s): _____

(b) Pursuant to what type of mandate is the representative acting?

- ☐ Tutorship to a person of full age ☐ Mandate in case of incapacity
- ☐ Curatorship to a person of full age ☐ Power of attorney
- ☐ Detailed Mandate

A copy of the mandate or power of attorney that the representative of the Tobacco-Victim is acting pursuant to must be attached and marked with the words "Representative's Mandate" and the name of the Tobacco-Victim.

11. What is your mailing address? If a representative is submitting the claim, provide the representative's mailing address.

Number	Street	Apartment	
City/Town	Province	Country	Postal Code

12. What is your contact information? If a representative is filing the claim, provide the representative's contact information.

Phone: _____ Fax: _____

Email: _____

13. What language should be used for communication?

☐ English ☐ French

Part B: Proof of Diagnosis

1. I (or the Tobacco-Victim whom I represent) have (or has) been diagnosed with the following disease (or diseases) on the following date(s) (YYYY-MM-DD), and was resident in the place indicated on the date of diagnosis:

☐ Primary Lung Cancer

Date of diagnosis: _____

Place of residence on date of diagnosis: _____

☐ Primary squamous cell carcinoma of the larynx, oropharynx or hypopharynx (Throat Cancer)

Date of diagnosis: _____

Place of residence on date of diagnosis: _____

☐ Emphysema/COPD (GOLD Grade III or IV)

Date of diagnosis: _____

Place of residence on date of diagnosis: _____

Reminder: In the case of recurrence or relapse, please indicate the initial date of diagnosis only.

2. Authorization to obtain Official Confirmation of Diagnosis

I hereby authorize the Claims Administrator to obtain a copy of my medical information (or a copy of the medical information of the Tobacco-Victim whom I represent) relating to the diseases/diagnoses referenced above, and I authorize the Ministère de la Santé et des Services sociaux and/or the Régie de l'assurance maladie du Québec to communicate to the Claims Administrator copies of any of the following:

- A confirmation of my (or the Tobacco-Victim's) diagnosis from the Quebec Cancer Registry;
- An extract from RAMQ files confirming my (or the Tobacco-Victim's) diagnosis; and
- An extract from the MED-ÉCHO database confirming my (or the Tobacco-Victim's) diagnosis.

☐ By checking this box, I authorize my (or the Tobacco-Victim's) medical information to be released to the Claims Administrator.

If an official confirmation of disease/diagnosis cannot be made through these means, the Claims Administrator will contact you to request the submission of an alternative method of proof. **Do not submit any alternative evidence unless it has been explicitly requested from you by way of a Notice from the Claims Administrator entitled "Notice to Provide Alternative Proof."**

Part C: Proof of Smoking History

1. I (or the Tobacco-Victim whom I represent) started smoking cigarettes:

☐ Before January 1, 1976

☐ On or after January 1, 1976

2 (a). Between January 1, 1950 and November 20, 1998, I (or the Tobacco-Victim whom I represent) smoked approximately _____ cigarettes per day for approximately _____ years.

[or]

2 (b). The following is a summary of the number of cigarettes I (or the Tobacco-Victim whom I represent) smoked between January 1, 1950 and November 20, 1998:

3. I (or the Tobacco-Victim who I represent) regularly smoked the following brands of cigarettes:

☐ Accord

☐ Craven "M"

☐ Matinee

☐ Rothmans

☐ B&H

☐ du Maurier

☐ Medallion

☐ Vantage

☐ Belmont

☐ Dunhill

☐ More

☐ Viscount

☐ Belvedere

☐ Export

☐ North American Spirit

☐ Winston

☐ Camel

☐ LD

☐ Number 7

☐ Cameo ☐ Macdonald ☐ Peter Jackson

☐ Craven "A" ☐ Mark Ten ☐ Players

☐ Other: _____

Reminder: The brand choices listed above include all cigarettes in the same brand family. Please check all that apply. [\[link to document listing sub-brands\]](#)

Part D: Payment Method

1. If the Claims Administrator determines that I (or the Tobacco-Victim whom I represent) is eligible to receive compensation from the Quebec Administration Plan, I wish to receive payment:

☐ By cheque mailed to the address that I provided in Part A of this Claim Form.

☐ By direct deposit into my (the Tobacco Victim's) bank account. I have attached a "Void" cheque and provided the following information regarding the bank account in my name:

Financial Institution: _____

Branch Address: _____

City: _____

Province: _____

Postal Code: _____

Name on Account: _____

Branch Number: _____

Financial Institution Number: _____

Account Number: _____

Part E: Signature

I, _____, solemnly declare that the information provided herein is true and that the documents submitted in support of this claim are authentic and have not been modified in any way whatsoever.

Signature: _____

Date: _____

SOLEMNLY AFFIRMED BEFORE ME in

_____ (City),

Quebec, on _____ (Date)

Commissioner for Oaths for Quebec

APPENDIX “D”

Quebec Class Action Administration Plan

PHYSICIAN FORM

GENERAL INSTRUCTIONS

If you have questions in respect of the Claims Process under the Quebec Class Action Administration Plan (“**Quebec Administration Plan**”), please consult the Claims Administrator’s website at [\[URL for website of Claims Administrator\]](#) or call the Claims Administrator’s Call Center at [\[Call Centre toll-free number\]](#) or send an email to [\[Claims Administrator’s email\]](#).

You may also contact the Quebec Class Counsel through the Quebec Class Action Call Centre at 1-888-880-1844 or send an email to tabac@tjl.quebec or visit the Quebec Tobacco Class Action website at www.recourstabac.com.

This Physician Form can be used as Alternative Proof if the Claims Administrator has requested that the Tobacco-Victim Claimant or Succession Claimant provide Alternative Cancer Proof or Alternative Emphysema/COPD (GOLD Grade III or IV) Proof to help the Tobacco-Victim Claimant or Succession Claimant prove the Tobacco-Victim’s diagnosis of Lung Cancer, Throat Cancer or Emphysema/COPD (GOLD Grade III or IV) before March 12, 2012, which is required in order to prove a claim under the Quebec Administration Plan.

Deadline to Submit this Form: This Physician Form and all requested medical documents must be submitted to the Claims Administrator of the Quebec Administration Plan as a complete package by no later than [the *Blais* Claims Application Deadline which is TBD] or on the date set forth in the Notice to Provide Alternative Proof issued by the Claims Administrator (the “**Deadline**”).

SUBMIT THIS FORM BY REGISTERED MAIL: This Physician Form and all required medical documents must be postmarked no later than the Deadline and mailed to: [Address of Claims Administrator].

OR

SUBMIT THIS FORM ONLINE: This Physician Form and documents must be submitted online and all documents must be uploaded online at [URL for website of Claims Administrator] by no later than 5:00 p.m. Eastern Time on the Deadline.

OR

SUBMIT THIS FORM BY EMAIL: This Physician Form must be emailed to the Claims Administrator to [Email address of Claims Administrator] by no later than 5:00 p.m. Eastern Time on the Deadline.

OR

SUBMIT THIS FORM BY FAX: This Physician Form and documents must be faxed to the Claims Administrator to [Fax Number of Claims Administrator] by no later than 5:00 p.m. Eastern Time on the Deadline.

Section I: Information regarding Tobacco-Victim	
The “Tobacco-Victim” is the person in respect of whom a Proof of Claim has been filed pursuant to the Quebec Administration Plan. If the Tobacco-Victim is deceased, the Proof of Claim may be filed by the Tobacco-Victim’s estate or heirs.	
Full Name (First Name, Middle Name and Last Name):	
Date of Birth:	_____ (DD/MM/YYYY)
Health Insurance Card Number:	
Section II: Name and Contact Information of Physician	
Full Name:	
Address:	
Business Phone:	
Preferred Language of Correspondence	☐ French ☐ English

Section III: Disease Diagnosis

Please complete this section even if the Tobacco-Victim is deceased.

Please attach the requested medical documentation marked in Question 3 below to verify the diagnosis. The request for documentation to confirm the diagnosis is a request for existing clinical records only. It is not a request for you or other physicians to prepare a report at this time.

1.	Has the Tobacco-Victim been diagnosed with primary Lung Cancer, Throat Cancer (primary squamous cell carcinoma of the larynx, oropharynx, or hypopharynx), or Emphysema/COPD (GOLD Grade III or IV)? Check all that apply.	☐ Lung Cancer ☐ Throat Cancer (primary squamous cell carcinoma of the larynx, oropharynx, or hypopharynx) ☐ Emphysema/COPD (GOLD Grade III or IV)
2.	On what date was the Tobacco-Victim first diagnosed with Lung Cancer, Throat Cancer or Emphysema/COPD (GOLD Grade III or IV)? (If the Tobacco-Victim was diagnosed with multiple diseases, please add the date of diagnosis for each disease).	Disease: _____ Date of Diagnosis: _____ (DD/MM/YYYY) Disease: _____ Date of Diagnosis: _____ (DD/MM/YYYY) Disease: _____ Date of Diagnosis: _____ (DD/MM/YYYY)

3.	Please attach <u>at least one</u> of the following records that verify the above-referenced diagnosis and date of diagnosis:	☐ Pathology Report ☐ Operative Report ☐ Biopsy Report ☐ MRI Report ☐ CT Scan Report ☐ PET Scan Report ☐ X-ray Report ☐ Sputum Cytology Report ☐ Spirometry Report ☐ Extract from medical chart ☐ Any other medical evidence or documentation that establishes the diagnosis and date of diagnosis (list the records attached):

Section IV: Smoking History

Please answer Question 4 based upon information available in the clinical notes and records available to you. Question 4 is not a request that you seek information from the Claimant or perform an exhaustive review of the Tobacco-Victim's medical records. The Claimant is required to respond to questions regarding the Tobacco-Victim's smoking history on a separate Claim Form which they will submit to the Claims Administrator. If this information is not readily available to you, select "Do not know".

4.	To the best of your knowledge, information and belief, does, or if the Tobacco-Victim is deceased did, the Tobacco-Victim smoke cigarettes?	☐ Yes ☐ No ☐ Do not know

Section V: Certification by Physician

I certify that the information provided on this Physician Form is true and correct to the best of knowledge, information and belief.

Date signed

Signature of Physician

APPENDIX “E”

Quebec Class Action Administration Plan

CLAIM FORM BSUCCESSION CLAIM FORM

PROOF OF CLAIM – GENERAL INSTRUCTIONS

If you have questions in respect of the Claims Process, including the status of your claim, under the Quebec Administration Plan, please consult the Claims Administrator’s website at [\[URL for website of Claims Administrator\]](#) or call the Claims Administrator’s Call Center at [\[Call Centre toll-free number\]](#) or send an email to [\[Claims Administrator’s email\]](#).

If you require any assistance to complete this form, please call the Quebec Class Action Call Centre at 1-888-880-1844 or send an email to tabac@tj1.quebec or visit the Quebec Tobacco Class Action website at www.recourstabac.com.

You must file your Claim Form and any required supporting documents by *[Blais Claims Application Deadline]* before 5 PM Eastern Time.

Proofs of Claim may be submitted:

1. Electronically via the website at [\[URL for website of Claims Administrator\]](#);
2. By email to [\[Claims Administrator’s email\]](#);
3. By fax to: [\[Fax Number of Claims Administrator\]](#); or
4. By registered mail to the following address: [\[Address of Claims Administrator\]](#).

Your claim will be deemed to be received **only when received by the Claims Administrator**. All Tobacco-Victim Claimants will be sent an Acknowledgement of Receipt of Claim by email or by mail once their Proof of Claim has been received by the Claims Administrator. There may be a delay of several days before you receive your Acknowledgment of Receipt of Claim from the Claims Administrator. You must keep your record of transmission of your Proof of Claim until you receive the Acknowledgement of Receipt of Claim.

PLEASE DO NOT SUBMIT YOUR CLAIM MORE THAN ONCE OR THROUGH MULTIPLE MEANS.

To be eligible to receive payment of financial compensation from the Quebec Administration Plan the Tobacco-Victim in respect of whom you are submitting a claim must meet all of the following *Blais* Eligibility Criteria:

1. The Tobacco-Victim resided in Quebec on the date of their death;
2. Between January 1, 1950 and November 20, 1998, the Tobacco-Victim smoked a minimum of twelve pack-years of cigarettes sold by the Canadian Tobacco Companies.

Note: The calculator at this link [\[insert link to Pack-Years Calculator\]](#) will assist you to calculate the number of pack-years that the Tobacco-Victim smoked.

3. Before March 12, 2012, the Tobacco-Victim was diagnosed with:
 - (d) Primary lung cancer, or
 - (e) Primary cancer (squamous cell carcinoma) of the larynx, the oropharynx or the hypopharynx (throat cancer), or
 - (f) Emphysema/COPD (GOLD Grade III or IV).
4. On the date of the Tobacco-Victim's diagnosis with lung cancer, throat cancer or Emphysema/COPD (GOLD Grade III or IV) the Tobacco-Victim resided in Quebec.

AND

5. The *Blais* Class Members include the heirs of all persons who died after November 20, 1998 and satisfied the above criteria.

If Tobacco-Victim resided in Quebec and does not meet the above *Blais* Eligibility Criteria, you may be eligible to receive compensation if the Tobacco-Victim was a Pan-Canadian Claimant under the Pan-Canadian Claimant Compensation Plan ("PCC Compensation Plan"), and meets all of the following criteria:

1. The Tobacco-Victim resided in any Province or any Territory on the date of their death;
2. The Tobacco-Victim was alive on March 8, 2019;
3. Between January 1, 1950 and November 20, 1998, the Tobacco-Victim smoked a minimum of twelve pack-years of cigarettes sold by the Canadian Tobacco Companies;

Note: The calculator at this link [\[insert link to Pack-Years Calculator\]](#) will assist you to calculate the number of pack-years that the Tobacco-Victim smoked.

4. Between March 8, 2015 and March 8, 2019, the Tobacco-Victim was diagnosed with:
 - (d) Primary lung cancer, or
 - (e) Primary cancer (squamous cell carcinoma) of the larynx, the oropharynx or the hypopharynx (throat cancer), or
 - (f) Emphysema/COPD (GOLD Grade III or IV);

AND

5. On the date of the Tobacco-Victim's diagnosis with lung cancer, throat cancer or Emphysema/COPD (GOLD Grade III or IV) the Tobacco-Victim resided in any Province or any Territory.

You are only permitted to make one claim for compensation in regard to the Tobacco-Victim as either a *Blais* Class Member or a PCC-Claimant under the PCC Compensation Plan. You cannot make a claim to both Claims Processes. You may determine whether you are eligible to receive compensation in regard to the Tobacco-Victim as a PCC-Claimant at [\[link to PCC section of Claims Administrator's website\]](#).

You must fill out either Claim Form A or Claim Form B, depending on their situation:

Claim Form A is the Tobacco-Victim Claim Form (living class members)

Use Claim Form A – Tobacco-Victim Claim Form:

- If you are a Tobacco-Victim who was diagnosed with lung cancer, throat cancer and/or emphysema/COPD (GOLD Grade III or IV) before March 12, 2012; or
- If you have a mandate or power of attorney to represent a living Tobacco-Victim who was diagnosed with lung cancer, throat cancer and/or emphysema/COPD (GOLD Grade III or IV) before March 12, 2012.

Claim Form B is the Succession Claim Form (succession class members)

Use Claim Form B – Succession Claim Form:

- If you are the liquidator of the estate of a Tobacco-Victim who was diagnosed with lung cancer, throat cancer and/or emphysema/COPD (GOLD Grade III or IV) before March 12, 2012, and who died after November 20, 1998;
- If you are an heir of a Tobacco-Victim who was diagnosed with lung cancer, throat cancer and/or emphysema/COPD (GOLD Grade III or IV) before March 12, 2012 and who died after November 20, 1998, and the estate is closed, or if the Tobacco-Victim died without a will; or
- If you have a mandate or power of attorney to represent the heir of a Tobacco-Victim who was diagnosed with lung cancer, throat cancer and/or emphysema/COPD (GOLD Grade III or IV) before March 12, 2012 and who died after November 20, 1998, and the estate is closed or the Tobacco-Victim died without a will.

If the heir has died, a person who assumes the claim of the deceased heir by representation may also file a Succession Claim using Claim Form B.

Confidentiality Declaration by the Claims Administrator

All personal information collected by the Claims Administrator through the Claims Process will be kept confidential in accordance with the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5 (“**PIPEDA**”). This information is collected only for the purpose of administering the Quebec Administration Plan and to assess a Tobacco-Victim Claimant's or Succession Claimant's eligibility to receive a Compensation Payment as an Eligible *Blais* Class Member and will not be disclosed without the express written permission of the Tobacco-Victim Claimant or Succession Claimant, except as provided for in the Quebec Administration Plan or by Court Order.

INSTRUCTIONS – CLAIM FORM B: SUCCESSION CLAIM FORM

As the liquidator of the estate of a deceased Tobacco-Victim or an heir of a deceased Tobacco-Victim, you are considered a “Succession Claimant” under the terms of the Quebec Administration Plan. If the claim is proven, you will be entitled to receive a Compensation Payment as a “Succession Class Member”. In the case of a claim submitted by an heir, the compensation may be split amongst all eligible heirs.

This document is intended to assist you to complete Claim Form B, and assemble the documentation required in order to prove your claim.

If you need any help or have questions, please call the Claims Administrator’s Call Center at [Call Centre toll-free number] or send an email to [Claims Administrator’s email].

You may also contact the Quebec Class Counsel through the Quebec Class Action Call Centre at 1-888-880-1844 or send an email to tabac@tjl.quebec or visit the Quebec Tobacco Class Action website at www.recourstabac.com.

Part A: Information about the Succession Claimant and the Deceased Tobacco-Victim

Section 1: Succession Claimant and Representative

In this section, you must provide information to prove that you are entitled to submit a proof of claim on behalf of the estate of the deceased Tobacco-Victim.

Succession claims **must** be submitted by the liquidator of the estate of the deceased Tobacco-Victim, if there is still a liquidator acting in that capacity. If there is no liquidator (or no longer a liquidator) to the estate of the deceased Tobacco-Victim, then a claim may be submitted by an heir to the deceased Tobacco-Victim, or by an heir by representation. Please note that it is not sufficient to be a member of a deceased Tobacco-Victim’s family in order to file a claim as an heir; a person must be an heir named in a will or registered marriage contract, or be the legal heir pursuant to the Quebec law on successions.

In response to **Questions 1 and 2**, provide the personal details of the person entitled to make the claim. If you are filing the claim on your own behalf, you are the “Succession Claimant.” If you are filing as a representative, then the information requested concerns the person you represent.

In response to **Question 3**, indicate whether you are submitting the claim as the representative of a Succession Claimant.

Only answer **Question 4** if you are submitting the claim as the representative of the Succession Claimant. In response to these questions, indicate the type of mandate that you are acting pursuant to. You must also attach a copy of the mandate or power of attorney with your Proof of Claim, marked with the words “Succession Representative’s Mandate”, followed by the deceased Tobacco-Victim’s name on the front page of the document, and in the file name, if submitted electronically.

In response to **Questions 5 and 6**, provide your mailing address and contact information so that the Claims Administrator can communicate with you in respect of the claim. The Claims Administrator will communicate with you by email, if an email address is provided. Please add the Claims Administrator’s email address [Claims Administrator’s email] to your list of contacts to ensure that correspondence in connection with your claim reaches your Inbox.

In response to **Question 7**, indicate your language of preference for communications from the Claims Administrator.

Section 2: Deceased Tobacco-Victim Information

In response to **Question 1**, provide the deceased Tobacco-Victim's full name.

In response to **Question 2**, provide the deceased Tobacco-Victim's birth date.

In response to **Question 3**, provide the deceased Tobacco-Victim's date of death.

In response to **Question 4** provide the deceased Tobacco-Victim's health insurance card number. This information is required to enable the Claims Administrator to make requests to the Ministry of Health and Social Services of Quebec ("MSSS") and *Régie de l'assurance maladie du Québec* (RAMQ) for relevant documents to assist in proving the diagnosis and the date of diagnosis of the Tobacco-Victim's tobacco-related disease(s).

In **Question 5**, confirm whether the deceased Tobacco-Victim was alive on November 20, 1998. If the Tobacco-Victim died before November 20, 1998, then neither the estate of the Tobacco-Victim nor the Tobacco-Victim's Heirs are eligible to receive a Compensation Payment.

In **Question 6**, confirm whether the deceased Tobacco-Victim resided in Quebec during the period from January 1, 1950 to November 20, 1998.

In **Question 7**, indicate whether the deceased Tobacco Victim resided in Quebec on the date of their diagnosis.

In **Question 8**, indicate whether the deceased Tobacco Victim resided in Quebec on the date of their death.

Only answer **Question 9** if the answer to Questions 6, 7 or 8 was "No" and provide the details concerning the Tobacco-Victim's time living in Quebec. Please note that the Tobacco-Victim must have been a resident of the Province of Quebec in order to be entitled to compensation. **Please note that, in order to be entitled to compensation, the Tobacco-Victim must have been a resident of Quebec at the time of diagnosis as well as a resident of Quebec at the time of their death.**

Part B: Proof of Diagnosis

In order to be eligible for compensation, the deceased Tobacco-Victim must have been diagnosed with primary lung cancer, primary cancer (squamous cell carcinoma) of the larynx, oropharynx or hypopharynx, and/or emphysema/COPD (GOLD Grade III or IV) before **March 12, 2012**. These are the only diseases covered by the Quebec Administration Plan.

In response to **Question 1**, indicate what disease(s) the deceased Tobacco-Victim was diagnosed with, and for each, indicate the initial date of diagnosis. While a Succession Claimant has a distinct claim for each occurrence of a covered disease, a recurrence or a relapse is not considered a primary cancer. In the case of a recurrence or relapse, only indicate the initial diagnosis date. Note that the Succession Claimant will only receive compensation relating to the proven claim entitling the estate of the Tobacco-Victim to the highest compensation.

If you do not recall the exact date of the deceased Tobacco-Victim's diagnosis, please provide the most accurate estimate possible, to facilitate verification in the Claims Process.

If you are unsure of which category your claim falls into, please call the Claims Administrator's Call Center at [Call Centre toll-free number] or send an email to [Claims Administrator's email].

In **Section 2**, you must provide your authorization for the Claims Administrator to obtain medical information concerning the deceased Tobacco-Victim from the sources listed therein for the purpose of confirming the diagnosis and the date of diagnosis of the disease(s) indicated in response to **Question 1**.

To facilitate the process of proving a deceased Tobacco-Victim's diagnosis, the Claims Administrator will request the official records, including from RAMQ, the Ministry of Health and Social Services, the Quebec Cancer Registry and the MED-ÉCHO database.

If an official confirmation of disease/diagnosis cannot be made from these sources, the Claims Administrator will contact you to request that you submit an alternative method of proof. By way of example only, such proof may include:

a copy of a pathology report which confirms that the Tobacco-Victim was diagnosed with Lung Cancer or Throat Cancer, as applicable, before March 12, 2012; a copy of a report of a spirometry test performed on you before March 12, 2012, demonstrating a FEV1 (non-reversible) of less than 50% of the predicted value to establish a diagnosis of Emphysema/COPD (GOLD Grade III or IV); an extract from the Tobacco-Victim's medical records or a written statement of the Tobacco-Victim's Physician. **Do not submit any alternative evidence unless it has been explicitly requested from you by way of a Notice from the Claims Administrator entitled "Notice to Provide Alternative Proof".**

If submitting the Tobacco-Victim's Alternative Proof electronically, please name the PDF document "[Health insurance card number of the deceased Tobacco-Victim]-Alternative Medical Proof.pdf" as applicable.

PART C. Proof of Smoking History

In this section, you must confirm that you have knowledge of the deceased Tobacco-Victim's smoking habits.

In **Section 1**, you must indicate whether the deceased Tobacco-Victim started smoking either (a) before, or (b) on or after, January 1, 1976. The Quebec Courts reduced the tobacco companies' liability by 20% for Tobacco-Victims who started smoking after January 1, 1976. This is because the Courts determined that, by January 1, 1980, the dangers of contracting a disease from smoking were known to the public, and that it would have taken 4 years for an individual to become addicted to smoking. Thus, people who started smoking after January 1, 1976 are deemed to have been aware of the dangers of contracting a disease from smoking (the Courts also determined that the public was deemed to have knowledge as of March 1, 1996 that cigarettes were addictive). Consequently, deceased Tobacco-Victims who started smoking after January 1, 1976 are entitled to compensation to the extent of 80%. These determinations by the Courts are final and cannot be appealed.

Note that in order to be entitled to compensation, the deceased Tobacco-Victim must have smoked 12 pack-years, or 87,600 cigarettes between January 1, 1950 and November 20, 1998.

A pack-year is 7,300 cigarettes, expressed in terms of daily smoking. For example, 12 pack-years equals:

- 20 cigarettes a day for 12 years ($20 \times 365 \times 12 = 87,600$); or
- 30 cigarettes a day for 8 years ($30 \times 365 \times 8 = 87,600$); or
- 10 cigarettes a day for 24 years ($10 \times 365 \times 24 = 87,600$).

It is not necessary for you to calculate the number of pack-years smoked by the Tobacco-Victim, as this calculation will be done by the Claims Administrator when reviewing the Proof of Claim.

If the deceased Tobacco-Victim's smoking history can be easily expressed in terms of number of cigarettes smoked per year, then please fill out the requisite information where indicated in **Section 2(a)**. If the deceased Tobacco-Victim's smoking history cannot be easily expressed in such terms, please provide a summary where indicated in **Section 2(b)** of the deceased Tobacco-Victim's smoking habits between January 1, 1950 and November 20, 1998.

In **Section 3**, please check the boxes for all brands of cigarettes that the deceased Tobacco-Victim smoked on a regular basis between January 1, 1950 and November 20, 1998. The brand choices listed include the "family" of those brands, for example, Players includes Players Light and Players Filter etc. The purpose of providing this information is to confirm that the deceased Tobacco-Victim smoked cigarettes manufactured by the Defendant tobacco companies.

PART D. Proof of Succession Status

The purpose of this section is to provide the required proof of the Succession Claimant's status to assert a Succession Claim.

In response to **Question 1**, indicate whether the Succession Claimant is a liquidator to the estate of the deceased Tobacco-Victim. Mark the first box if you are the liquidator pursuant to a will. Mark the second box if you are a

liquidator pursuant to an appointment by the heirs, in the case of a deceased Tobacco-Victim who did not have a will. Mark the third box if the Succession Claimant is not a liquidator.

Question 2 only needs to be answered if you marked the third box (“No”) in Question 1. Mark the first box if the Succession Claimant is an heir pursuant to a will. Mark the second box if the Succession Claimant is an heir by operation of law (i.e., if the deceased Tobacco-Victim did not have a will). Mark the third box if the Succession Claimant is an heir by representation of an heir who has died. If you are filing the Proof of Claim as an heir by representation, you will need to complete and attach a declaration in respect of the estate of the deceased Tobacco-Victim and a declaration in respect of the estate of the heir whom you represent. If you require assistance, please contact Quebec Class Counsel or Raymond Chabot, so that they can help you make sure that all required documentation is submitted.

You must fill in the Sub-Form required, which is indicated next to the box you marked. Follow the instructions found on that Sub-Form, and include all required supporting documents.

PART E. Payment Method

In this section indicate your preference to receive payment by either cheque or direct deposit of any Compensation Payment for which the deceased Tobacco-Victim may be determined to be eligible.

PART F. Signature

In this section indicate your own name and the date, and add your signature. By signing this form, you are acknowledging that the information submitted is true, and all supporting documents are authentic and have not been altered.

The Claim Form must be signed before a Commissioner for Oaths.

If Quebec Class Counsel are assisting you with your Claim Form, they can arrange for a Commissioner for Oaths to commission your Claim Form prior to submitting it to the Claims Administrator.

If you are not using the assistance of Quebec Class Counsel, you may locate a Commissioner for Oaths at <https://www.assermentation.justice.gouv.qc.ca/ServicesPublicsConsultation/Commissaires/Proximite/Criteres.aspx>

CLAIM FORM B
SUCCESSION CLAIM FORM

Part A: Information about the Succession Claimant

Section 1: Succession Claimant and Representative

1. What is the Succession Claimant's full legal name?

Last name: _____

Given name(s): _____

2. What is the Succession Claimant's date of birth (YYYY-MM-DD)?

3. Is the Succession Claimant represented by another party?

☐ Yes ☐ No

4. If you answered "yes" to Question 3:

(a) What is the Succession Claimant's representative's full legal name?

Last name: _____

Given name(s): _____

(b) Pursuant to what type of mandate is the representative acting?

☐ Tutorship to a person of full age

☐ Tutorship to a person of minor age

☐ Curatorship to a person of full age

☐ Mandate in case of incapacity

☐ Detailed Mandate

☐ Power of attorney

A copy of the mandate or power of attorney that the representative of the Succession Claimant is acting pursuant to must be attached and marked with the words "Representative's Mandate" and the name of the deceased Tobacco-Victim.

5. What is the Succession Claimant's mailing address? If a representative is filing the claim, provide the representative's mailing address.

Number _____

Street _____

Apartment _____

City/Town _____

Province _____

Country _____

Postal Code _____

6. What is the Succession Claimant's contact information? If a representative is filing the claim, provide the representative's contact information.

Phone: _____

Fax: _____

Email: _____

7. What language should be used for communication?

☐ English☐ French**Section 2: Deceased Tobacco-Victim Information****1. What is the deceased Tobacco-Victim's full legal name?**

Last name: _____

Given name(s): _____

2. What is the deceased Tobacco-Victim's date of birth (YYYY-MM-DD)?

Date of birth: _____

3. What is the deceased Tobacco-Victim's date of death (YYYY-MM-DD)?

Date of death: _____

4. What is the deceased Tobacco-Victim's health insurance card number?

Health insurance card number: _____

5. Was the Tobacco-Victim alive on November 20, 1998? ☐ Yes ☐ No**6. Between January 1, 1950 and November 20, 1998, did the deceased Tobacco-Victim reside in Quebec?**☐ Yes ☐ No**7. Did the deceased Tobacco-Victim reside in Quebec on the date on which they were diagnosed with primary lung cancer, primary squamous cell carcinoma of the larynx, the oropharynx or the hypopharynx (throat cancer), or Emphysema/COPD (GOLD Grade III or IV)?**☐ Yes ☐ No**8. Did the deceased Tobacco-Victim reside in Quebec on the date of their death?** ☐ Yes ☐ No**9. If you answered "No" to any of Questions 6, 7 and/or 8, during which periods of time was the deceased Tobacco-Victim a resident of Quebec?**

Part B: Proof of Diagnosis**1. Indicate whether the deceased Tobacco-Victim was diagnosed with one or more of the following diseases, and provide the dates of diagnosis, as well as the place in which the Tobacco-Victim resided on the date of diagnosis:**☐ Primary Lung Cancer

Date of diagnosis: _____

Place of residence on date of diagnosis: _____

☐ Primary squamous cell carcinoma of the larynx, oropharynx or hypopharynx (Throat Cancer)

Date of diagnosis:

Place of residence on date of diagnosis: _____

☐ Emphysema/COPD (GOLD Grade III or IV)

Date of diagnosis: _____

Place of residence on date of diagnosis: _____

Reminder: In the case of recurrence or relapse, please indicate the initial date of diagnosis only.

2. Authorization to Confirm Diagnosis

I hereby authorize the Claims Administrator to obtain a copy of the deceased Tobacco-Victim's medical information relating to the diseases/diagnoses referenced above, and I authorize the Ministère de la Santé et des Services sociaux and/or the Régie de l'assurance maladie du Québec to communicate to the Claims Administrator copies of any of the following:

- A confirmation of the deceased Tobacco-Victim's diagnosis from the Quebec Cancer Registry;
- An extract from RAMQ files confirming the deceased Tobacco-Victim's diagnosis; and
- An extract from the MED-ÉCHO database confirming the deceased Tobacco-Victim's diagnosis.

☐ By checking this box, I authorize the deceased Tobacco-Victim's medical information to be released to the Claims Administrator.

If an official confirmation of disease/diagnosis cannot be made through these means, the Claims Administrator will contact you to request the submission of an alternative method of proof. **Do not submit any alternative evidence unless it has been explicitly requested from you by way of a Notice from the Claims Administrator entitled "Notice to Provide Alternative Proof."**

Part C: Proof of Smoking History

I confirm that I have knowledge of the deceased Tobacco-Victim's smoking habits and:

1. That the deceased Tobacco-Victim started smoking cigarettes:

☐ Before January 1, 1976

☐ On or after January 1, 1976

2(a). That between January 1, 1950 and November 20, 1998, the deceased Tobacco-Victim smoked approximately _____ cigarettes per day for approximately _____ years.

[or]

2(b). That the number of cigarettes that the deceased Tobacco-Victim smoked between January 1, 1950 and November 20, 1998 can be summarized as follows:

3. That I believe that the deceased Tobacco-Victim regularly smoked the following brands of cigarettes:

☐ Accord	☐ Craven "M"	☐ Matinee	☐ Rothmans
☐ B&H	☐ du Maurier	☐ Medallion	☐ Vantage
☐ Belmont	☐ Dunhill	☐ More	☐ Viscount
☐ Belvedere	☐ Export	☐ North American Spirit	☐ Winston
☐ Camel	☐ LD	☐ Number 7	
☐ Cameo	☐ Macdonald	☐ Peter Jackson	
☐ Craven "A"	☐ Mark Ten	☐ Players	
☐ Other: _____			

Reminder: The brand choices listed above include all cigarettes in the same brand family. Please check all that apply.

PART D: Proof of Succession Status

1. Are you the liquidator of the deceased Tobacco-Victim's estate? Please select and mark only one of the following options.

☐ Yes, I am the liquidator of the estate of the deceased Tobacco-Victim, appointed pursuant to the will of the deceased Tobacco-Victim.

*If you select this option, please complete and attach **Sub-form B.1**, together with all of the required supporting documents.*

☐ Yes, I am the liquidator of the estate of the deceased Tobacco-Victim, appointed by the legal heirs, as the deceased Tobacco-Victim did not have a valid will.

*If you select this option, please complete and attach **Sub-form B.2**, together with all of the required supporting documents.*

☐ No, I am not a liquidator of the estate of the deceased Tobacco-Victim.

If you select this option, please answer Question 2.

2. Only complete this Question if you answered "No" to the previous question, otherwise, leave blank: Are you an heir of the deceased Tobacco-Victim?

☐ Yes, I am an heir pursuant to the will of a deceased Tobacco-Victim.

*If you select this option, please complete and attach **Sub-form B.3**, together with all of the required supporting documents.*

☐ Yes, I am an heir of the deceased Tobacco-Victim by operation of law.

*If you select this option, please complete and attach **Sub-form B.4**, together with all of the required supporting documents.*

☐ Yes, I am an heir by representation of the deceased Tobacco-Victim who has died.

*If you select this option, please complete and attach either **Sub-form B.3 or B.4**, as applicable in respect of the deceased Tobacco-Victim, together with all of the required supporting documents and provide a similar declaration in respect of the deceased heir that you represent.*

Reminder: *If you require assistance, please contact Quebec Class Counsel or Raymond Chabot, so that they can help you make sure that all required documentation is submitted.*

Part E: Payment Method

1. If the Claims Administrator determines that the Succession Claimant is eligible to receive compensation from the Quebec Administration Plan, I wish to receive payment:

☐ By cheque payable to the Estate of the Tobacco-Victim mailed to the address that I provided in Part A of this Claim Form.

☐ By direct deposit into a bank account in the name of the Tobacco-Victim's Estate. I have attached a "Void" cheque and provided the following information regarding the bank account in the name of the Tobacco-Victim's Estate:

Financial Institution: _____

Branch Address: _____

City: _____

Province: _____

Postal Code: _____

Name on Account: _____

Branch Number: _____

Financial Institution Number: _____

Account Number: _____

Part F: Signature

I, _____, solemnly declare that the information provided herein is true and that the documents submitted in support of this claim are authentic and have not been modified in any way whatsoever.

Signature:

SOLEMNLY AFFIRMED BEFORE ME in

_____ (City),

Quebec, on _____ (Date)

Commissioner for Oaths for Quebec

SUB-FORM B.1:**LIQUIDATOR TO AN ESTATE OF THE DECEASED TOBACCO VICTIM PURSUANT TO A WILL**

In **Section 1**, fill in the blanks, where indicated. If options are listed, please check the box next to the option that is applicable to your situation.

Locate and attach all exhibits referred to in the Declaration. For ease of reference, the exhibits are also listed in **Section 2**.

The Declaration must be signed before a Commissioner for Oaths.

If the Quebec Class Counsel are assisting you with your Declaration, they can arrange for a Commissioner for Oaths to commission your Declaration prior to submitting it to the Claims Administrator.

If you are not using the assistance of Quebec Class Counsel, you may locate a Commissioner for Oaths to commission your Declaration at the following link:

<https://www.assermentation.justice.gouv.qc.ca/ServicesPublicsConsultation/Commissaires/Proximite/Criteres.aspx>.

If submitting your Proof of Claim electronically, please save the Declaration and Exhibits together in one PDF file, and name the document “[Health insurance card number of the deceased Tobacco-Victim]-Declaration of Liquidator.pdf”.

SECTION 1. DECLARATION OF A LIQUIDATOR PURSUANT TO A WILL

I _____ (Name), _____ (Profession), residing and domiciled at _____ (Address), do solemnly affirm the following:

1. I attach hereto the death certificate of _____ (name of deceased Tobacco-Victim), as **Exhibit 1**.

2. I attach hereto the will search of _____ (name of deceased Tobacco-Victim) from the *Chambre des notaires du Québec* as **Exhibit 2**.

3. I attach hereto the will search of _____ (name of deceased Tobacco-Victim) from the Bar of Quebec as **Exhibit 3**.

4. I attach hereto as **Exhibit 4**:

☐ the notarial will

☐ the will and judgment probating the will

pursuant to which I was appointed the liquidator to the estate of _____

(name of deceased Tobacco-Victim).

5. I confirm that I am still acting in the capacity as liquidator to the estate of the _____ (name of deceased Tobacco-Victim) and confirm that I shall receive any compensation due to such estate and distribute such compensation in accordance with the deceased Tobacco-Victim’s instructions in accordance with my duties.

6. All of the facts contained herein are true and all of the documents that I have submitted in support of this claim are authentic and have not been altered in any way.

AND I HAVE SIGNED,

Claimant name:

SOLEMNLY AFFIRMED BEFORE ME in

_____ (City),

Quebec, on _____ (Date)

Commissioner for Oaths for Quebec

SECTION 2. LIST OF EXHIBITS TO ATTACH

- ☐ **Exhibit 1 – Death certificate**
- ☐ **Exhibit 2 – Will search – Chambres des notaires du Québec**
- ☐ **Exhibit 3 – Will search – Barreau du Québec**
- ☐ **Exhibit 4 – The Notarial Will or the Will and judgment probating the Will**

SUB-FORM B.2:**LIQUIDATOR OF THE ESTATE OF A DECEASED TOBACCO- VICTIM,
APPOINTED BY THE HEIRS**

In **Section 1**, fill in the blanks, where indicated. If options are listed, please check the box next to the option that is applicable.

Locate and attach all exhibits referred to in the Declaration. For ease of reference, the exhibits are also listed in **Section 2**.

The Declaration must be signed before a Commissioner for Oaths.

If the Quebec Class Counsel are assisting you with your Declaration, they can arrange for a Commissioner for Oaths to commission your Declaration prior to submitting it to the Claims Administrator.

If you are not using the assistance of Quebec Class Counsel, you may locate a Commissioner for Oaths to commission your Declaration at the following link:

<https://www.assermentation.justice.gouv.qc.ca/ServicesPublicsConsultation/Commissaires/Proximite/Criteres.aspx>.

If submitting your Proof of Claim electronically, please save the Declaration and Exhibits Affidavit together in one PDF file, and name the document “[Health insurance card number of the Deceased Tobacco-Victim]-Declaration of Liquidator.pdf”.

SECTION 1. DECLARATION OF A LIQUIDATOR OF THE ESTATE OF A DECEASED TOBACCO-VICTIM, APPOINTED BY THE HEIRS

I _____ (Name), _____ (Profession), residing and domiciled at _____ (Address), do solemnly affirm the following:

1. I attach hereto the death certificate of _____ (name of deceased Tobacco-Victim), as **Exhibit 1**.
2. I attach hereto the will search of _____ (name of deceased Tobacco-Victim) from the *Chambre des notaires du Québec* as **Exhibit 2**.
3. I attach hereto the will search of _____ (name of deceased Tobacco-Victim) from the Bar of Quebec as **Exhibit 3**.
4. As appears from Exhibit 2 and Exhibit 3, there are no registered wills in the name of _____ (name of deceased Tobacco-Victim), and I do not believe that the deceased had a will.
5. I am the _____ (relationship) of the _____ (name of deceased Tobacco-Victim).
6. On _____ (date), I was appointed by the legal heirs of _____ (name of deceased Tobacco-Victim) to act as liquidator to the estate of _____ (name of deceased Tobacco-Victim), as appears from the following document, which is attached hereto as **Exhibit 4**:

☐ copy of a notarial deed

☐ a private writing

☐ any other document, as applicable.

7. I confirm that I am still acting in the capacity as liquidator to the estate of _____ (name of deceased Tobacco-Victim) and confirm that I shall receive any compensation due to such estate and distribute such compensation in accordance with the law in accordance with my duties as liquidator.
8. All of the facts contained herein are true and all of the documents that I have submitted in support of this claim are authentic and have not been altered in any way.

AND I HAVE SIGNED,

Claimant name:

SOLEMNLY AFFIRMED BEFORE ME in

_____ (City),

Quebec, on _____ (Date)

Commissioner for Oaths for Quebec

SECTION 2. LIST OF EXHIBITS TO ATTACH

☐ **Exhibit 1 – Death certificate**

☐ **Exhibit 2 – Will search – Chambres des notaires du Québec**

☐ **Exhibit 3 – Will search – Barreau du Québec**

☐ **Exhibit 4 – Copy of the Notarial Deed or Private Writing, or another document**

SUB-FORM B.3

HEIR OF THE ESTATE OF A DECEASED TOBACCO- VICTIM PURSUANT TO A WILL OR TESTAMENTARY CLAUSE IN A MARRIAGE CONTRACT

In **Section 1**, fill in the blanks, where indicated. If options are listed, please check the box next to the option that is applicable.

Locate and attach all exhibits referred to in the Declaration. For ease of reference, the exhibits are also listed in **Section 2**.

The Declaration must be signed before a Commissioner for Oaths.

If the Quebec Class Counsel are assisting you with your Declaration, they can arrange for a Commissioner for Oaths to commission your Declaration prior to submitting it to the Claims Administrator.

If you are not using the assistance of Quebec Class Counsel, you may locate a Commissioner for Oaths to commission your Declaration at the following link:

<https://www.assermentation.justice.gouv.qc.ca/ServicesPublicsConsultation/Commissaires/Proximite/Criteres.aspx>.

If submitting your Proof of Claim electronically, please save the Declaration and Exhibits Affidavit together in one PDF file, and name the document “[Health insurance card number of the deceased Tobacco-Victim]-Declaration of Heir.pdf”.

SECTION 1. DECLARATION OF A TESTAMENTARY HEIR

I _____ (Name), _____ (Profession), residing and domiciled at _____ (Address), do solemnly affirm the following:

1. I attach hereto the death certificate of _____ (name of deceased tobacco-victim), as **Exhibit 1**.
2. I attach hereto the will search of _____ (name of deceased tobacco-victim) from the *Chambre des notaires* as **Exhibit 2**.
3. I attach hereto the will search of _____ (name of deceased tobacco-victim) from the Bar of Quebec as **Exhibit 3**.
4. I attach hereto as **Exhibit 4** the
 - ☐ notarial will
 - ☐ the registered marriage contract
 - ☐ the will and judgment probating the will
 of the deceased tobacco-victim.
5. As appears from Exhibit 4, I was named:
 - ☐ An heir to the estate of _____ (name of deceased tobacco-victim);

☐ A particular legatee entitled to receive compensation from the class action.

6. All assets of the estate were distributed on or around _____ (date)
and there is presently no liquidator to the estate, as appears from _____
(name of documentary evidence) attached hereto as **Exhibit 5**.

7. I am:

☐ the sole heir

☐ one of several heirs

to the estate of the _____ (name of deceased tobacco-victim).

8. If there are other heirs pursuant to the will or marriage contract entitled to receive compensation from the class action, I am attaching a list of their names and contact information in **Exhibit 6**.

9. All of the facts contained herein are true and all of the documents that I have submitted in support of this claim are authentic and have not been altered in any way.

AND I HAVE SIGNED

Claimant name:

SOLEMNLY AFFIRMED BEFORE ME in

_____ (City),

Quebec, on _____ (Date)

Commissioner for Oaths for Quebec

SECTION 2. LIST OF EXHIBITS TO ATTACH

☐ **Exhibit 1 – Death certificate**

☐ **Exhibit 2 – Will search – Chambres des notaires du Québec**

☐ **Exhibit 3 – Will search – Barreau du Québec**

☐ **Exhibit 4 – The Notarial Will, registered marriage contract or the Will and judgment probating the Will**

☐ **Exhibit 5 – Any document evidencing the absence of a liquidator to the Estate**

☐ **Exhibit 6 – A list of any other testamentary heirs, including their name, address, email address and telephone number**

SUB-FORM B.4:**HEIR OF THE ESTATE OF A DECEASED TOBACCO- VICTIM
BY OPERATION OF LAW**

For **Section 1**, fill in the blanks, where indicated. This document must be printed and signed before a Commissioner of Oaths.

Locate and attach all exhibits referred to in the Declaration. For ease of reference, the exhibits are also listed in **Section 2**.

The Declaration must be signed before a Commissioner for Oaths.

If the Quebec Class Counsel are assisting you with your Declaration, they can arrange for a Commissioner for Oaths to commission your Declaration prior to submitting it to the Claims Administrator.

If you are not using the assistance of Quebec Class Counsel, you may locate a Commissioner for Oaths to commission your Declaration at the following link:

<https://www.assermentation.justice.gouv.qc.ca/ServicesPublicsConsultation/Commissaires/Proximite/Criteres.aspx>.

If submitting your Proof of Claim electronically, please save the Declaration and Exhibits Affidavit together in one PDF file, and name the document “[Health insurance card number of the deceased Tobacco-Victim]-Declaration of Heir.pdf”.

SECTION 1. DECLARATION OF A LEGAL HEIR OF THE ESTATE OF A DECEASED TOBACCO-VICTIM

I _____ (Name), _____
(Profession), residing and domiciled at _____ (Address),
do solemnly affirm the following:

1. I attach hereto the death certificate of _____ (Name of deceased tobacco-victim), as **Exhibit 1**.
2. I attach hereto the will search of _____ (Name of deceased Tobacco-Victim) from the *Chambre des notaires du Québec* as **Exhibit 2**.
3. I attach hereto the will search of _____ (Name of deceased Tobacco-Victim) from the Bar of Quebec as **Exhibit 3**.
4. As appears from Exhibit 2 and Exhibit 3, there are no registered wills in the name of the _____ (Name of deceased Tobacco-Victim), and I do not believe that the deceased had a will.
5. I am the _____ (relationship) of the _____ (Name of deceased Tobacco-Victim).
6. I attach a list of all of _____ (Name of deceased Tobacco-Victim) other living heirs, including, as applicable, the deceased Tobacco-Victim’s spouse, children, parents, siblings, nieces and nephews, as **Exhibit 4**.
7. All of the facts contained herein are true and all of the documents that I have submitted in support of this claim are authentic and have not been altered in any way.

AND I HAVE SIGNED

Claimant name:
SOLEMNLY AFFIRMED BEFORE ME in

 (City),

 Quebec, on

 (Date)

 Commissioner for Oaths for Quebec
SECTION 2. LIST OF EXHIBITS TO ATTACH

- ☐ **Exhibit 1 – Death certificate**
- ☐ **Exhibit 2 – Will search – Chambres des notaires du Québec**
- ☐ **Exhibit 3 – Will search – Barreau du Québec**
- ☐ **Exhibit 4 – List of the names and contact information (for living heirs) of the deceased Tobacco-Victim's other living heirs, including, as applicable, the deceased Tobacco-Victim's spouse, children, parents, siblings, nieces and nephews**

APPENDIX “F”

Quebec Class Action Administration Plan

Rules for Legal Successions in the *Civil Code of Quebec*
(in the absence of a will)

Relationship to the Deceased				
Children, or their representatives	Surviving spouse	Parents, or one of them	Siblings, or their representatives	Nieces and nephews
Everything				
2/3	1/3			
	Everything			
	2/3	1/3		
	2/3		1/3	
		Everything		
		1/2	1/2	
			Everything	
	2/3			1/3
		1/2		1/2
				Everything

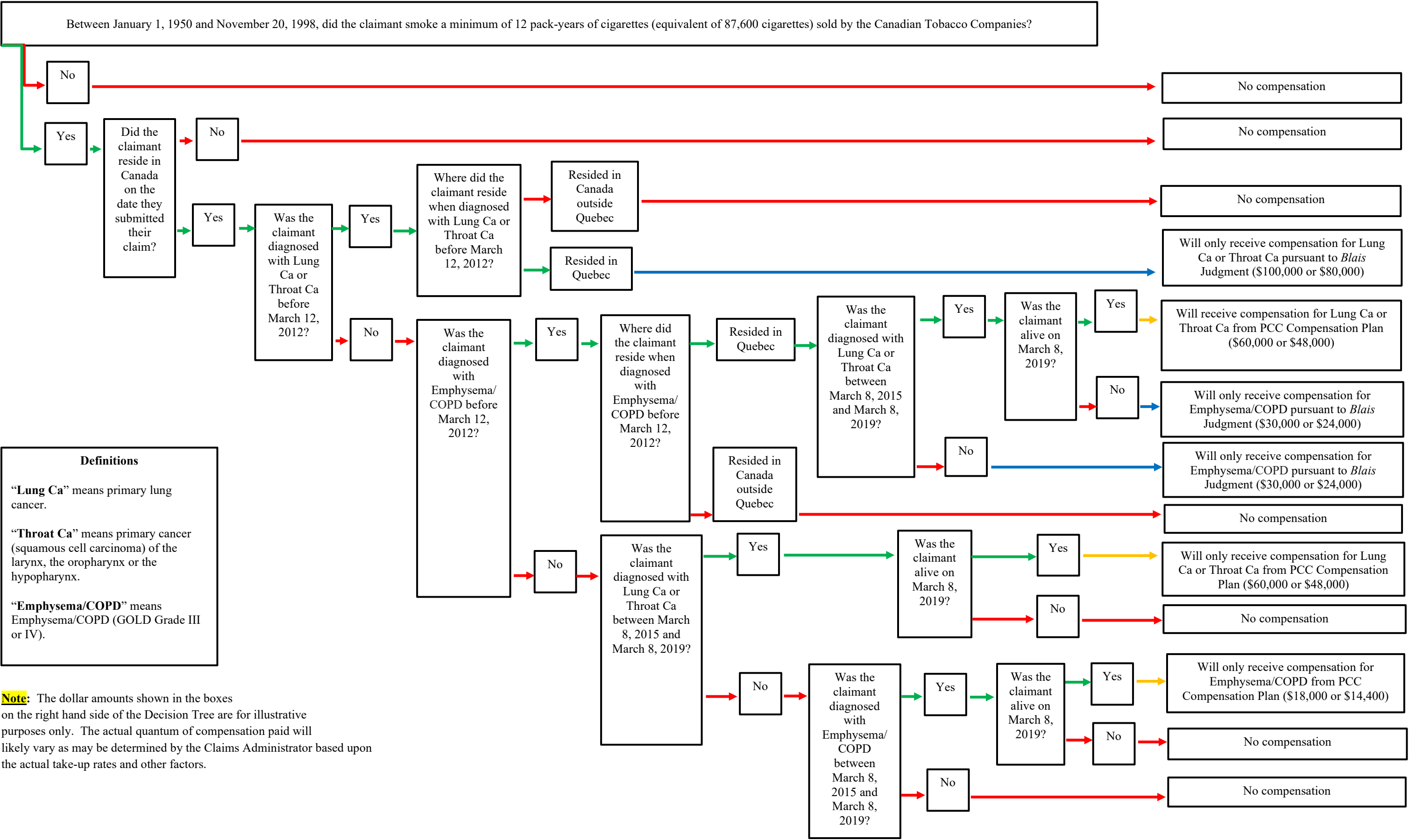
Legend:

	These relatives exist and are entitled to the specified portion of the succession.

	No such successors exist.

	These relatives are excluded from the succession given that other successors take priority over them

APPENDIX G”: Determination of whether Canadian Residents qualify to receive Compensation either pursuant to *Blais* Judgment or from Pan-Canadian Claimants’ Compensation Plan



APPENDIX “H”

Quebec Class Action Administration Plan

ACKNOWLEDGMENT OF RECEIPT OF *BLAIS* CLAIM

[on Claims Administrator’s Letterhead]

BY [METHOD OF COMMUNICATION]

Claimant’s Name

Claim Number

Claimant’s Address

Dear [Full name of Tobacco-Victim Claimant / Succession Claimant or representative],

This Acknowledgment of Receipt of Claim is your record that your claim in the Quebec tobacco class action has been received by the Claims Administrator.

Your claim number is: [insert claim number].

Your Proof of Claim will be reviewed as quickly as possible to determine if you are entitled to a Compensation Payment.

If your Claim Form is incomplete, or if any further documents are needed, you will receive a subsequent Notice detailing any further action required on your part.

You will be notified in writing once a decision has been made in respect of your claim.

If you have questions in respect of the Claims Process, including the status of your claim, under the Quebec Administration Plan, please consult the Claims Administrator’s website at [\[URL for website of Claims Administrator\]](#) or call the Claims Administrator’s Call Center at [\[Call Centre toll-free number\]](#) or send an email to [\[Claims Administrator’s email\]](#).

You may contact the Quebec Class Counsel through the Quebec Class Action Call Centre at 1-888-880-1844 or send an email to tabac@tjl.quebec or visit the Quebec Tobacco Class Action website at www.recourstabac.com.

[Place], this ● day of ●, 202●

Claims Administrator

APPENDIX “I”

Quebec Class Action Administration Plan

PROOF OF CLAIM REVIEW CHECKLIST FOR TOBACCO-VICTIM CLAIMS

PART 1. REVIEW OF TOBACCO-VICTIM CLAIM FORM

PART A OF TOBACCO-VICTIM CLAIM FORM: Information about the Tobacco-Victim

1. The Tobacco-Victim Claimant is a:
 - ☐ Tobacco-Victim
 - ☐ Representative of a Tobacco-Victim
2. If the Tobacco-Victim Claimant is a Representative of the Tobacco-Victim, the Tobacco-Victim Claimant has provided proof of a:
 - ☐ Mandate in case of incapacity
 - ☐ Detailed mandate
 - ☐ Power of attorney
 - ☐ Tutorship to a person of full age
 - ☐ Curatorship to a person of full age
3. The document provided in response to Question 2 shows that the Tobacco-Victim Claimant is a representative of the Tobacco-Victim:
 - ☐ Yes
 - ☐ No

If “No”, issue a **Notice of Rejection of *Blais* Claim** or a **Notice of Incomplete *Blais* Claim** or, alternatively, contact the Tobacco-Victim Claimant if the deficiency appears easily correctable.

4. The Tobacco-Victim meets the residency criteria [i.e. the Tobacco-Victim (i) if alive, resides in Quebec or, if deceased, resided in Quebec on the date of their death; (ii) was alive on November 20, 1998; and (iii) on the date of the diagnosis with a *Blais* Compensable Disease resided in Quebec]:
 - ☐ Yes
 - ☐ No
 - ☐ Further assessment required

If “No”, issue a **Notice of Rejection of *Blais* Claim**. If “Further assessment is required”, contact the Tobacco-Victim Claimant for more information.

If “Yes” proceed to confirm the Tobacco-Related Disease.

PART B OF TOBACCO-VICTIM CLAIM FORM: Proof of Diagnosis of the Tobacco-Victim’s Tobacco-Related Disease

5. The Tobacco-Victim’s Claim relates to the following disease(s) with a date(s) of initial diagnosis of:

- ☐ Primary Lung Cancer:
Date of Diagnosis: _____
- ☐ Primary squamous cell carcinoma of the larynx, oropharynx or hypopharynx (Throat Cancer):
Date of Diagnosis: _____
- ☐ Emphysema/COPD (GOLD Grade III or IV):
Date of Diagnosis: _____

If more than one Tobacco-Victim Claim in respect of each disease is asserted, indicate the number of Tobacco-Victim Claims in the space provided.

If any of this information is not provided, issue a **Notice of Incomplete *Blais* Claim** or, alternatively, contact the Tobacco-Victim Claimant if the deficiency appears easily correctable.

6. The Claimant has authorized the Claims Administrator to obtain an Official Confirmation to confirm the Diagnosis?

- ☐ Yes
- ☐ No

If “No”, issue a **Notice of Incomplete *Blais* Claim**.

7. Has the Claims Administrator obtained an Official Confirmation or has the Claimant filed Alternative Cancer Proof or Alternative Emphysema/COPD (GOLD Grade III or IV) Proof?

- ☐ Yes
- ☐ No

If “No”, issue a **Notice of Incomplete *Blais* Claim**.

If “Yes” verify the Proof of Diagnosis.

8. Is the date of diagnosis in respect of at least one of the diagnoses prior to March 12, 2012?

☐ Yes

☐ No

If “No”, issue a **Notice of Rejection of *Blais* Claim**.

If “Yes” proceed to confirm Proof of Smoking History.

Official Confirmation should only be sought in respect of diseases for which the date of diagnosis is prior to March 12, 2012.

PART C OF TOBACCO-VICTIM CLAIM FORM: Proof of Smoking History

9. Pack-year calculation between January 1, 1950 and November 20, 1998:

10. The Tobacco-Victim smoked at least 12 pack-years between January 1, 1950 and November 20, 1998:

☐ Yes

☐ No

11. The Tobacco-Victim regularly smoked the Tobacco Companies’ products:

☐ Yes

☐ No

If “No” to Questions 10 or 11, issue a **Notice of Rejection of *Blais* Claim**. If any information is missing, issue a **Notice of Incomplete *Blais* Claim** or, alternatively, contact the Claimant if the deficiency appears easily correctable.

If “Yes”, to Questions 10 and 11, proceed with Diagnosis Confirmation in Part 2 in below.

PART 2. DIAGNOSIS CONFIRMATION

12. The Diagnosis (disease(s) and date(s) of diagnosis) has been confirmed by the Official Confirmation:

☐ Yes

☐ No

If “No”, issue a **Notice to Provide Alternative Proof**.

13. The Claimant has submitted Alternative Proof:

☐ Yes

☐ No

If “No”, issue a **Notice of Rejection of *Blais* Claim**.

14. If “Yes”, does the Alternative Proof confirm the Diagnosis:

☐ Yes

☐ No

If “No”, issue a **Notice of Rejection of *Blais* Claim**.

15. The date of diagnosis in respect of at least one diagnosis is prior to March 12, 2012 as confirmed by the Official Confirmation or the Alternative Proof:

☐ Yes

☐ No

If “No”, issue a **Notice of Rejection of *Blais* Claim**.

If “Yes”, proceed to establish the Claim Amount in Part 3 below.

PART 3. AMOUNT OF COMPENSATION PAYMENT

16. The Claimant is entitled to compensation for a:

☐ Lung or Throat Cancer Claim

☐ Emphysema/COPD (GOLD Grade III or IV) Claim

17. The Tobacco-Victim started smoking before January 1, 1976:

☐ Yes

☐ No

18. Is the maximum amount of the Compensation Payment reduced by 20% because

the Tobacco-Victim started smoking on or after January 1, 1976?

☐ Yes

☐ No

19. The maximum net Compensation Payment (subject to possible reduction for pro-ration) is: _____

Issue a **Notice of Acceptance of *Blais* Claim** indicating the Compensation Payment.

APPENDIX “J”

Quebec Class Action Administration Plan

PROOF OF CLAIM REVIEW CHECKLIST FOR SUCCESSION CLAIMS

PART 1. REVIEW OF SUCCESSION CLAIM FORM

PART A OF SUCCESSION CLAIM FORM: Information about the Succession Claimant

1. The Succession Claimant is a:
 - ☐ Liquidator of the Estate of the deceased Tobacco-Victim
 - ☐ An Heir of the deceased Tobacco-Victim
 - ☐ A representative of a Succession Claimant
2. If the Claimant is a representative of the Succession Claimant, the Succession Claimant has provided proof of a:
 - ☐ Mandate in case of incapacity
 - ☐ Detailed mandate
 - ☐ Power of attorney
 - ☐ Tutorship to person of full age
 - ☐ Curatorship to a person of full age
 - ☐ Tutorship to a person of minor age
3. The document provided in response to Question 2 shows that the Claimant is a representative of the Succession Claimant:
 - ☐ Yes
 - ☐ No

If “No”, issue a **Notice of Rejection of *Blais* Claim** or a **Notice of Incomplete *Blais* Claim** or, alternatively, contact the Succession Claimant if the deficiency appears easily correctable.

4. The Tobacco-Victim meets the residency criteria [i.e. the Tobacco-Victim (i) if alive, resides in Quebec or, if deceased, resided in Quebec on the date of their death; (ii) was alive on November 20, 1998; and (iii) on the date of the diagnosis with a *Blais* Compensable Disease resided in Quebec]:

- ☐ Yes
- ☐ No
- ☐ Further assessment required

If “No”, issue a **Notice of Rejection of *Blais* Claim**. If “Further assessment is required”, contact the Claimant for more information.

If “Yes” proceed to confirm the Tobacco-Related Disease.

PART B OF SUCCESSION CLAIM FORM: Proof of Diagnosis of the Tobacco-Victim’s Tobacco-Related Disease

5. The Tobacco-Victim’s Claim relates to one of the following disease(s) with a date(s) of initial diagnosis of:

- ☐ Primary Lung Cancer;
Date of Diagnosis: _____
- ☐ Primary squamous cell carcinoma of the larynx, oropharynx or hypopharynx (Throat Cancer);
Date of Diagnosis: _____
- ☐ Emphysema/ COPD (GOLD Grade III or IV);
Date of Diagnosis: _____

If more than one Claim in respect of each disease is asserted, indicate the number of Claims in the space provided. If any of this information is not provided, issue a **Notice of Incomplete *Blais* Claim** or, alternatively, contact the Claimant if the deficiency appears easily correctable.

6. Has the Claimant authorized the Claims Administrator to obtain an Official Confirmation to confirm the Diagnosis:

- ☐ Yes
- ☐ No

If “No”, issue a **Notice of Incomplete *Blais* Claim**.

7. Has the Claims Administrator obtained an Official Confirmation or has the Claimant filed Alternative Cancer Proof or Alternative Emphysema/COPD (GOLD Grade III or IV) Proof?

- ☐ Yes
- ☐ No

If “No”, issue a **Notice of Incomplete *Blais* Claim**.

If “Yes” verify the Proof of Diagnosis.

8. Is the date of diagnosis in respect of at least one diagnosis prior to March 12, 2012?

☐ Yes

☐ No

If “No”, issue a **Notice of Rejection of *Blais* Claim**.

If “Yes” proceed to confirm Proof of Smoking History.

Official confirmation should only be sought in respect of diseases for which the date of diagnosis is prior to March 12, 2012.

PART C OF SUCCESSION CLAIM FORM: Proof of Smoking History

9. Pack-year calculation between January 1, 1950 and November 20, 1998:

10. The Deceased Tobacco-Victim smoked at least 12 pack-years between January 1, 1950 and November 20, 1998:

☐ Yes

☐ No

11. The Deceased Tobacco-Victim regularly smoked the Defendants’ products:

☐ Yes

☐ No

If “No” to Questions 10 or 11, issue a **Notice of Rejection of *Blais* Claim**. If any information is missing, issue a **Notice of Incomplete *Blais* Claim** or, alternatively, contact the Claimant if the deficiency appears easily correctable.

If “Yes”, to Questions 10 and 11, proceed to confirm Proof of Succession Status.

PART D OF SUCCESSION CLAIM FORM: Proof of Succession Status

12. The Succession Claimant is:

- ☐ The liquidator to the estate of the deceased Tobacco-Victim
- ☐ An heir to the estate of the deceased Tobacco-Victim
- ☐ An heir by representation

13. Has the correct sub-form together with all of the appropriate supporting documents been submitted?

- ☐ Yes
- ☐ No

If “No”, issue a **Notice of Incomplete *Blais* Claim** or, alternatively, contact the Succession Claimant if the deficiency appears easily correctable.

14. If yes, do the documents submitted confirm that the status of the Succession Claimant as liquidator or heir, as the case may be:

- ☐ Yes
- ☐ No
- ☐ Further assessment required

If “No”, issue a **Notice of Rejection of *Blais* Claim**. If further assessment is required, issue a **Notice of Incomplete *Blais* Claim** or, alternatively, contact the Succession Claimant for additional information.

If “Yes”, proceed with Diagnosis Confirmation in Part 2 in below.

PART 2. DIAGNOSIS CONFIRMATION

15. The Diagnosis (disease(s) and date(s) of initial diagnosis) has been confirmed by the Official Confirmation:

- ☐ Yes
- ☐ No

If “No”, issue a **Notice to Provide Alternative Proof**.

16. The Succession Claimant has submitted Alternative Proof:

- ☐ Yes
- ☐ No

If “No”, issue a **Notice of Rejection of *Blais* Claim**.

17. If “Yes”, the Alternative Proof, does the Alternative Proof confirm the Diagnosis:

☐ Yes

☐ No

If “No”, issue a **Notice of Rejection of *Blais* Claim.**

18. The date of diagnosis in respect of at least one diagnosis being prior to March 12, 2012 is confirmed by the Official Confirmation or the Alternative Proof:

☐ Yes

☐ No

If “No”, issue a **Notice of Rejection of *Blais* Claim.**

If “Yes”, proceed to establish the Claim Amount in Part 3 below.

PART 3. CLAIM AMOUNT

19. The Succession Claimant is entitled to compensation for a:

☐ Lung or Throat Cancer Claim

☐ Emphysema/COPD (GOLD Grade III or IV) Claim

20. The Tobacco-Victim started smoking before January 1, 1976:

☐ Yes

☐ No

21. Is the maximum amount of the Compensation Payment reduced by 20% because the Tobacco-Victim started smoking on or after January 1, 1976?

☐ Yes

☐ No

22. The maximum net Compensation Payment (subject to possible reduction for pro-ration) is: ____

23. If the Succession Claimant is an Heir, do the Supporting Documents submitted disclose any other heirs entitled to a share of the compensation?

☐ Yes

☐ No

☐ Further assessment required.

24. If “Yes” what is the distribution of the Net Claim Amount amongst all disclosed

Heirs?

☐ _____

Issue a **Notice of Acceptance of *Blais* Claim** indicating the Net Claim Amount. If the Claimant is an Heir, and the compensation allocation was determined above, this information should be included on the Notice.

PART 4 – MULTIPLE HEIR CLAIMS: In respect of Succession Claims filed by Heirs only:

25. Was the Claim filed by or on behalf of an Heir or an Heir by Representation?

☐ Yes

☐ No

26. If “Yes” to question 25, by the *Blais* Claims Application Deadline, were any other Claims filed by a Succession Claimant in respect of the same deceased Tobacco-Victim?

☐ Yes

☐ No

27. If “No” to question 25, are there other indicia (including in the Supporting Documents) that would suggest that the Succession Claimant is not the sole Heir entitled to compensation?

☐ Yes

☐ No

If “no”, the Notice of Acceptance should indicate that payment of compensation shall be made to the sole disclosed Heir.

28. If the answer to either question 26 or 27 is “Yes”, can the Quebec Administrator easily determine how the compensation shall be split amongst the Heirs?

☐ Yes

☐ No

If “yes”, the Quebec Administrator shall indicate on the Notice of Acceptance how the compensation will be split amongst the Heirs. If no, the Notice of Acceptance shall indicate that the compensation shall be paid in the name of the estate of the deceased Tobacco-Victim.

APPENDIX “K”

Quebec Class Action Administration Plan**NOTICE OF INCOMPLETE *BLAIS* CLAIM**

[on Claims Administrator’s Letterhead]

BY [METHOD OF COMMUNICATION]

Claimant’s Name

Claim Number

Claimant’s Address

Dear [Full name of Tobacco-Victim Claimant / Succession Claimant or representative],

By way of the present Notice, we hereby advise you that your claim [claim number] in respect of [your/ the Tobacco-Victim’s name] diagnosis of [lung cancer/throat cancer/Emphysema/COPD (GOLD Grade III or IV)] is incomplete for the following reason(s): [chose appropriate reason(s) from the list below, or insert others]

- ☐ You have not completed section [insert appropriate section] of the [Tobacco-Victim or Succession] Claim Form.
- ☐ You have not provided your/[insert Tobacco-Victim’s name]’s health insurance card number.
- ☐ You have not provided complete Proof of Succession status i.e. you have not provided the following supporting document(s) required to be submitted by a Succession Claimant:
 - ☐ XX
 - ☐ XX
- ☐ You have filed the Claim as a Representative of the Tobacco-Victim Claimant/Succession Claimant, but you not provided supporting document(s) proving you are the Representative of the Tobacco-Victim Claimant/Succession Claimant:
 - ☐ XX
 - ☐ XX
- ☐ You have not provided the supporting document(s) required of the representative of the heir of a Tobacco-Victim:

- XX
- XX
- ☐ You have not authorized the Claims Administrator to confirm your/the Tobacco-Victim's diagnosis of disease(s) and/or date(s) of diagnosis with the Ministère de la Santé et des Services sociaux and the Régie de l'assurance maladie du Québec.
- ☐ You have not signed the Claim Form.

You must refile your revised and completed Proof of Claim [at any time prior to [date], the *Blais* Claims Application Deadline for filing claims in this Claims Process / by no later than sixty (60) days from the date of this Notice of Incomplete *Blais* Claim.]

If you do not submit a completed Proof of Claim by this deadline, your claim will be rejected without further notice.

Your revised and completed Proof of Claim must be sent to the Claims Administrator either by:

- Electronically via the website at: [URL for website of Claims Administrator];
- Email to: [insert Claims Administrator's email address];
- Fax to: [insert Claims Administrator's fax number]; OR
- Registered mail to the following address: [insert Claims Administrator's address];

You cannot submit your revised and completed Proof of Claim by hand delivery or by regular mail and you must keep a record of transmission until you receive a written Acknowledgment of Receipt of Claim from the Claims Administrator.

If you have questions in respect of the Claims Process, including the status of your claim, under the Quebec Administration Plan, please consult the Claims Administrator's website at [\[URL for website of Claims Administrator\]](#) or call the Claims Administrator's Call Center at [\[Call Centre toll-free number\]](#) or send an email to [\[Claims Administrator's email\]](#).

If you require any assistance to prepare your response to this Notice of Incomplete *Blais* Claim, please call the Quebec Class Action Call Centre at 1-888-880-1844 or send an email to tabac@tl.quebec or visit the Quebec Tobacco Class Action website at www.recourstabac.com

[Place], this ● day of ●, 202●

Claims Administrator

APPENDIX “L”

Quebec Class Action Administration Plan**NOTICE OF ACCEPTANCE OF *BLAIS* CLAIM**

[on Claims Administrator’s Letterhead]

BY [METHOD OF COMMUNICATION]

Claimant’s Name

Claim Number

Claimant’s Address

Dear [Full name of Tobacco-Victim Claimant / Succession Claimant or representative],

We are pleased to advise you that your claim [claim number] in respect of [your/ the Tobacco-Victim’s name] diagnosis of [lung cancer/throat cancer/Emphysema/COPD (GOLD Grade III or IV)] has been accepted.

In accordance with the terms of the Quebec Administration Plan, the Claims Administrator has determined that the maximum amount of the Compensation Payment for which [you/Tobacco-Victim’s name] are eligible is \$_____.

[If applicable: Although you have proven claims in respect of more than one tobacco-related disease, your Compensation Payment has been determined based on the claim that entitles you to the highest amount of compensation under the Quebec Administration Plan.]

Please note that the Compensation Payment that will be paid to you may be less than the amount of the Compensation Payment indicated above. Compensation will be determined on a *pro rata* basis between all Class Members based on the number of Claims and the amount available for distribution to Class Members. The actual quantum of the Compensation Payment that will be paid to the Tobacco-Victim Claimant or Succession Claimant will be determined after all claims have been received, reviewed and processed by the Claims Administrator. It is anticipated that the distribution of Compensation Payments to Class Members will begin after [insert *Blais* Claims Application Deadline].

[If applicable: Your claim was filed as an Heir of the deceased Tobacco-Victim. Based on your declaration and the supporting documents submitted, the Claims Administrator has determined that the compensation owing in respect of the claim shall be allocated and paid to the following Heirs in the following proportions:

- [Name of Heir] – X%
-]

[or]

Your claim was filed as an Heir of the deceased Tobacco-Victim. Although the claim has been accepted, the Claims Administrator was unable to determine the allocation of compensation amongst the deceased Tobacco-Victim's Heirs. The compensation shall, therefore, be paid in the name of the estate of the deceased Tobacco-Victim.]

Your payment will be made to you by a cheque that will be mailed to the address that you provided on your [Tobacco-Victim Claim Form / Succession Claim Form], or direct deposit into the bank account which you identified on your [Tobacco-Victim Claim Form / Succession Claim Form].

If you have any questions, or require any further information, please contact our Call Center by telephone at [Call Centre toll-free number], or send an email to [Claims Administrator's email address] or visit the Claims Administrator's website [URL for website of Claims Administrator].

[Place], this • day of •, 202•

Claims Administrator

APPENDIX “M”

Quebec Class Action Administration Plan

REQUEST FOR REVIEW FORM

REQUEST FOR REVIEW – GENERAL INFORMATION

If you have received a Notice of Rejection of Claim, you are entitled to seek review of the Claims Administrator’s decision by the Review Officer.

To have your claim reviewed, you must file your Request for Review Form within sixty (60) days from the date of that the Claims Administrator issues the Notice of Rejection of *Blais* Claim.

Your Request for Review Form may only be submitted:

- Electronically via the website at [\[URL for website of Claims Administrator\]](#);
- By email to: [\[insert Claims Administrator’s email address\]](#);
- By fax to: [\[insert Claims Administrator’s fax number\]](#); or
- By registered mail to the following address: [\[insert Claims Administrator’s address\]](#);

A Request for Review cannot be hand delivered or sent by regular mail. You must keep a record of transmission of your Request for Review Form, until receiving an Acknowledgment of Receipt of the Request for Review in writing from the Claims Administrator.

All decisions of the Review Office rendered on Requests for Review are final, binding and cannot be appealed to any Court or other forum or tribunal.

If you have questions in respect of the Claims Process, including the status of your claim, under the Quebec Administration Plan, please consult the Claims Administrator’s website at [\[URL for website of Claims Administrator\]](#) or call the Claims Administrator’s Call Center at [\[Call Centre toll-free number\]](#) or send an email to [\[Claims Administrator’s email\]](#).

If you require any assistance to complete the Request for Review Form, please call the Quebec Class Action Call Centre at 1-888-880-1844 or send an email to tabac@tjl.quebec or visit the Quebec Tobacco Class Action website at www.recourstabac.com.

REQUEST FOR REVIEW

This Request for Review is required to be completed by the Tobacco-Victim Claimant, the Succession Claimant or their representative if they wish to have the Review Officer review the decision of the Claims Administrator to reject their Tobacco-Victim Claim or Succession Claim, as applicable, for compensation from the Quebec Class Action Administration Plan.

If you require any assistance to complete the Request for Review Form, please call the Quebec Class Action Call Centre at 1-888-880-1844 or send an email to tabac@tjl.quebec or visit the Quebec Tobacco Class Action website at www.recourstabac.com.

Deadline to submit your completed Request for Review: This Request for Review and any supporting documents must be submitted to the Claims Administrator by no later than 5:00 p.m. Eastern Time sixty days from the date of the Notice of Rejection of *Blais* Claim which you received from the Claims Administrator.

SUBMIT YOUR REQUEST FOR REVIEW BY REGISTERED MAIL: Your Request for Review must be postmarked no later than sixty days from the date of the Notice of Rejection of Claim which you received from the Claims Administrator and mailed to: [Address of Claims Administrator].

OR

SUBMIT YOUR REQUEST FOR REVIEW ONLINE: Your Request for Review must be submitted online and all documents must be uploaded online at [URL for website of Claims Administrator] by no later than 5:00 p.m. Eastern Time sixty days from the date of the Notice of Rejection of Claim which you received from the Claims Administrator.

OR

SUBMIT YOUR REQUEST FOR REVIEW BY EMAIL: Your Request for Review and any supporting documents must be emailed to the Claims Administrator to [Email address of Claims Administrator] by no later than 5:00 p.m. Eastern Time sixty days from the date of the Notice of Rejection of Claim which you received from the Claims Administrator.

OR

SUBMIT YOUR REQUEST FOR REVIEW BY FAX: Your Request to Review must be faxed to the Claims Administrator to [Fax Number of Claims Administrator] by no later than 5:00 p.m. Eastern Time sixty days from the date of the Notice of Rejection of Claim which you received from the Claims Administrator.

Section I: Name and Claim Number of Tobacco-Victim Claimant or Succession Claimant	
Claim Number:	
Full Name of Tobacco-Victim Claimant or Succession Claimant (First Name, Middle Name and Last Name):	
Full Name of representative of Tobacco-Victim Claimant or Succession Claimant (First Name, Middle Name and Last Name), if applicable:	
Section II: Claims Administrator's Decision	
Date of Notice of Rejection of Claim:	
Reason provided on the Notice of Rejection of Claim for the Claim being rejected:	
Section III: Statement of Tobacco-Victim Claimant or Succession Claimant, as applicable, regarding Error alleged to have been made by Claims Administrator in determining the Tobacco-Victim Claim or Succession Claim	
The Claims Administrator made the following error(s) in the review of the Tobacco-Victim Claim or Succession Claim: Note: You must explain why you believe that the	

Province/Territory	
Postal Code:	
Occupation:	
Business Phone:	
Email:	

APPENDIX “N”

Quebec Class Action Administration Plan

ACKNOWLEDGMENT OF RECEIPT OF REQUEST FOR REVIEW

[on Claims Administrator’s Letterhead]

BY [METHOD OF COMMUNICATION]

Claimant’s Name

Claim Number

Claimant’s Address

Dear [Full name of Tobacco-Victim Claimant / Succession Claimant or representative],

This Acknowledgement of Receipt of Request for Review is your record that [\[Name of Claims Administrator\]](#), the Claims Administrator for the Quebec Class Action Administration Plan (“**Quebec Administration Plan**”), has received your Request for Review of the decision of the Claims Administrator to deny [your/ Tobacco-Victim Claimant’s / Succession Claimant’s Full Name] Claim dated _____.

The Review Officer will review your Request for Review as quickly as possible to determine whether the decision of the Claims Administrator regarding your [Tobacco-Victim Claim / Succession Claim] will be confirmed, reversed or varied.

We will notify you in writing once a decision has been made regarding your Request for Review.

In the interim, if you have questions regarding your Request for Review or the review process, please consult the Claims Administrator’s website at [\[URL for website of Claims Administrator\]](#) or call the Claims Administrator’s Call Center at [\[Call Centre toll-free number\]](#) or send an email to [\[Claims Administrator’s email\]](#).

You may also contact the Quebec Class Counsel through the Quebec Class Action Call Centre at 1-888-880-1844 or send an email to tabac@tjl.quebec or visit the Quebec Tobacco Class Action website at www.recourstabac.com.

[Place], this ● day of ●, 202●

 Claims Administrator

APPENDIX "O"

Quebec Class Action Administration Plan

1. Brands of Cigarettes sold by the Tobacco Companies between January 1, 1950 and November 20, 1998

Accord	Dunhill	North American Spirit
B&H	Export LD	Spirit
Belmont	Macdonald	Number 7
Belvedere	Mark Ten	Peter Jackson
Camel	Matinee	Players
Cameo	Medallion	Rothmans
Craven "A"	More	Vantage
Craven "M"		Viscount
du Maurier		Winston

2. Sub-brands of Cigarettes sold by the Tobacco Companies between January 1, 1950 and November 20, 1998

Accord KF	du Maurier Special	Peter Jackson Extra
Avanti/Light	du Maurier Ultra Light	Light KF
B&H 100	Dunhill KF	Player's Extra Light
Del.UL.LT/MEN	Export "A"	Player's Filter
B&H 100 F	Export "A" Lights	Player's Light
B&H 100 F Menthol	Export "A" Medium	Player's Medium
B&H Light Menthol	Export "A" Extra Light	Player's Plain
B&H Lights	Export "A" Special Edition	Rothmans Extra Light
B&H Special KF	Export "A" Ultra Light	Rothmans KF
B&H Special Lights	Export Mild	Rothmans Light
KF	Export Plain	Rothmans Special
Belmont KF	John Player's Special	Rothmans UL LT KF
Belvedere Extra Mild	Macdonald Menthol	Select Special/Ultra
Cameo Extra Mild	Mark Ten Filter	Mild/Menthol
Craven "A" Special	Matinee Extra Mild	Vantage KF
Craven "M" KF	Matinee	Vantage
Craven "M" Special	Slims/Menthol	Light/Menthol
Craven "A" Light	Matinee	Viscount #1 KF
Craven "A" Ultra	Special/Menthol	Viscount Extra
Light/Mild	Number 7 Lights	Mild/Menthol
du Maurier Extra Light		
du Maurier Light		

APPENDIX “P”

Quebec Class Action Administration Plan

NOTICE TO PROVIDE ALTERNATIVE PROOF

[on Claims Administrator’s Letterhead]

BY [METHOD OF COMMUNICATION]

Claimant’s Name

Claim Number

Claimant’s Address

Dear [Full name of Tobacco-Victim Claimant / Succession Claimant or representative],

You are receiving this Notice to Provide Alternative Proof in respect your claim [claim number] in respect of [your/ the Tobacco-Victim’s name] diagnosis of [lung cancer/throat cancer/emphysema/COPD (GOLD Grade III or IV)].

When you submitted your Proof of Claim, you authorized the Claims Administrator to obtain Proof of Diagnosis of [your/ the Tobacco-Victim’s/the deceased Tobacco-Victim’s] [lung cancer/ throat cancer/ Emphysema/COPD (GOLD Grade III or IV)] through the Ministère de la Santé et des Services sociaux and the Régie de l’assurance maladie du Québec from [the Quebec Cancer Registry/ MED-ÉCHO].

The Claims Administrator was unable to obtain the required proof from [the Quebec Cancer Registry/ MED-ÉCHO].

To avoid rejection of your Proof of Claim, you must submit one of the following as Alternative Proof in order to establish the diagnosis of the tobacco-related disease asserted in your Proof of Claim and the date of such diagnosis, within one hundred and twenty (120) days of the date of this Notice:

[In respect of a Lung Cancer or Throat Cancer claim]

- a copy of a pathology report which confirms that the Tobacco-Victim was diagnosed with Lung Cancer or Throat Cancer, as applicable, before March 12, 2012; or
- a copy of an extract from [your/ the Tobacco-Victim’s/the deceased Tobacco-Victim’s] medical file confirming the diagnosis of [Lung Cancer/Throat Cancer] before March 12, 2012; or
- a written statement from a Physician with access to [your/ the Tobacco-Victim’s/the deceased Tobacco-Victim’s] medical record confirming the diagnosis of a [Lung Cancer/Throat Cancer] before March 12, 2012 and providing at least one of the following records to verify the diagnosis and date of diagnosis: pathology report,

operative report, biopsy report, MRI report, CT scan report, PET scan report, x-ray report and/or sputum cytology report.

[In respect of an Emphysema/COPD (GOLD Grade III or IV) claim]

- a copy of a report of a spirometry test performed on the Tobacco-Victim before March 12, 2012, demonstrating a FEV1 (non-reversible) of less than 50% of the predicted value;
- a copy of an extract from [your/ the Tobacco-Victim's/the deceased tobacco victim's] medical file confirming the diagnosis of Emphysema/COPD (GOLD Grade III or IV) before March 12, 2012;
- a written statement from a Physician with access to [your/ the Tobacco-Victim's/the deceased Tobacco-Victim's] medical record confirming the diagnosis of Emphysema/COPD (GOLD Grade III or IV) before March 12, 2012 and providing at least one of the following records to verify the diagnosis and date of diagnosis: spirometry report or CT scan report;
- a copy of a radiological report from a chest x-ray performed on [you/the Tobacco-Victim/the deceased Tobacco-Victim] before March 12, 2012 indicating the presence of Emphysema;
- a copy of a radiological report from a thoracic computed tomography (CT-scan) performed on [you/ the Tobacco-Victim/the deceased Tobacco-Victim] before March 12, 2012 indicating the presence of centrilobular Emphysema; or
- a copy of a respiratory functional assessment carried out on [you/ the Tobacco-Victim/the deceased Tobacco-Victim] before March 12, 2012, including spirometry and measurement of dispersion, indicating the presence of an obstruction of bronchitis that is irreversible and a decrease in diffusion or that corresponds to stage 3 or 4 on the GOLD Grading System.

Alternative Proof must be sent to the Claims Administrator:

- Electronically via the website at [URL for website of Claims Administrator];
- By email to: [insert Claims Administrator's email address];
- By fax to: [insert Claims Administrator's fax number]; or
- By registered mail to the following address: [insert Claims Administrator's address].

You cannot submit the required Alternative Proof by hand delivery or by regular mail, and you must keep a record of transmission of the Alternative Proof until you receive a written Acknowledgment of Receipt of Alternative Proof from the Claims Administrator.

In order to obtain the required Alternative Proof, we strongly recommend you request [your/ the Tobacco-Victim's/the deceased Tobacco-Victim's] medical files or communicate with [your/ the Tobacco-Victim's/the deceased Tobacco-Victim's] Physician without delay. The procedure to follow to request medical files can usually be found on the website of the medical institution or can be obtained by calling their archive/medical records department.

If you do not submit any Alternative Proof to the Claims Administrator within 120 days after the date of this Notice, your Proof of Claim will be rejected without further notice.

If you do submit Alternative Proof by this deadline, the Claims Administrator will consider such Alternative Proof when reviewing your Proof of Claim. If any further information is required, you will be contacted by the Claims Administrator .

If you have questions in respect of this notice or the Claims Process, including the status of your claim, under the Quebec Administration Plan, please consult the Claims Administrator's website at [\[URL for website of Claims Administrator\]](#) or call the Claims Administrator's Call Center at [\[Call Centre toll-free number\]](#) or send an email to [\[Claims Administrator's email\]](#).

If you require any assistance to prepare your Alternative Proof for submission to the Claims Administrator, you may contact the Quebec Class Counsel through the Quebec Class Action Call Centre at 1-888-880-1844 or send an email to tabac@tjl.quebec or visit the Quebec Tobacco Class Action website at www.recourstabac.com.

Please note that the Claims Administrator cannot make any requests on your behalf for medical information that would satisfy the requirement to provide Alternative Proof.

[Place], this • day of •, 202•

Claims Administrator

SCHEDULE “O”

OVERVIEW OF EPIQ'S

COMPLEX CLAIMS ADMINISTRATION EXPERIENCE

Epiq Class Action Services Canada Inc.

Epiq Canada has decades of experience administering some of the largest and most complex claim administration mandates in Canadian history.

With senior staff members who individually have as many as 25+ years of specific legal settlement administration experience, Epiq Canada has handled millions of documents, responded to hundreds of thousands of calls, and processed millions of claims with efficiency and safeguards against fraudulent actors. We can scale up and down quickly in response to case requirements while maintaining privacy, accuracy, consistency, efficiency, impartiality, and caring claimant service support excellence.

Case Experience

Epiq Canada has served as the administrator of well over 100 matters, spanning automotive, banking, bankruptcy, consumer, blood contamination, other contamination, employment/benefits, environmental, federal government, indigenous, institutional abuse, medical/personal injury/medical devices, pension/tax credits, pharmaceutical, privacy/data breach, securities/price fixing, product defect/corporate conduct, social services, and special redress/restorative mandates.

Epiq's complex claims administration experience includes:

- **Indian Residential School Settlement**

A landmark Indian Residential Schools Settlement Agreement (IRSSA) to provide over \$2 billion in compensation to former students, as well programs to promote healing, truth, reconciliation, and commemoration. Stretching over nearly two decades since 2006, Epiq has provided continuous support for numerous IRSSA phases and capacities including media noticing, class member support, claims processes, objections, opt-outs and reporting. In 2021, Epiq was designated the Records Agent for IRSSA Disposition of Records. In this capacity, which is scheduled to continue through 2027, Epiq has developed a secure system to safeguard claimant documents pertaining to the settlement's completed Independent Assessment Process (IAP) and Alternative Dispute Resolution (ADR) programs. Epiq is responsible for intake, coordination, and processing of all requests related to these highly sensitive records.

- **Brazeau Reddock Gallone Administrative Segregation Settlement**

A Commissioner of Correctional Services Canada (CSC) settlement with prisoners at federal correctional facilities related to allegations of systemic and prolonged solitary confinement.

- **CAF-DND Class Action**

A Department of National Defense (DND) and Staff of the Non-Public Funds, Canadian Forces (SNPF) settlement related to allegations of sexual harassment, sexual assault or discrimination based on sex, gender, gender identity, or sexual orientation in connection with military service and/or employment.

- **Hepatitis C Settlements**

Federal, territorial, and provincial settlements setting aside over \$2 billion to compensate those infected with Hepatitis C related to alleged failures to ensure that whole blood and blood products were adequately tested. Epiq's administration of these complex multi-phase and multi-year administrations underway since 1999 continues through the present with a dedicated full-time support team.

- **Canadian Thalidomide Survivors Support Program**

A complex and multifaceted compensation program spanning the lifetime of individuals who suffered congenital malformations associated with the maternal ingestion of thalidomide.

Professional Management and Staff

Epiq Canada's staff members are Canadians – half of whom are bilingual. They include lawyers, paralegals, claims officers, certified project and risk managers, adjudicators and licensed medical reviewers.

Key personnel who will be assigned to this administration include:

- **Brenda Weiss, Client Services Senior Director**

Ms. Weiss has 27 years of experience administering complex settlement programs including the Indian Residential School Settlement and the Canadian Thalidomide Survivors Support Program among many others. She is experienced managing multiple teams across numerous functional areas comprised of hundreds of managers, processors and other support staff. Ms. Weiss has previously managed processes to support appeals to independent bodies and courts along with intricate reporting requirements. She is certified as a Chartered Insurance Professional (CIP) and Certified Risk Manager (CRM). Ms. Weiss is based out of Epiq's Toronto office.

- **Tieya Lacroix, Client Services Director**

Ms. Lacroix has more than a decade of legal administration experience related to medical devices, personal injury, bankruptcy, and government programs among other areas. In addition to managing multiple large teams, Ms. Lacroix has specialized in initiatives related to data protection

and data integrity. Her significant legal administration projects include the Brazeau Reddock Gallone Federal Administrative Segregation Settlement, Vacances Sinorama bankruptcy, Toronto G-20 Summit, and 1998 Quebec Ice Storm. Ms. Lacroix is Quebecois and based out of Epiq's Ottawa offices.

- **Matt Keeling, Operations Director**

Mr. Keeling is responsible for managing Epiq's contact centre, claims processing and document control organizations across the span of Epiq's legal administration projects. Prior to joining Epiq, Mr. Keeling was responsible for leading an operations team through the management of over 10,000 government relocations annually, including operational optimization, budgeting and strategic planning. Mr. Keeling is based in Epiq's Ottawa offices.

Tobacco Claims Pre-Settlement Support Program

A Tobacco Claims pre-settlement team has rapidly been assembled comprised of 179 dedicated managers, supervisors, and associates. Commensurate with this early stage of the project, these associates are predominantly direct contact personnel who are ready to respond to telephone, email, and correspondence inquiries about the proposed compensation programs. Service levels will be actively monitored, and additional resources will be added as needed to ensure prompt and professional services are provided to potential claimants and other interested persons.

Detailed planning has already been undertaken related to successive stages of the proposed program, including specialties required (claims processors, nurse reviewers, and estate specialists, among a myriad of roles), and anticipated staffing levels.

Epiq Enterprise Support

Parent company, Epiq, is well situated to support this historic, multifaceted, and multiyear engagement in which ongoing legal, government, public policy, and media scrutiny is to be expected.

Epiq is a global technology-enabled leader to the legal industry and corporations. We employ over 8,000 people across 18 countries.

Epiq's class action, mass tort and bankruptcy subsidiary has approximately 2,500 associates, 1,300 of which are full-time employees. Our president, Nicole Hamann, has been a leader with Epiq for over 25 years.



To meet changing demands, Epiq is skilled at flexing staffing levels up and down to meet client needs. Within the past eight months, the class action subsidiary has flexed up to 3,650 associates, 1,400 of which are full-time employees.

Between the years 2020-23, we paid out over \$127 billion, printed over one billion images, sent over 880 million emails to class members, and delivered over 316 million postal mail pieces.

Epiq Canada Selected List of Legal Administration Projects

Automotive

Auto Air Bag (Takata – Mazda, Toyota, Subaru)
BC Toyota
Daimler Chrysler Financial Lost Data Tape
Ford Fuel Consumption
GM Defective Intake Manifold Gasket
Honda – Defective Odometers
Honda Tire Appeals
Honda Takata Auto Airbag
Hyundai Fuel Economy
Hyundai Theta Engine
Kia Fuel Economy Mercedes
Kia Theta Engine
Osram Sylvania Autolights
Toyota Access
Toyota Unintended Acceleration
Toyota Frame Rust
Torstar Auto Dealer Advertising
Volkswagen 2006 Jetta Defective Wiring
Volkswagen/Audi Timing Chain

Banking

American Express FX Fees – Adams
American Express FX Fees – Marcotte
BMO Data Breach
BMO FX Fees – Marcotte
Desjardins – 1998 Ice Storm
Mogo Money Voucher
Money Mart
Quik Payday Loans
Royal Bank 2004 - Computer Redress

Bankruptcy

Sears Canada
Bankruptcy Sinorama
Vacations Bankruptcy

Consumer

1998 Quebec Ice Storm
American Express FX Fees – Adams
American Express FX Fees – Marcotte
AMT Commuter Train Delay
Artic Cat & Yamaha
Auto Air Bag (Takata – Mazda, Toyota, Subaru)
Aviva 19 Covid Business Interruption
Bausch and Lomb Eye Lenses
Baycol Cholesterol Drug
BC Fireplaces
BC School Districts
Behr Wood Sealant
BMO FX Fees – Marcotte
CDI College
Conquest Vacations
E-Books
Ford Fuel Consumption
Fujitsu Defective Hard Drives
GM Defective Intake Manifold Gasket
Haventree Mortgages
Honda – Defective Odometers
Honda Takata Auto Airbag
Honda Tire Appeals
HP OfficeJet Printers Dynamic Security
Hyundai Fuel Economy
Hyundai Theta Engine
J&J Baby Bedtime Bath
Kia Fuel Economy Mercedes
Kia Theta Engine
Kyocera Mita
Lennox Gas Fireplaces
Maiden Form
Mangan v Inco
Maytag Neptune Washing Machines
Microsoft Canadian Product Price Fixing
Mercedes
Money Mart

Mogo Money Voucher
Nature's Touch Berry Recall
Quik Payday Loans
Royal Bank 2004 - Computer Redress
Samsung Canada Top-Load Washers
Sears Canada Bankruptcy
Shell Polybutylene Pipes
Sinorama Vacations Bankruptcy
Sorbates Price Fixing I
Sorbates Price Fixing II
Stratford Floods
Tiffany Gate Foods
Toyota Frame Rust
Toyota Unintended Acceleration
Trillium Banquet Ecoli
Walkerton Compensation Plan
Whistler Cable (Criminal Interest Rate)
Vacances Sinorama Inc.

Contamination – Blood

Hep C Prison Blood
Hepatitis C – Pre 86 – Post 90 Alberta
Hepatitis C (1986-90)
Hepatitis C (Pre 1986, Post 1990)
Hepatitis C EAP 2
Hepatitis C Late Claims

Contamination – Other

Capers Hepatitis A
City of Saint John
Diamond Pet Foods
Harvey's/Swiss Chalet Ecoli
Loblaw In-Store Produce
Hepatitis A Maple Leaf Foods Listeriosis
Nature's Touch Frozen Berries
North Battleford Cryptosporidium Contaminated Water
Paramed - Improper Sterilization of Equipment
Scarborough Hospital Dialysis Equipment
Tiffany Gate Foods
Trillium Banquet Hall Ecoli
Walkerton Compensation Plan

Employment Benefits

Alberta Uber
BC Doctors
Denny's Restaurants
GM Retirees HCM
KPMG Overtime
Niagara College Appeals

Environmental

Cotter v. Levy, Plastimet Fire
Stratford Floods

Federal Government

15 Year Disposition of Records Project (IRS)
Assured Income for the Severely Handicapped ("AISH") Financial Benefits
BSE (Mad Cow) Class Action
CAF-DND Sexual Misconduct
Canada Student Loans
Global Affairs Canada Government Insurance
Indian Residential Schools Article 12 Appeals
Indian Residential Schools ATIP Requests
Indian Residential Schools CEP Appeal Administration
Indian Residential Schools CEP Court Appeals
Indian Residential Schools CEP Reconsideration
Indian Residential Schools Court Monitor
Indian Residential Schools IAP Administration
Indian Residential Schools NAC Appeals Process
Indian Residential Schools Notice Administration
Indian Residential Schools Personal Credit Administration
Indian Residential Schools – Schools Appeals
Newfoundland Indian Residential Schools
Nutrition North Program
Thalidomide Survivors Compensation Plan

Indigenous

15 Year Disposition of Records Project (IRS)
Federal Children's Special Allowance Class Action
Indian Residential Schools Article 12 Appeals
Indian Residential Schools ATIP Requests
Indian Residential Schools CEP Appeal Administration
Indian Residential Schools CEP Court Appeals
Indian Residential Schools CEP Reconsideration
Indian Residential Schools Court Monitor

Indian Residential Schools IAP Administration
Indian Residential Schools NAC Appeals Process
Indian Residential Schools Notice Administration
Indian Residential Schools Personal Credit Administration
Indian Residential Schools – Schools Appeals
IRS Newfoundland
Newfoundland Indian Residential Schools
Reproductive Forced Sterilization

Institutional Abuse

Bishop College
Brazeau Federal Prisoners
CPRI
Crown Wards
Crown Wards Failure to Act
Federal Administrative Segregation
Federal Prisoner Mental Health
Grenville Christian College
Huron Residential Schools - Phase II
Huron Residential Schools
Immigrant Detainees
Jail Lockdown
Keeping Training Schools
Manitoba Segregation
Minors in Custody
Nova Home for Colored Children
Ontario Administrative Segregation
Ontario Youth Justice Facilities
Prisoner Mental Health
Provincial Schools for the Deaf
Quebec CHSLD
Rideau Regional Centres
Schedule 1 Facilities
School for the Blind
Schools for the Deaf
Sheila Morrison Schools
Southwestern Regional Centres
W. Ross MacDonald Program

Medical/Personal Injury/Medical Devices

Air France Pearson Crash
Air Transat Azores Emergency Landing
Antigonish Diocese Sex Abuse

Biomet Metal on Metal Hip Implant
Cardozo Sexually Transmitted Disease
Centerpulse Hip Replacements
Champix
Cilinger Radiotherapy Treatment Delays
Depuy Hip Implants
Dermalive Facial Fillers
Dow Corning-Ontario Breast Implants
Dupont Foot Stint
Grosu Requip Guidant Defibrillators
Hep C Prison Blood
Hepatitis C – Pre 86 – Post 90 Alberta
Hepatitis C (1986-90)
Hepatitis C (Pre 1986, Post 1990)
Hepatitis C EAP 2
Hepatitis C Late Claims
Miramichi Hospital Forceps
Miramichi Pathology
Newfoundland Breast Cancer
Pain Pumps
Paramed - Improper Sterilization of Equipment
Paxil
Premarin
St. Jude ICD
Stryker Rejuvenate Modular Hip System
Thalidomide Survivors Compensation Plan
UBC Andrology Lab
Vitek TMJ
Zimmer Durom Hip Implants

Pension and Tax Credits

Canadian Mortgage and Housing Corporation Work Adjustment Program
Nortel Retirees Protection Canada
Trinity Investment

Pharmaceutical

Baycol Cholesterol Drug
Champix
Grosu Requip Appeals
Mirapex
Paxil Cardiovascular Defects
Ponderal Diet Drugs
Pondimin Diet Drugs

Prepulsid
Serzone
Stadol Analgesic Nose Spray
Thalidomide Survivors Compensation Plan
Zyprexa Defective Drug

Privacy/Data Breach

BMO Data Breach
Daimler Chrysler Financial Lost Data Tape
Canada Student Loans
Durham Region Health Lost USB

Privacy/Data Breach Notification and Response

Eye Safety Systems
SNC-Lavalin

Price Fixing/Securities

Aurelian
Baffinland Iron Mines Corporation Securities
BMO Nesbitt Burns
Canadian deBoers Diamonds
Canadian Ramen Noodles
Canadian Solar Securities
Canadian Superior Energy
CIBC Canada Common Wealth
DRAM
Gold and Silver Market Instrument (Canada)
GM Retirees
Ivari – CAN AM Fund Replication Claim
Manulife Securities
Money Concepts
Poseidon Securities
Protective Products of America
Ravary (Talvest)
Royal Group Technologies
Sorbates Price Fixing I
Sorbates Price Fixing II
Southern China Livestock
Securities Telus/BCE
Valeant Securities

Product Defect/Corporate Conduct

Alberta Uber
Krupp Elevator Brakes

Riazi School Districts Tuition Fee
Shoppers Drug Mart
Bausch and Lomb Eye Lenses
BC Fireplaces
Behr Wood Sealant
Canada Post Parcel Shipping Fees
Ford – Fuel Consumption
Fujitsu Defective
Hard Drives
GM Defective Intake Manifold Gasket
Honda – Defective Odometers
Honda Takata Auto Airbag
Honda Tire Appeals
Hyundai Fuel Economy
Hyundai Theta Engine
J&J Baby Bedtime Bath
Kia Fuel Economy Mercedes
Kia Theta Engine
Lennox Gas Fireplaces
Maiden Form
Maytag Neptune Washing Machines
Mazda Takata Auto Airbag
Mercedes
Paramed - Improper Sterilization of Equipment
Shell Polybutylene Pipes
Subaru Takata Auto Airbag
Toyota Frame Rust
Toyota Takata Auto Airbag
Toyota Unintended Acceleration

Social Services

Assured Income for the Severely Handicapped ("AISH") Financial Benefits

Special Redress/Restorative

Doe v. Solomon – surreptitiously video recording
Economical Demutualization
Global Affairs Canada Government Insurance
KPMG Overtime
Nova Scotia Home for Colored Children
Nutrition North Program
Reproductive Forced Sterilization
Royal Bank 2004 - Computer Redress
Thalidomide Survivors Compensation Plan
Walkerton Compensation Plan



Brenda Weiss

Senior Director, Client Services, Canada

Brenda Weiss is a senior director of client services within the Canadian class action division. She is responsible for and dynamically leads teams in the implementation and execution of a variety of complex class action settlements, with particular experience in Government of Canada administrations, consumer product, medical device, and personal injury cases involving sensitive information.

For over 10 years, Brenda was instrumental in developing and implementing innovative process solutions to execute successfully numerous complex phases of the Indian Residential School Settlement administration, including several multilingual noticing programs, objections, opt-outs, evaluations, appeals to independent bodies and to the court, and intricate diverse reporting. Since that time, Brenda has led the development of the evolving government compensation program for Canadian Thalidomide Survivors, which necessitated innovation and collaboration with both internal and external parties, as well as a trauma-informed approach. The program included the development and implementation of a complex reconsideration process that contained both in-person and virtual oral hearings.

Case Experience

25-plus years complex class action administration experience
 20-plus years Government of Canada casework
 Expertise in process development and improvement
 Core strength in data protection and integrity

Landmark cases:

- Indian Residential Schools Settlement
- Thalidomide Survivors Contribution Program
- Canadian Thalidomide Survivors Support Program

Background

Prior to joining the Canadian class action team, Brenda was responsible for investigating, processing, and settling property, automobile, and liability claims at Crawford and Company. She specialized in handling liability property and liability claims for the municipalities of Kitchener-Waterloo requiring familiarity with complex legal documents and procedures. At that time, she gained additional continuing education in legal studies and fire and explosion investigation. She has received numerous awards for leadership, quality, and innovation.

Certifications

Chartered Insurance Professional (CIP)

Certified Risk Manager (CRM)

Education

University of Toronto, Chartered Risk Management Designation

University of Waterloo, B.A., (Honors), Psychology-Thesis Option & Applied Studies Cooperative Programme

Insurance Institute of Canada, Chartered Insurance Professional Certification

Conestoga College, Certificate in Law Enforcement and Investigation



Tieya Lacroix

Director, Client Services, Canada

Tieya Lacroix is a director of client services within the Canadian class action division. She is responsible for and dynamically leads teams in the implementation and execution of a variety of complex class action settlements with experience in federal government administrations, consumer product, medical device and personal injury, securities, and privacy/data breach cases involving sensitive information. For over 6 years, Tieya was instrumental in developing and implementing innovative process solutions to successfully execute numerous complex administrations including several multi-lingual noticing programs, objections, opt outs, claims evaluations, and appeals, and intricate diverse reporting. Tieya is bilingual, fluent in both official languages (English and French).

Experience

11-plus years complex class action administration experience
Expertise in process development and improvement
Core strength in data protection and integrity

Landmark cases:

- 1998 Quebec Ice Storm
- Vacances Sinorama Bankruptcy
- Toronto G-20 Summit
- Hyundai and Kia Theta II Engine Settlement
- Brazeau Reddock Gallone Federal Administrative Segregation
- Canadian Credit Card Class Actions

Background

Tieya moved up the corporate career ladder. She started as a contact centre agent and worked her way up to claims analyst, claims manager, project coordinator, project manager, and eventually director.

Education

St. Thomas University, Bachelor of Arts: majored in criminology and sociology.
Champlain Regional College, Collegiate Study diploma in creative arts.



Matt Keeling

Director of Operations, Canada

Matt Keeling is the director of operations within the Canadian class action division. He is responsible for leading three distinct operations teams: contact centre, claims processing, and document control. Based in Ottawa, Ontario, his experience centers upon leading diverse operations teams through the successful administration of class action settlements.

Experience

Matt has led operations teams through document intake, contact centre services, noticing, and claims processing on several high-profile class action matters, including:

- CAF-DND Sexual Misconduct Class Action Canada
- Brazeau, Reddock and Gallone (BRG) Administrative Segregation Class Action Canada
- Microsoft Software Class Action Canada
- Canadian Interchange Credit Cards Class Action Canada

Background

Prior to joining the Canadian class action team, Matt was responsible for leading an operations team through the management of 10,000-plus government relocations annually. During this time, he was responsible for the development, enhancement, and optimization of an operational roadmap designed for strategic planning and budgeting processes.

Education

Matt has a background in mathematics from his time at Ottawa University.

SCHEDULE “P”

CURRICULUM VITAE OF DANIEL SHAPIRO, K.C.

Daniel Shapiro, K.C., C. Arb., Mediator, Consultant

311 21st Street East

Saskatoon, SK S7K 0C1

Email: dan@shapirolaw.ca

Website: www.shapirolaw.ca

Biographical

Recognition

- 2023: Selected as "Lawyer of the Year", ADR – Saskatoon, Best Lawyers in Canada
- 2022: Featured speaker of the Dean's Lecture Series, Ted Rogers School of Management, Metropolitan University, Toronto
- 2020: Inducted as Charter Member, Canadian Academy of Distinguished Neutrals (Saskatchewan)
- 2020: Recipient of Saskatchewan Trial Lawyers Association "Outstanding Lawyer Award"
- 2020: Invited Speaker, Lancaster House 38th Annual Labour Law Conference, Opening Plenary Panel – "Covid 19 – Implications for Labour Relations"
- 2013: Appointed by Independent Assessment Process (IAP) Oversight Committee, as confirmed by Chief Justice of Ontario, to serve as Chief Adjudicator of the Indian Residential Schools Adjudication Secretariat (wound up March 31, 2021)
- 2011 and following: selected by peers for inclusion in The Best Lawyers of Canada in the field of ADR
- 2007: Appointed Deputy Chief Adjudicator of the pan-Canadian Indian Residential Schools Adjudication Secretariat, part of then the largest class actions settlement in Canadian history
- 2003: Appointed Senior Adjudicator in Alternative Dispute Resolution Process for claims by former students at Indian Residential Schools ("IRS")
- 2003: Obtained Chartered Arbitrator (C. Arb.) Designation, ADR Institute of Canada
- 2001: Appointed by Superior Court of Ontario as Saskatchewan (and sometimes Manitoba and Newfoundland) arbitrator/referee under Hepatitis C 1986-1990 class actions settlement
- 2000-2024: Chair, Discipline Hearing Committees, College of Physicians and Surgeons of Saskatchewan
- 1996: Appointed King's Counsel, Saskatchewan
- 1998, 1999: appointed by Saskatchewan Minister of Justice as one-person Board of Inquiry under Saskatchewan Human Rights Code
- 1979: Called to Saskatchewan Bar

- 1978: Awarded Prize in Advanced Labour Law, University of Saskatchewan College of Law
- 1973, 1974: York University Scholar, Toronto

Present

From September 2020 to date, Mr. Shapiro has served from time to time as court-appointed consultant to the Mediator regarding development of the proposed PCC Compensation Plan and Quebec Administration Plan developed through the Tobacco CCAA proceedings.

This work builds upon Mr. Shapiro concluding, in 2021, a multi-year project adjudicating and ultimately leading the IAP and IRS Adjudication Secretariat, created by what was then the largest class actions settlement in Canadian history. This is summarized below. Although Mr. Shapiro continued with a limited amount of non-IRS arbitration, tribunal and mediation work throughout his time with the Secretariat, with the end of the IAP, Mr. Shapiro has returned to his former mediation and arbitration practice, with a focus on labour and commercial arbitrations.

Background

Over the course of three decades, Mr. Shapiro handled numerous civil, medical negligence, injury, wrongful dismissal, insurance, labour relations and human rights cases. He appeared as counsel in all levels of courts throughout Saskatchewan and Alberta as well as the British Columbia Supreme Court, the Tax Court of Canada and the Supreme Court of Canada. He served as counsel in many precedent-setting court decisions in areas of public interest litigation, medical negligence, fatal accidents, aviation litigation, Criminal, *Charter*, and personal (including catastrophic) injury cases. Since 1995, the focus of Mr. Shapiro's practice shifted to that of a neutral, which has exclusively been the case since 2000.

Mr. Shapiro taught Trial Advocacy at the College of Law, University of Saskatchewan, as well as in many Continuing Legal Education programs, and has been a frequent guest lecturer in the fields of ADR, medical negligence, and Aboriginal justice and policy.

Mr. Shapiro served as President of the Saskatchewan Trial Lawyers Association and Inaugural Chair of the Canadian Bar Association (Saskatchewan Branch) Health Law Section. He previously chaired the Law Society of Saskatchewan/Canadian Bar Association Joint No Fault Committee and served many terms as District Governor (Saskatchewan and Manitoba) of the American Trial Lawyers Association.

Class Actions Arbitration, Adjudication and Leadership

The unique background and skillset related to both litigation and alternative dispute resolution led to an opportunity for Mr. Shapiro to deepen his service beyond Saskatchewan to serve vulnerable Canadians nationally, in the form of class actions, arbitrations, references and adjudications.

In 2001, Mr. Shapiro was appointed by Justice Winkler (as he then was) of the Superior Court of Ontario as the Saskatchewan (and at times Manitoba and Newfoundland and Labrador) arbitrator/referee under the national Hepatitis C 1986–1990 class action settlement agreement. This work has continued since.

Following this, Mr. Shapiro assumed the leadership role with which he is most closely identified and associated, namely as Chief Adjudicator of the IAP of the Indian Residential Schools Adjudication Secretariat.

In the fall of 2003, Mr. Shapiro was initially appointed in the first group of senior adjudicators under the Alternative Dispute Resolution (ADR) process to adjudicate upon claims of physical and sexual abuse brought by former students at Indian Residential Schools. The ADR process dealt with approximately 5,000 individual claims before it began to conclude in 2007, with the implementation of the IAP. ADR introduced the concept of *reconciliation*, before that term was in common usage, into the hearing process. In this and other important respects, while not in itself the product of class action litigation, this ADR process was an important precursor to the IAP.

In 2007, Mr. Shapiro was appointed Deputy Chief Adjudicator of the IAP, Indian Residential Schools Adjudication Secretariat. The IAP operated under supervision of superior court judges in 9 provinces and territories. The IAP was one of two reparations components of the Indian Residential Schools Settlement Agreement. Brokered by retired Supreme Court of Justice Frank Iacobucci, it was the largest and most comprehensive pan-Canadian class action settlement in Canadian history. This historic settlement is the first such program internationally and has been studied in countries with similar dark chapters in their own histories, such as New Zealand and Australia. The IAP was the private, confidential, reparations component of the IAP and the sister tribunal to the Truth and Reconciliation Commission (TRC), the public face of the Settlement Agreement. Designed to deal with an estimated 12,500 claims over five years, in fact, 38,276 applications were filed. While serving as Deputy Chief Adjudicator, in addition to presiding over his own hearings in urban settings, remote and northern communities across the country, and conducting reviews of decisions of other adjudicators, Mr. Shapiro chaired the Technical Sub-committee of the IAP Oversight Committee. In that capacity, he was the lead in working with the multi-party stakeholders, facilitating the development of the innovative

policies procedures necessary to implement the complex IAP, which has been described as *sui generis* and unique among tribunals around the world.

In July 2013, Daniel Shapiro was appointed as Chief Adjudicator of the IAP, Indian Residential Schools Adjudication Secretariat, by Warren Winkler, then Chief Justice of Ontario, on the unanimous recommendation of the stakeholder representatives on the IAP Oversight Committee, including representatives of former students (AFN and Inuit representatives), lawyers representing former students, the Government of Canada and the churches that operated the Indian Residential Schools. At its peak, with an annual budget of approximately \$60M, Mr. Shapiro led a team of 109 adjudicators and Deputy Chief Adjudicators across the country, with approximately 275 staff, in offices in Vancouver, Regina, Winnipeg and Gatineau, conducting over 4,500 in-person hearings per year.

A total of \$3.233B in payments were made to satisfy awards and settlements to former students under the IAP. The average compensation awarded was \$91,500.

The unique inquisitorial process of the IAP was designed and implemented to provide redress for historic state wrongs, eliminate questioning of former students by lawyers, be claimant-centred and provide a private, safe, culturally appropriate and respectful setting in which former students could provide their testimony of the most deeply personal and painful experiences in their lives. It was implemented in a manner designed to provide opportunities for reconciliation and individual and multi-generational healing. Rather than requiring former students to come to larger centres for their hearings, IAP adjudicators went to them – conducting hearings in claimants' homes, nursing homes, hospitals and correctional facilities, and incorporating Indigenous health supports, ceremony and traditional methods of solemnization of testimony chosen by former students into the hearings. Due to the highly sensitive and politically charged nature of the issues surrounding Canada's role in both creating and then seeking to address the dark chapter of its history that led to the creation and operation of Indian Residential Schools, and the historic nature of the process, the IAP attracted an extraordinary level of media attention, both in mainstream media nationally and locally and in Indigenous media.

The unique nature of the process and vulnerabilities of class members created many challenges and required many steps to be taken to address these vulnerabilities that had not been anticipated by the framers of the Settlement Agreement. Mr. Shapiro played a key role in developing and implementing many of these important efforts. Among them, the Lost Claimants Protocol went to extraordinary lengths, not seen in any other tribunal anywhere, to search for and locate claimants who had lost contact with

the Secretariat, resulting in finding over 500 claimants, who were given an opportunity for a hearing.

In addition to travelling for hearings including many remote communities in the Canadian north and writing hundreds of ADR and IAP decisions, Mr. Shapiro led the Secretariat through a complex series of court cases, including a precedent-setting privacy law 2017 decision by the Supreme Court of Canada, in *Canada (Attorney General) v. Phil Fontaine et al*, 2017 SCC 47. The Court unanimously agreed with Mr. Shapiro's position that the choice of whether to archive transcripts of IAP hearings and other materials generated in these private processes belonged to the claimants alone. The Supreme Court of Canada rejected the positions of the Truth and Reconciliation and the Government of Canada to the effect that these materials were automatically to be shared in a public archive, without the consent of former students. The court arrived at this decision despite the highly emotionally charged arguments that would have given precedence of the "collective right to know" over the individual's privacy rights that had been promised to them in the IAP.

Mr. Shapiro played a key role in shaping the IAP, which in turn played a fundamental role in allowing the parties to the Settlement Agreement to meaningfully work towards reconciliation; it is now generally accepted that without justice, there can be no reconciliation between Canada and its Indigenous peoples. In a very real sense, particularly in his capacity as Chief Adjudicator, Mr. Shapiro has been an advocate for a process – one designed to provide redress for historic wrongs, while playing an important role in achieving healing and reconciliation. Mr. Shapiro has written hundreds of decisions in the IAP. As Chief Adjudicator, he was the "court of last resort" within the IAP, which sets out two levels of review of decisions by other adjudicators and one level of appeal regarding adjudicator decisions regarding the appropriate amount of legal fees to be paid to claimant counsel. For more information summarizing the work of the IAP, see its final report:

<http://www.iap-pei.ca/media/information/publication/pdf/FinalReport/IAP-FR-S-2021-03-II-e>

Education

- 1994: Completed Mediation training with Daniel Hamoline
- 1978: Juris Doctor, College of Law, University of Saskatchewan
- 1973–1975: York University, Toronto, Undergraduate work, Social and Political Thought

- 1978 – continuing – serving as guest lecturer at and attending numerous continuing education, litigation, arbitration and mediation courses

Select Memberships & Affiliations

- Chartered Arbitrator with the ADR Institute of Canada since 2003
- Trained mediator since 1994
- Registered member of the Law Society of Saskatchewan from May 1979 – Aug 2023 (presently inactive)
- Registered as a member of the Law Society of Alberta from 1987–2003
- Awarded King's Counsel (Saskatchewan) designation in 1996
- Long-term member of ADR Institutes of Canada and Saskatchewan
- Long-term member of Conflict Resolution Saskatchewan
- Long-term member of Foundation for Administrative Justice
- Instructor, National Introductory Arbitration Course, ADR Institutes of Canada/Saskatchewan, 2020 to date
- Instructor, Foundation of Administrative Justice, 2021 to date

SCHEDULE “Q”

PAN-CANADIAN CLAIMANTS’ COMPENSATION PLAN: METHODOLOGY AND ANALYSIS

Court File No. CV-19-615862-00CL
Court File No. CV-19-616077-00CL
Court File No. CV-19-616779-00CL

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 **JTI-MACDONALD CORP.**

AND IN THE MATTER OF A PLAN OF COMPROMISE
OR ARRANGEMENT OF **IMPERIAL TOBACCO CANADA LIMITED**
AND **IMPERIAL TOBACCO COMPANY LIMITED**

AND IN THE MATTER OF A PLAN OF COMPROMISE
OR ARRANGEMENT OF **ROTHMANS, BENSON & HEDGES INC.**

Applicants

PAN-CANADIAN CLAIMANTS' COMPENSATION PLAN:
METHODOLOGY AND ANALYSIS

TABLE OF CONTENTS

EXECUTIVE SUMMARY	i
I. OVERVIEW	1
A. MANDATE OF REPRESENTATIVE COUNSEL FOR PCCs.....	1
B. TEST FOR COURT’S APPROVAL OF PCC COMPENSATION PLAN AND THE CY-PRÈS FUND.....	2
(i) Paramountcy of Jurisdiction of CCAA Court to approve PCC Compensation Plan and Cy-près Fund and Settlement of Class Actions....	8
II. PAN-CANADIAN CLAIMANTS’ COMPENSATION PLAN.....	10
C. RATIONALE FOR INCLUSION OF PCC COMPENSATION PLAN IN GLOBAL SETTLEMENT.....	10
D. CAUSES OF ACTION THAT COULD BE ADVANCED BY PCCs AGAINST TOBACCO COMPANIES	18
E. NO JUDGMENTS HAVE BEEN OBTAINED AGAINST TOBACCO COMPANIES IN CANADIAN COMMON LAW JURISDICTIONS	21
F. JUDGMENTS IN QUEBEC CLASS ACTIONS	23
(i) Summary of Findings in Quebec Class Actions supporting Theory of Case against Applicants	25
(ii) Class Definition in <i>Blais</i> Class Action.....	30
(iii) Judicial Findings regarding Class Period, Date of Diagnosis, Critical Tobacco Dose and Compensable Diseases used in <i>Blais</i> Class Definition.....	31
(a) QCAPs’ Class Period from January 1, 1950 to November 20, 1998	31
(b) QCAPs must be diagnosed with a Compensable Disease by March 12, 2012.....	32
(c) QCAPs must have smoked 12 pack-years in QCAPs’ Class Period	33
(d) QCAP Compensable Diseases.....	34

(iv)	Quantum of Damages awarded for each QCAP Compensable Disease ...	35
(v)	Public Knowledge Date and Contributory Negligence	40
(vi)	QCAPs renounced their Rights to make Individual Claims and limited their Claims for Collective Damages to Moral Damages and Punitive Damages.....	43
G.	CRITERIA TO QUALIFY TO RECEIVE DIRECT COMPENSATION FROM PCC COMPENSATION PLAN	44
H.	RATIONALE FOR CRITERIA TO QUALIFY TO RECEIVE DIRECT COMPENSATION FROM PCC COMPENSATION PLAN	47
(i)	Rationale for requirement that PCCs were alive on March 8, 2019	47
(ii)	Rationale for requirement that PCCs reside in one of the Provinces or Territories	48
(iii)	Rationale for PCC Claims Period extending from March 8, 2015 to March 8, 2019	52
(iv)	Rationale for Selection of PCC Compensable Diseases	52
I.	LIMITATIONS LAW ANALYSIS INFORMED DETERMINATION OF PCC CLAIMS PERIOD FROM MARCH 8, 2015 TO MARCH 8, 2019	54
(i)	Purpose of Limitations Law Analysis	54
(ii)	Historical Background and Overview of Principles applied in Limitations Law Analysis	55
(iii)	Suspension of running of Limitation Periods on Dates that Actions were commenced under Class Proceedings Legislation.....	58
(iv)	Reopening of Limitations Periods for a Two-Year (Three-Year in Quebec) Window on Date of Enactment of Provincial HCCR Statutes	59
(v)	Summary of Conclusions from Limitations Law Analysis.....	61
(vi)	Rationale for selecting March 8, 2015 - March 8, 2019 to be PCC Claims Period	62
J.	ESTATE CLAIMS	63
(i)	Considerations taken into Account in determining the Treatment of Claims by Estates and Claims by Surviving Family Members of PCCs	63

(ii)	Scope of Potential Claims by Estates of PCCs	65
(iii)	Summary of Principles governing Estate Claims in PCC Compensation Plan	67
K.	SURVIVING FAMILY MEMBERS' CLAIMS.....	68
(i)	Scope of Potential Claims by Surviving Family Members of PCCs	68
(ii)	Rationale for Exclusion of Claims by Surviving Family Members from PCC Compensation Plan	71
L.	FUTURE CLAIMS	72
M.	EPIDEMIOLOGICAL EVIDENCE OF DR. PRABHAT JHA USED TO SELECT PCC COMPENSABLE DISEASES.....	73
(i)	Dr. Jha's Methodology to define Tobacco-related Diseases that are potentially compensable.....	74
(ii)	Tobacco-related Diseases with a HR of 4 that are potentially compensable.....	77
(iii)	Tobacco-related Diseases selected to be PCC Compensable Diseases.....	77
N.	COSTING OF PCC COMPENSATION PLAN	78
(i)	Overview	78
(ii)	Dr. Jha's Methodology to estimate Numbers of Cancer Cases.....	80
(iii)	Dr Jha's Methodology to estimate Numbers of COPD Cases	82
(iv)	Dr. Jha's Estimates of Numbers of Individuals diagnosed with PCC Compensable Diseases during PCC Claims Period.....	84
(v)	12% Immigration Discount based on Judgments in <i>Blais</i> Class Action	84
(vi)	20% Discount for Contributory Negligence	86
(vii)	Calculation of \$2.52 Billion Total Compensation for PCC Compensation Plan using Four Year PCC Claims Period, 60% of QCAPs' Damages and 50% Take-up Rate.....	86
O.	FACTORS CONSIDERED IN DETERMINATION THAT 40% DISCOUNT SHOULD BE APPLIED TO QUANTUM OF QCAP COMPENSATION.....	87

(i)	Overview	87
(ii)	Proof of Causation: Expert Evidence.....	89
(iii)	Causation at Common Law	90
(iv)	Causation in Judgments in <i>Blais</i> Class Action and <i>Létourneau</i> Class Action	90
(v)	Distinctions between Class Proceedings in Quebec and Class Proceedings in Common Law Provinces and Territories.....	92
(vi)	Distinctions between Crown HCCR Claims and Individual and Class Proceeding Claims for Damages in the Common Law Provinces and Territories regarding Proof of Causation and Apportionment of Liability	95
(vii)	Uncertified Class Actions	98
(viii)	Additional Factors supporting a 40% Discount to the QCAPs' Compensation.....	100
(ix)	Conclusion regarding Discount to be applied to Quantum of QCAP Compensation	100
P.	FACTORS CONSIDERED IN DETERMINATION THAT 50% TAKE-UP RATE SHOULD BE USED IN COSTING OF PCC COMPENSATION PLAN	101
(i)	Overview	101
(ii)	Factors that will tend to increase the PCC Take-up Rate.....	102
(iii)	Factors that will tend to decrease the PCC Take-up Rate.....	102
(iv)	Balancing of Factors influencing PCC Take-up Rate	103
Q.	COMPARATIVE CASE ANALYSIS OF TAKE-UP RATES IN PERSONAL INJURY CLASS ACTION SETTLEMENTS	105
(i)	Overview	105
(ii)	Breast Implant Cases.....	105
(iii)	Pharmaceutical Cases.....	107
(a)	Zyprexa Case	107
(b)	Vioxx Case	108

(iv)	Walkerton Case	108
(v)	Hepatitis C Cases	109
(vi)	Other Class Actions	110
(vii)	Conclusion regarding PCC Take-up Rate	110
R.	COMPARISON OF QUANTA OF COMPENSATION PROVIDED TO QCAPs VERSUS COMPENSATION PROVIDED TO PCCs.....	110
(i)	QCAPs' Compensation is subject to Legal Fees whereas PCCs will not pay Legal Fees	111
(ii)	QCAPs have a Trial Judgment which was upheld by Quebec Court of Appeal.....	112
(iii)	QCAPs have pursued their Legal Remedies for past Twenty Years whereas PCCs are obtaining Remedy without Pursuit of Litigation	112
S.	ADMINISTRATION OF PCC COMPENSATION PLAN.....	112
(i)	Notice Plan	113
(ii)	Duties and Responsibilities of Claims Administrator	113
(iii)	Claims Process	115
(iv)	Role of CCAA Plan Administrators.....	116
(v)	Determination of Quantum of Individual Payments to Eligible Claimants	117
(vi)	Costs of Administration of PCC Compensation Plan	118
T.	DISTRIBUTION OF RESIDUAL FUNDS FROM PCC COMPENSATION PLAN	118
(i)	Rationale for Provinces and Territories receiving Residual Funds.....	118
(a)	Provinces' and Territories' Provision of Health Care Benefits to PCCs.....	118
(ii)	Timing of Payment of Residual Funds.....	120
U.	CONCLUSION	120
APPENDIX "A"	GLOSSARY	121

APPENDIX “B”	CONSIDERATION PROVIDED BY APPLICANTS IN GLOBAL SETTLEMENT TO SETTLE CLAIMS AND POTENTIAL CLAIMS OF INDIVIDUALS RESIDENT IN CANADA	128
APPENDIX “C”	CERTIFIED QUEBEC CLASS ACTIONS WITH JUDGMENT	129
APPENDIX “D”	CERTIFIED BRITISH COLUMBIA CLASS ACTION – NO JUDGMENT	131
APPENDIX “E”	UNCERTIFIED CLASS ACTIONS – NO JUDGMENTS.....	132
APPENDIX “F”	DISMISSED ACTIONS COMMENCED UNDER CLASS PROCEEDINGS LEGISLATION AND JURISDICTIONS WITH NO CLASS ACTION	134
APPENDIX “G”	LIMITATIONS LAW ANALYSIS – SUMMARY OF CONCLUSIONS	138
APPENDIX “H”	DR. JHA’S ESTIMATES OF NUMBERS OF PERSONS DIAGNOSED WITH PCC COMPENSABLE DISEASES DURING FOUR YEAR PCC CLAIMS PERIOD.....	147
APPENDIX “I”	QUANTUM OF COMPENSATION FOR WHICH QUALIFIED PCCs ARE ELIGIBLE UNDER PCC COMPENSATION PLAN.....	148
APPENDIX “J”	COSTING OF PCC COMPENSATION PLAN	149

EXECUTIVE SUMMARY

The global settlement of the Tobacco Claims in Canada settles all claims and potential claims against the Applicant Canadian Tobacco Companies (“**Applicants**”) and their parent and affiliated companies in respect of: (i) the development, manufacture, importation, production, marketing, advertising, distribution, purchase or sale of Tobacco Products; (ii) the historical or ongoing use of or exposure to Tobacco Products; and/or (iii) any representation in respect of Tobacco Products.

The global settlement includes compensation for Pan-Canadian Claimants, or PCCs, suffering from certain Tobacco-related Diseases who meet prescribed criteria, as well as funding for research focused on improving outcomes in Tobacco-related Diseases. The Pan-Canadian Claimants’ Compensation Plan (“**PCC Compensation Plan**”) is an integral part of the global settlement. A fundamental principle underlying the PCC Compensation Plan is that PCCs across Canada will be subject to the same system for determining compensation. It provides for the payment of compensation to eligible individuals in every Province and Territory who have been diagnosed with a primary lung cancer (“**lung cancer**”), squamous cell carcinoma of the larynx, the oropharynx or the hypopharynx (“**throat cancer**”), or Emphysema/COPD (GOLD Grade III or IV) attributable to smoking the Applicants’ cigarettes, and are not covered by the judgment rendered against the Applicants in the Quebec Class Action by smokers.¹ The PCC Compensation Plan is designed to achieve parity among the PCCs in all of the Provinces and Territories and, where appropriate, parity or consistency with the Quebec Class Action class members.

¹ *Létourneau v. JTI-Macdonald Corp.*, 2015 QCCS 2382; affirmed *Imperial Tobacco Canada ltée c. Conseil québécois sur le tabac et la santé et al*, 2019 QCCA 358.

The second Pan-Canadian component of the global settlement is a cy-près distribution (the “**Cy-près Fund**”) which will be administered by a public charitable foundation (“**Foundation**”) to be established as part of the implementation of the global settlement. The Foundation shall be independent and free from any influence or interference by any of the Claimants, Tobacco Companies, Tobacco Company Groups, or any potential or actual beneficiary of the Foundation. There is a rational connection between the varying circumstances of the diverse group of PCCs and Létourneau Class Members² and the Foundation’s purpose which is to fund research focused on improving outcomes in Tobacco-related Diseases. The Terms of Reference of the Foundation are set out in Article 9, Section 9.4 of the CCAA Plan of each Tobacco Company.

The direct benefits provided by the PCC Compensation Plan and the indirect benefits provided by the Cy-près Fund cover individuals who have claims and potential claims that are unascertained and unquantifiable, as well as individuals whose claims were not advanced beyond the filing of a statement of claim. The Court appointed The Law Practice of Wagner & Associates, Inc. as the PCC Representative Counsel to represent the interests of all PCCs in the Applicants’ proceedings under the *Companies’ Creditors Arrangement Act* (“**CCAA**”) and the Court-supervised mediation. The PCC Representative Counsel’s mandate included “... participating in and negotiating on behalf of the [PCCs] in the Mediation”,³ and “... working with the Court-Appointed Mediator and the Tobacco Monitors to develop a process for the identification of valid and provable claims of [PCCs] and as appropriate, addressing such claims in the Mediation or the CCAA Proceedings”.⁴

² See Section H of the document entitled “The Cy-près Fund: Methodology and Analysis” which explains that the Cy-près Fund also provides consideration for the settlement of the *Létourneau* Judgment.

³ Order of Justice McEwen dated December 9, 2019 at para. 5(a).

⁴ Order of Justice McEwen dated December 9, 2019 at para. 5(b).

With the facilitation of the Court-appointed Mediator, the Honourable Warren K. Winkler, K.C. (“**Justice Winkler**”) and the Monitors, the PCC Representative Counsel, Quebec Class Counsel, and counsel for the Provinces and Territories worked together over a period of several years to develop the terms of the comprehensive plan pursuant to which the Applicants will provide consideration in the global settlement in the form of the PCC Compensation Plan and the Cy-près Fund for the full and final settlement and release of the PCCs’ claims and potential claims. This document presents to the Court the terms of the settlement of the PCCs’ claims and potential claims which are fair, reasonable and in the best interests of the PCCs as a whole. The “class as a whole” encompasses both the group of PCCs who will receive direct compensation from the PCC Compensation Plan and all persons who will benefit from the Cy-près Fund. The proposed settlement will balance the diverse interests and circumstances of the PCCs across all Canadian jurisdictions and will advance the administration of justice.

The PCC Compensation Plan was developed, in part, based upon:

- (i) the analysis of the underlying factual circumstances and demographics of the PCCs;
- (ii) the factual findings and legal analysis of the Superior Court of Quebec and the Court of Appeal for Quebec in the Quebec Class Action;
- (iii) the applicable legislation and case law in the Provinces and Territories, including analyses examining the application of limitation periods and principles of causation to the claims and circumstances of the PCCs;

- (iv) the epidemiological analysis by Dr. Prabhat Jha that identified the compensable Tobacco-related Diseases and quantified the PCCs who may qualify to receive direct compensation under the PCC Compensation Plan; and
- (v) consultation with Daniel Shapiro, K.C. who, pursuant to an Order dated September 15, 2020, the Honourable Justice McEwen appointed as the Consultant to Justice Winkler. Mr. Shapiro has extensive expertise in the administration of class action settlements gained through his work on some of Canada's most complex cases, including serving as an arbitrator/referee of disputes involving the Hepatitis C Class Actions Settlement and the Chief Adjudicator of the Independent Assessment Process, Indian Residential Schools Adjudication Secretariat.

A. PCC Compensation Plan

The PCC Compensation Plan will provide direct compensation in the form of monetary payments to individuals who fulfill the following criteria ("**PCC Eligibility Criteria**"):

- (a) on the date that a claimant submits their claim to the PCC Compensation Plan:
 - (i) if the claimant is alive, they must reside in a Province or Territory in Canada, or
 - (ii) if the claimant is deceased, they must have resided in a Province or Territory in Canada on the date of their death;
- (b) the claimant was alive on March 8, 2019;

- (c) between January 1, 1950 and November 20, 1998 (“**Breach Period**”), the claimant smoked a minimum of twelve pack-years of cigarettes sold by the Applicants (“**Critical Tobacco Dose**”);
- (d) between March 8, 2015 and March 8, 2019 inclusive of those dates (“**PCC Claims Period**”), the claimant was diagnosed with:
 - (i) lung cancer,
 - (ii) throat cancer, or
 - (iii) Emphysema/COPD (GOLD Grade III or IV) (collectively, the “**PCC Compensable Diseases**”); and
- (e) on the date of the diagnosis with a PCC Compensable Disease the claimant resided in a Province or Territory in Canada.

During extensive discussions in the mediation, the development of the PCC Eligibility Criteria was informed and guided by consideration of principled rationale including:

- (a) the PCC Compensation Plan is intended to provide compensation to residents of Canada who have claims or potential claims against the Applicants and their parent and affiliated companies;
- (b) the Breach Period and Critical Tobacco Dose are the same as those approved by the Quebec Courts in the Quebec Class Action;
- (c) the PCC Claims Period was informed by an analysis of the limitations law applicable in each Province and Territory as well as relevant historical background and the desire to

achieve parity among the PCCs residing in all the Provinces and Territories by choosing a uniform four year limitation period for all jurisdictions; and

- (d) the PCC Compensable Diseases are the same as those approved by the Quebec Courts in the Quebec Class Action with the diagnoses of Emphysema and COPD (GOLD Grade III or IV) being treated as sufficiently equivalent.

In the Quebec Class Action, the Quebec Courts awarded the following moral damages to qualified class members who meet all of the class criteria: \$100,000 if diagnosed with lung cancer or throat cancer; and \$30,000 if diagnosed with Emphysema. The compensation payable to eligible PCCs for each PCC Compensable Disease was determined by an analysis which concluded that it is appropriate to apply a 40% discount to the quanta of damages payable to qualified class members in the Quebec Class Action. The difference in individual compensation between the Quebec Class Action and the PCC Compensation Plan recognizes the applicable law and distinct legal status of the Quebec judgments, as well as the duration of their proceedings, accrued interest and legal fees. Outside of Quebec, the potential claims of PCCs, including claims that were not advanced beyond the filing of a statement of claim, are unascertained and unquantifiable, have not been adjudicated and may be statute-barred. The PCCs' claims are being addressed in the CCAA proceedings in order to achieve a comprehensive global settlement of all claims and potential claims against the Applicants in Canada.

To achieve parity with the Quebec Class Action class members in regard to contributory negligence, the findings of the Quebec Courts were applied to conclude that the quantum of compensation (see Table below) available to a PCC who meets all of the PCC Eligibility Criteria will depend upon the date on which that individual started smoking the Applicants' cigarettes:

- (a) a PCC who started to smoke *before* January 1, 1976 will be entitled to receive 100% of the compensation available under the PCC Compensation Plan; and
- (b) a PCC who started smoking *on or after* January 1, 1976 will be designated as being 20% contributorily negligent and entitled to receive 80% of the compensation available under the PCC Compensation Plan.

PCC Compensation Plan		
Column 1 PCC Compensable Disease	Individual Payment (or such lesser amount as may be determined by the PCC Claims Administrator to be available for the subclass of claimants; quantum will vary based upon the actual take-up rate and other factors and shall not exceed the maximum amounts specified in this table)	
	Column 2 Compensation for PCCs who started to smoke before January 1, 1976 (60% of damages awarded to Quebec Class Action Plaintiffs)	Column 3 Compensation for PCCs who started smoking on or after January 1, 1976 (80% of Column 2)
Lung cancer	\$60,000	\$48,000
Throat cancer	\$60,000	\$48,000
Emphysema/COPD (GOLD Grade III or IV)	\$18,000	\$14,400

The estimated number of Canadians in each Province and Territory who were alive as of March 8, 2019 and were diagnosed with one of the PCC Compensable Diseases during the PCC Claims Period was determined based on epidemiological evidence provided by Dr. Jha. The estimated

number of PCCs was used together with the estimated take-up rate⁵ to calculate that **\$2,520,544,055** is required to fund the PCC Compensation Plan.

Legal principles and practical considerations necessitate the limiting of estate claims to the estates of those individuals who were diagnosed with a PCC Compensable Disease during the PCC Claims Period, were alive on March 8, 2019, and resided in one of the Provinces or Territories at the time of their death which occurred on or after March 8, 2019, such that they qualified to receive direct compensation under the PCC Compensation Plan. To the extent possible, parity is achieved with the Quebec Class Action class members whose heirs are entitled to be paid in accordance with the terms of the judgments. Claims by estates of individuals who died prior to March 8, 2019 are excluded from the PCC Compensation Plan. The estate of an individual who died on or after March 8, 2019 would qualify to receive direct compensation under the PCC Compensation Plan.

The non-uniformity of the legislation governing claims by Surviving Family Members creates a disparity across the thirteen Canadian jurisdictions in regard to the scope of the family members who may be entitled to claim damages for loss of guidance, care and companionship in respect of individuals diagnosed with a PCC Compensable Disease who fulfilled all of the PCC Eligibility Criteria. It would be impractical to attempt to administer a plan that includes compensation for the very high number of potential Surviving Family Members, particularly since conventional awards for loss of guidance, care and companionship are widely variable across the country. Therefore, in order to achieve parity among the PCCs in all Provinces and Territories, the PCC Compensation Plan excludes all claims by Surviving Family Members. Parity is achieved with

⁵ “Take-up rate” is a term used in class actions to refer to the percentage of claimants who submit claims and receive compensation out of the estimated total number of potentially eligible persons. As discussed in the separate document entitled “The Cy-près: Methodology and Analysis”, the nature and scope of the PCCs’ claims are strongly analogous to claims that could be advanced in a multi-jurisdictional class action; therefore, it was appropriate to utilize the concept of a take-up rate in the analysis followed to cost the PCC Compensation Plan.

the Quebec Class Action class members whose Surviving Family Members similarly are not entitled to receive any damages under the judgments.

Pursuant to section 19(1)(a)(i) of the CCAA, only claims relating to debts or liabilities, present or future, to which the Applicants were subject on March 8, 2019, may be dealt with by a compromise or arrangement of the Applicants. A foundational principle underlying the PCC Compensation Plan is that the Tobacco-related Wrongs committed by the Tobacco Companies and Tobacco Company Groups which gave rise to the claims and potential claims of individuals in Canada were known as at March 8, 2019. Therefore, the PCCs' claims and potential claims constitute claims relating to debts or liabilities to which the Applicants were subject on March 8, 2019. It follows that future claims relating to Tobacco-related Wrongs⁶ committed by the Tobacco Companies and their parent and affiliated companies up to March 8, 2019 will be fully and finally released in the global settlement.

B. The Cy-près Fund

The Cy-près Fund is intended to provide consideration for the full and final settlement and release of all claims and potential claims of PCCs who are not receiving direct compensation payments from the PCC Compensation Plan but will be indirectly benefited by falling within the scope of the Foundation. This broad group of claimants includes the following persons and any affected family members or estates:

⁶ The term "tobacco-related wrong" is the defined term that is used in the Provincial tobacco damages and health care costs recovery legislation. For example, in section 1(1) of the Ontario *Tobacco Damages and Health Care Costs Recovery Act, 2009*, S.O. 2009, C. 13, a "tobacco-related wrong" means "(a) a tort committed in Ontario by a manufacturer which causes or contributes to tobacco related disease; or (b) in an action under subsection 2(1), a breach of a common law, equitable or statutory duty or obligation owed by a manufacturer to persons in Ontario who have been exposed or might become exposed to a tobacco product".

- (a) Smokers suffering from lung or throat cancer or Emphysema/COPD Gold Grade III or IV who are outside the claims period or who smoked less than the requisite twelve pack years or, in the case of Emphysema/COPD, were not classified as Gold Grade III or IV or the equivalent;
- (b) Smokers who have tobacco-related harms other than lung or throat cancer and Emphysema/COPD Gold Grade III or IV or the equivalent; and
- (c) Persons who smoke or have smoked tobacco products who have not yet or may never contract a tobacco-related harm .

Such PCCs do not have a legal entitlement in the form of a judgment, membership in a class in a certified class action, or an individual claim that would likely be successful on a balance of probabilities, or any other practicable means to recover direct compensation for Tobacco-related Diseases caused by smoking the Applicants' cigarettes. The Cy-près Fund will provide indirect benefits to the PCCs that are rationally connected to Tobacco-related Diseases and the varying circumstances of the diverse group of PCCs and *Létourneau* Class Members⁷ covered by the Cy-près Fund. The establishment of the Cy-près Fund will be consistent with the legislation and case law developed in Canada to make provision for indirect prospective benefits to a class of persons for whom direct compensation is impracticable, and who would not otherwise receive monetary relief as a result of a class proceeding.

⁷ See Section H of the document entitled "The Cy-près Fund: Methodology and Analysis" which explains that the Cy-près Fund also provides consideration for the settlement of the *Létourneau* Judgment.

Pursuant to Article 16, Section 16.1 and 16.2 of the CCAA Plan, the sum of **\$1.0 billion** shall be allocated from the Global Settlement Amount to the Cy-près Fund which shall be administered by the Cy-près Foundation.

This document sets out the full particulars of and provides the detailed rationale for each of the parameters of the PCC Compensation Plan which are fair, reasonable and in the best interests of the PCCs as a whole.

PAN-CANADIAN CLAIMANTS' COMPENSATION PLAN: METHODOLOGY AND ANALYSIS

I. OVERVIEW

1. In this document, unless otherwise defined herein, all capitalized terms shall have the meanings specified in the Glossary attached as **Appendix “A”** and in the CCAA Plans.

2. The Applicants desire to enter into a global settlement of all claims and potential claims against them in Canada which will include the settlement and release of the claims and potential claims of the Pan-Canadian Claimants (“**PCCs**”) who are defined to be all individuals resident in the Provinces and Territories, excluding the Quebec Class Action Plaintiffs (“**QCAPs**”)⁸, who have either advanced or may be entitled to advance a claim or cause of action against one or more of the Tobacco Companies and/or Tobacco Company Groups in respect of: (i) the development, manufacture, importation, production, marketing, advertising, distribution, purchase or sale of Tobacco Products; (ii) the historical or ongoing use of or exposure to Tobacco Products; and/or (iii) any representation in respect of Tobacco Products.

A. MANDATE OF REPRESENTATIVE COUNSEL FOR PCCs

3. By an Order dated December 9, 2019, the Honourable Justice McEwen appointed The Law Practice of Wagner & Associates, Inc. as the PCC Representative Counsel to represent the interests of all PCCs⁹ in the Applicants’ proceedings under the CCAA and the Court-supervised mediation. The PCC Representative Counsel’s mandate included “... participating in and negotiating on behalf of the [PCCs] in the Mediation”,¹⁰ and “... working with the Court-Appointed Mediator

⁸ See Appendix “C”: Certified Quebec Class Actions with Judgment.

⁹ In the Order dated December 9, 2019, the PCCs are referred to as the “TRW Claimants”.

¹⁰ Order of Justice McEwen dated December 9, 2019 at para. 5(a).

and the Tobacco Monitors to develop a process for the identification of valid and provable claims of [the PCCs] and as appropriate, addressing such claims in the Mediation or the CCAA Proceedings”.¹¹

4. Over several years, with the facilitation of the Court-appointed Mediator, the Honourable Warren K. Winkler, K.C. (“**Justice Winkler**”) and the Monitors, the PCC Representative Counsel, Quebec Class Counsel, and counsel for the Provinces and Territories engaged in the intensive Court-supervised mediation process to work through the myriad of challenging issues that needed to be addressed to develop a principled and pragmatic plan that will achieve the goal of providing fair consideration in the form of the PCC Compensation Plan and the Cy-près Fund for the full and final settlement and release of the PCCs’ claims and potential claims.

B. TEST FOR COURT’S APPROVAL OF PCC COMPENSATION PLAN AND THE CY-PRÈS FUND

5. The PCC Compensation Plan and the Cy-près Fund are unique in their scope and magnitude, and are based on sound legal principles and empirical evidence. In *Western Canadian Shopping Centres Inc. v. Dutton* (“**Dutton**”), the Supreme Court of Canada held that courts may apply established legal principles to analogous situations in order to achieve a just resolution.¹² *Dutton* involved an investors’ class action commenced in Alberta before that Province enacted its *Class Proceedings Act*.¹³ The Supreme Court of Canada looked to the comprehensive class action legislation in British Columbia, Ontario and Quebec and cases decided thereunder to inform its decision regarding whether the Alberta class action should be permitted to proceed. In endorsing

¹¹ Order of Justice McEwen dated December 9, 2019 at para. 5(b).

¹² *Western Canadian Shopping Centres Inc. v. Dutton*, 2001 SCC 46 at para. 34; see also paras. 35-37 and 43.

¹³ *Class Proceedings Act*, SA 2003, c. C-16.5.

this approach, McLachlin, C.J. held that, in the absence of comprehensive legislation, “the courts must fill the void under their inherent power to settle the rules of practice and procedure as to disputes before them”.¹⁴ Following the approach in *Dutton*, and given that the PCCs in the CCAA Proceedings are analogous to a class within a class proceeding, it is appropriate to apply the test for Court approval of a proposed settlement of a class proceeding to the determination of whether this Court should approve the PCC Compensation Plan and the Cy-près Fund as part of the global settlement of the Tobacco Claims in Canada.

6. As stated by Justice Winkler in *Parsons v. Canadian Red Cross Society*, the test for approval of a class action settlement is whether the settlement is fair, reasonable and in the best interests of the class as a whole, not whether it meets the demands of a particular member. The exercise of settlement approval does not lead the court to a dissection of the settlement with an eye to perfection in every aspect. Rather, the settlement must fall within a zone or range of reasonableness.¹⁵ Justice Winkler explained that the range of reasonableness is a flexible standard as follows:

The court must remain flexible when presented with settlement proposals for approval. However, the reasonableness of any settlement depends on the factual matrix of the proceeding. Hence, the “range of reasonableness” is not a static valuation with an arbitrary application to every class proceeding, but rather it is an objective standard which allows for variation depending upon the subject matter of the litigation and the nature of the damages for which the settlement is to provide compensation.¹⁶

7. In *Robertson v. ProQuest Information and Learning Company*, Justice Pepall noted that “although the CCAA and class proceeding tests for approval are not identical, a certain symmetry

¹⁴ *Western Canadian Shopping Centres Inc. v. Dutton*, 2001 SCC 46 at para. 34; see also paras. 35-37 and 43.

¹⁵ *Parsons v. Canadian Red Cross Society*, [1999] O.J. No. 3572 (S.C.J.) at para. 69.

¹⁶ *Parsons v. Canadian Red Cross Society*, [1999] O.J. No. 3572 (S.C.J.) at para. 70.

exists between the two”.¹⁷ To obtain approval of a settlement under the CCAA, the debtor company must establish that: the transaction is fair and reasonable; the transaction will be beneficial to the debtor company and its stakeholders generally; and the settlement is consistent with the purpose and spirit of the CCAA.¹⁸ To approve the settlement of a class proceeding, the Court must find that in all of the circumstances the settlement is fair, reasonable and in the best interests of those affected by it. In making this determination, the Court should consider, amongst other things:

- (a) the likelihood of recovery or success at trial;
- (b) the recommendation and experience of class counsel; and
- (c) the terms of the settlement.¹⁹

8. In the global settlement, the Tobacco Companies will provide the consideration for the settlement and release of the claims and potential claims of all PCCs. As illustrated in the chart in **Appendix “B”**, the consideration will have two components:

- (a) The Pan-Canadian Claimants’ Compensation Plan (“**PCC Compensation Plan**”) which will provide direct compensation in the form of monetary payments made to individuals who fulfill all the PCC Eligibility Criteria; and
- (b) A cy-près distribution (the “**Cy-près Fund**”) which will provide the consideration for the full and final settlement and release of all claims and potential claims of PCCs who do not qualify to receive compensation payments from the PCC Compensation Plan. The

¹⁷ *Robertson v. ProQuest Information and Learning Company*, 2011 ONSC 1647 at para. 24.

¹⁸ *Robertson v. ProQuest Information and Learning Company*, 2011 ONSC 1647 at para. 22.

¹⁹ *Robertson v. ProQuest Information and Learning Company*, 2011 ONSC 1647 at para. 24.

consideration provided by the Cy-près Fund will take the form of funding to establish a public charitable foundation (“**Foundation**”) which will provide indirect benefits to the PCCs that are rationally connected to Tobacco-related Diseases and the varying circumstances of the diverse group of PCCs and *Létourneau* Class Members covered by the Cy-près Fund.

9. This document presents to the Court the terms of the settlement of the PCCs’ claims and potential claims which this Court will be requested to approve, as part of the Court-Appointed Mediator’s and Monitors’ CCAA Plans which effect the global settlement of the Tobacco Claims in Canada, on the basis that the settlement of the PCCs’ claims and potential claims is fair, reasonable and in the best interests of the PCCs as a whole. In the present context, the “class as a whole” encompasses both the group of PCCs who will receive direct compensation from the PCC Compensation Plan and all persons who will benefit from the Cy-près Fund. The PCC Compensation Plan and the Cy-près Fund are critically important to the global settlement of the Tobacco Claims because, together, they identify those persons who will be bound by the settlement of the PCC Claims in accordance with the terms of the CCAA Plan.

10. The approach in *Dutton* informs the Court’s identification of the persons who have a potential claim as PCCs by the application of the PCC Eligibility Criteria which are analogous to the class definition in a class action. In class actions, the class must be defined by reference to objective criteria such that a person can be identified to be a class member without reference to the merits of the action.²⁰ In *Bywater v. Toronto Transit Commission* (“**Bywater**”), Justice Winkler held that the class definition has the following three purposes: “... (a) it identifies those persons

²⁰ *Bywater v. Toronto Transit Commission*, [1998] O.J. No. 4913, 27 C.P.C. (4th) 172 at para. 11; Warren K. Winkler et al., *The Law of Class Actions in Canada* (Toronto: Canada Law Book, 2014) at 96-98.

who have a potential claim for relief against the defendant; (b) it defines the parameters of the lawsuit so as to identify those persons who are bound by its result; and lastly, (c) it describes who is entitled to notice pursuant to the Act”.²¹ Citing *Bywater*, in *Dutton* the Supreme Court of Canada emphasized that the “Class definition is critical because it identifies the individuals entitled to notice, entitled to relief (if relief is awarded), and bound by the judgment”.²² The Supreme Court of Canada also affirmed its agreement with this principle in *Sun-Rype Products Ltd. v. Archer Daniels Midland Company*.²³ In *Hollick v. Toronto (City)*,²⁴ the Ontario Court of Appeal endorsed the dictum articulated in *Bywater*.

11. The proposed settlement of the PCCs’ claims and potential claims through the PCC Compensation Plan and the Cy-près Fund will balance the diverse interests and circumstances of the PCCs across all Canadian jurisdictions and will advance the administration of justice. Furthermore, the proposed settlement will:

- (a) Afford litigation efficiency and serve judicial economy by enabling the Court to deal efficiently with the very large number of claims and potential claims of PCCs arising from the Tobacco Companies’ Tobacco-related Wrongs, and freeing judicial resources that can be directed at resolving other conflicts;²⁵
- (b) Allow PCCs to have access to justice through a fair, efficient and cost-effective claims process. For the PCCs, apart from pursuing individual actions which would be less

²¹ *Bywater v. Toronto Transit Commission*, [1998] O.J. No. 4913, 27 C.P.C. (4th) 172 at para. 10; see also Warren K. Winkler et al., *The Law of Class Actions in Canada* (Toronto: Canada Law Book, 2014) at 89-90.

²² *Western Canadian Shopping Centres Inc. v. Dutton*, 2001 SCC 46 at para. 38.

²³ *Sun-Rype Products Ltd. v. Archer Daniels Midland Company*, 2013 SCC 58 at para. 57.

²⁴ *Hollick v. Toronto (City)* (1999), 46 O.R. (3d) 257 at para. 11 (C.A.).

²⁵ *Western Canadian Shopping Centres Inc. v. Dutton*, 2001 SCC 46 at para. 27; *Ford v. F. Hoffmann-La Roche Ltd.* (2005), 74 O.R. (3d) 758 (S.C.J.) at para. 38.

practical, less efficient and too costly to prosecute, there is no feasible alternative avenue for redress than submitting a claim to the PCC Compensation Plan, or receiving indirect benefits that are rationally connected to Tobacco-related Diseases and the varying circumstances of the diverse group of PCCs covered by the Cy-près Fund;²⁶ and

- (c) Promote behaviour modification on the part of the Tobacco Companies and their respective Tobacco Company Groups by ensuring that they do not ignore their obligations to the public.²⁷

(i) Paramountcy of Jurisdiction of CCAA Court to approve PCC Compensation Plan and Cy-près Fund and Settlement of Class Actions

12. The authorities discussed below establish that the CCAA Court has paramount jurisdiction in the Applicants' CCAA proceedings to approve the terms of the PCC Compensation Plan and the Cy-près Fund which are integral components of the global settlement and the Applicants' CCAA Plans. As noted by Chief Justice Morawetz in *Labourers' Pension Fund of Central and Eastern Canada v. Sino-Forest Corporation* ("**Sino-Forest**"):

The CCAA is a "flexible statute", and the court has "jurisdiction to approve major transactions, including settlement agreements, during the stay period defined in the Initial Order". The CCAA affords courts broad jurisdiction to make orders and "fill in the gaps in legislation so as to give effects to the objects of the CCAA". [*Re Nortel Networks Corp.*, 2010 ONSC 1708, paras. 66-70 ("*Re Nortel*"); *Re Canadian Red Cross Society* (1998), 5 C.B.R. (4th) 299, 72 O.T.C. 99, para. 43 (Ont. C.J.)]²⁸

²⁶*Western Canadian Shopping Centres Inc. v. Dutton*, 2001 SCC 46 at para. 28; *Ford v. F. Hoffmann-La Roche Ltd.* (2005), 74 O.R. (3d) 758 (S.C.J.) at paras. 38, 40, 41 and 145.

²⁷ *Western Canadian Shopping Centres Inc. v. Dutton*, 2001 SCC 46 at para. 29; *Pearson v. Inco Ltd.* (2005), 78 O.R. (3d) 641 at paras. 87-88 (C.A.).

²⁸ *Labourers' Pension Fund of Central and Eastern Canada v. Sino-Forest Corporation*, 2013 ONSC 1078 at para. 44; leave to appeal denied 2013 ONCA 456; application for leave to appeal to SCC denied [2013] S.C.C.A. No. 395.

13. In *Sino-Forest*, Chief Justice Morawetz also cited the following confirmation of the paramountcy of the jurisdiction of the CCAA Court that was articulated by the Supreme Court of Canada in *Century Services Inc. v. Canada (Attorney General)* (“**Century Services**”):

CCAA decisions are often based on discretionary grants of jurisdiction. The incremental exercise of judicial discretion in commercial courts under conditions one practitioner aptly described as “the hothouse of real time litigation” has been the primary method by which the CCAA has been adapted and has evolved to meet contemporary business and social needs ... When large companies encounter difficulty, reorganizations become increasingly complex. CCAA courts have been called upon to innovate accordingly in exercising their jurisdiction beyond merely staying proceedings against the Debtor to allow breathing room for reorganization. They have been asked to sanction measures for which there is no explicit authority in the CCAA.²⁹

14. In *Century Services*, the Supreme Court of Canada noted that “Judicial innovation during CCAA proceedings has not been without controversy”,³⁰ and then articulated the following explanation of the sources of the court’s authority during CCAA proceedings:

The first question concerns the boundary between a court's statutory authority under the *CCAA* and a court's residual authority under its inherent and equitable jurisdiction when supervising a reorganization. In authorizing measures during *CCAA* proceedings, courts have on occasion purported to rely upon their equitable jurisdiction to advance the purposes of the Act or their inherent jurisdiction to fill gaps in the statute. Recent appellate decisions have counselled against purporting to rely on inherent jurisdiction, holding that the better view is that courts are in most cases simply construing the authority supplied by the *CCAA* itself

In this regard, though not strictly applicable to the case at bar, I note that Parliament has in recent amendments changed the wording contained in s. 11(1), making explicit the discretionary authority of the court under the *CCAA*. Thus, in s. 11 of the *CCAA* as currently enacted, a court may, “subject to the restrictions set out in this Act, ... make any order that it considers appropriate in the circumstances” (S.C.

²⁹ *Century Services Inc. v. Canada (Attorney General)*, 2010 SCC 60 at paras. 58 and 61, cited in *Labourers’ Pension Fund of Central and Eastern Canada v. Sino-Forest Corporation*, 2013 ONSC 1078 at para. 4545; leave to appeal denied 2013 ONCA 456; application for leave to appeal to SCC denied [2013] S.C.C.A. No. 395.

³⁰ *Century Services Inc. v. Canada (Attorney General)*, 2010 SCC 60 at para. 63.

2005, c. 47, s. 128). Parliament appears to have endorsed the broad reading of *CCAA* authority developed by the jurisprudence.

... Appropriateness under the *CCAA* is assessed by inquiring whether the order sought advances the policy objectives underlying the *CCAA*. The question is whether the order will usefully further efforts to achieve the remedial purpose of the *CCAA* -- avoiding the social and economic losses resulting from liquidation of an insolvent company. I would add that appropriateness extends not only to the purpose of the order, but also to the means it employs. Courts should be mindful that chances for successful reorganizations are enhanced where participants achieve common ground and all stakeholders are treated as advantageously and fairly as the circumstances permit.³¹

15. The PCC Eligibility Criteria and the proposed plan for the administration of the distribution of Individual Payments to Eligible Claimants under the PCC Compensation Plan are analogous to a class definition and claims process typically employed in a class action settlement. The Cy-près Fund is analogous to a cy-près distribution of an undistributed amount of an award or settlement amount in a class action. In *Sino-Forest*, Chief Justice Morawetz confirmed that the *CCAA* Court has jurisdiction to approve the settlement of class actions by holding:

I do not accept that the class action settlement should be approved solely under the [*Class Proceedings Act*]. The reality facing the parties is that [*Sino-Forest Corporation*] is insolvent; it is under *CCAA* protection, and stakeholder claims are to be considered in the context of the *CCAA* regime.³²

³¹ *Century Services Inc. v. Canada (Attorney General)*, 2010 SCC 60 at paras. 64, 68 and 70.

³² *Labourers' Pension Fund of Central and Eastern Canada v. Sino-Forest Corporation*, 2013 ONSC 1078 at para. 72; leave to appeal denied 2013 ONCA 456; application for leave to appeal to SCC denied [2013] S.C.C.A. No. 395.

II. PAN-CANADIAN CLAIMANTS' COMPENSATION PLAN

C. RATIONALE FOR INCLUSION OF PCC COMPENSATION PLAN IN GLOBAL SETTLEMENT

16. When JTIM filed for protection from its creditors under the CCAA on March 8, 2019, litigation had already been commenced in Canada against the Tobacco Companies and the Tobacco Company Groups by or on behalf of individuals in Canada in the following three broad claimant groups:

- (a) the Quebec Class Action Plaintiffs who have a judgment against the Tobacco Companies and fall within either:
 - (i) the certified class definition in the *Blais* Class Action which includes Quebec residents who, prior to 1998, had smoked a minimum of 87,600 cigarettes and were, prior to 2012, diagnosed with lung cancer, throat cancer, or Emphysema³³, or
 - (ii) the certified class definition in the *Létourneau* Class Action which includes Quebec residents who, as of 1998, were addicted to nicotine from 1994 onward and continued to be daily smokers of the Applicants' cigarettes as of 2005³⁴ (particulars of the *Blais* Class Action and the *Létourneau* Class Action are provided in **Appendix "C"** and in Section F at paragraphs 42 to 79 below);
- (b) the *Knight* Class Action Plaintiffs in British Columbia who fall within the certified class definition, which includes persons who purchased ITCAN's light or mild cigarettes in British Columbia for personal, family or household use between May 9, 1997 and July 31,

³³ *Imperial Tobacco Canada ltée c. Conseil québécois sur le tabac et la santé et al.*, 2019 QCCA 358 at para. 1282.

³⁴ *Létourneau v. JTI-Macdonald Corp.*, 2015 QCCS 2382 at para. 1233.

2007, but do not have a judgment against the Tobacco Companies (particulars of the *Knight* Class Action are provided in **Appendix “D”**); and

- (c) claimants who fall within the uncertified proposed class definitions in seven actions commenced under class proceedings legislation in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Nova Scotia and do not have a judgment against the Tobacco Companies (particulars of these actions are provided in **Appendix “E”**). No steps had been taken in well over a decade to advance any of these actions past the point of issuing the statement of claim.

17. **Appendix “F”** sets out the particulars of two dismissed actions commenced under class proceedings legislation in Ontario and Newfoundland and Labrador. **Appendix “F”** also identifies the jurisdictions with no class actions.

18. As at March 8, 2019, the scope of the claims pleaded in the actions pending against the Applicants and the Tobacco Company Groups did not cover all claims or potential claims which could be advanced against these entities by individuals resident in Canada. There were individuals resident in all Provinces and Territories who may have had claims or potential claims against the Applicants and the Tobacco Company Groups which were not included in the three broad claimant groups described above and were unascertained and unquantifiable. Significantly, this group of individuals was unrepresented by counsel and may have been unaware of the existence of the CCAA proceedings and that their rights may be affected and their claims may be compromised in the Applicants’ CCAA Plans.

19. Based on the current state of the law in Canada few, if any, of the PCCs’ claims or potential claims in the actions pending against the Applicants and the Tobacco Company Groups are likely

to result in judgments awarding damages to the PCCs if the matters were to be pursued to trial on an individual or a collective basis. There are specific statutory and jurisprudential advantages that were available to the QCAPs which facilitated them obtaining their judgment against the Applicants. Specifically, the QCAPs relied upon section 15 of the *Tobacco-related Damages and Health Care Costs Recovery Act*³⁵ (“**TRDA**”) which permitted them to prove causation on the sole basis of statistical or epidemiological information. The tobacco damages and health care costs recovery (“**HCCR**”) statutes enacted in the other Provinces do not contain the same provision; therefore, it is likely that proof of causation would not be successfully established on the sole basis of statistical or epidemiological information in class proceedings in the common law jurisdictions. In addition, Quebec civil law does not apply the “but for” test of causation which applies in common law Provinces. Rather, the Quebec Courts applied a more flexible “adequate causation” test to the QCAPs’ case.

20. From a practical standpoint, it is not financially feasible to try the claims of PCCs individually or even collectively. To illustrate this point, at enormous expense, the *Blais* Class Action and the *Létourneau* Class Action took fourteen years to reach trial, and a further 251 hearing days extending over close to three years to complete the trial.

21. Furthermore, in the *Andrews* trilogy,³⁶ the Supreme Court of Canada set an upper limit of \$100,000 for non-pecuniary losses resulting from a serious bodily injury. This limit applies in the common law provinces and Quebec alike.³⁷ In cases where this damages cap applies, it is adjusted to account for inflation during the time that has elapsed since the trilogy was decided in 1978.³⁸

³⁵ *Tobacco-related Damages and Health Care Costs Recovery Act*, CQLR c R-2.2.0.0.1.

³⁶ *Andrews v. Grand & Toy Alberta Ltd.*, [1978] 2 S.C.R. 229; *Thornton v. School District No. 57 (Prince George)*, [1978] 2 S.C.R. 267; and *Arnold v. Teno*, [1978] 2 S.C.R. 287.

³⁷ *Cinar Corporation v. Robinson*, 2013 SCC 73 at paras. 95-96.

³⁸ *Lindal v. Lindal*, [1981] 2 S.C.R. 629.

The cap on non-pecuniary damages in personal injury cases in Canada means that the costs to pursue an individual claim to trial would be manifold in excess of any damages awarded.

22. Notwithstanding the foregoing legal barriers, practical impediments and other challenges that would be faced by the PCCs if they sought to pursue their claims and potential claims, the Applicants and the Tobacco Company Groups desire a release of all PCC claims because they would incur continuing litigation expenses, and would remain exposed to the substantial risks discussed below for many years in Canada if the global settlement does not include the settlement and release of the PCCs' claims and potential claims.

23. First, the Applicants and Tobacco Company Groups face the risk that future individual trials or class actions by PCCs may be successful. This risk emanates from a number of factors, the foremost of which is the precedential value of the findings in the judgments rendered in the *Blais* Class Action and the *Létourneau* Class Action regarding the wrongful conduct of the Applicants that would likely assist some PCCs to prove their cases, notwithstanding the potential challenges in proving causation noted in paragraph 19 herein (proof of causation is discussed in more detail in Section O at paragraphs 196 to 217).

24. In addition, there is an evidentiary risk that fresh evidence regarding the conduct of the Applicants and/or the Tobacco Company Groups may come to light and/or expert evidence may be tendered by the PCCs which could be damaging to the Applicants' defence of the PCCs' claims.

25. There is also a jurisprudential risk that the Courts may make unanticipated decisions that negatively impact the defences of the Applicants and the Tobacco Company Groups and enable some PCCs to advance their cases. Even with the benefit of the judicial findings in the decisions of the Quebec Courts in *Blais* and *Létourneau*, the PCCs' claims raise *sui generis* issues in regard

to which it is uncertain how the Courts may decide. It is possible that the trial Courts in different jurisdictions may decide the cases differently. Such a circumstance arose when the British Columbia Supreme Court³⁹ and the British Columbia Court of Appeal⁴⁰ on the one hand, and the New Brunswick Court of Queen's Bench⁴¹ on the other hand, reached opposite conclusions regarding whether each Province's HCCR statute prohibits the Provinces from disclosing their health care databases to the Applicants and the Tobacco Company Groups. As a result of the inconsistent Provincial Court rulings the Supreme Court of Canada was required to determine the issue.

26. A further risk is that defending numerous actions commenced under class proceedings statutes, as well as a possibly high number of individual claims and actions commenced in potentially all of the Provinces and Territories, would require the Applicants and Tobacco Company Groups to continue to incur high legal fees and disbursements and devote considerable human resources to manage the litigation and sequentially try cases by the PCCs across Canada, irrespective of the ultimate merits of the cases. The Applicants and the Tobacco Company Groups have been defending class actions in Canada since *Caputo v. Imperial Tobacco Ltd.*⁴² ("*Caputo*") was commenced in 1995, and HCCR actions by the Provinces since British Columbia issued its statement of claim in 2001.

27. The Provinces, Territories and QCAPs recognized that they would need to compromise their respective positions and shift a portion of the global settlement to the PCCs to make provision for the settlement and release of the PCCs' claims.

³⁹ *HMTQ v. Philip Morris International, Inc.*, 2015 BCSC 844 at para. 67.

⁴⁰ *HMTQ v. Philip Morris International, Inc.*, 2017 BCCA 69 at paras. 34-35 and 38-40; reversed 2018 SCC 36.

⁴¹ *New Brunswick v. Rothmans Inc.*, 2016 NBQB 106 at para. 61.

⁴² *Caputo v. Imperial Tobacco Ltd.*, [2004] O.J. No. 299 (S.C.J.).

28. The first step by the parties to address this situation was the joint motion that the Applicants' Monitors brought for directions regarding the appointment of representative counsel for the PCCs. On December 9, 2019, the Honourable Justice McEwen granted an Order appointing The Law Practice of Wagner & Associates, Inc. as the PCC Representative Counsel to represent the interests of all PCCs in the Applicants' CCAA proceedings.

29. In order to achieve a global settlement that the Court will be requested to approve as part of the Applicants' CCAA Plans, it was necessary to formulate a comprehensive plan to provide consideration in the global settlement to all of the PCCs for the settlement and release of their claims and potential claims. There is no precedent for such a plan in Canadian legal history.

30. During the Court-supervised mediation process, the PCC Representative Counsel, Quebec Class Counsel and counsel for the Provinces and Territories collaborated to work through the multitude of challenging and *sui generis* issues that had to be addressed to develop a principled and pragmatic plan that will achieve the goal of providing fair consideration for the settlement and release of all PCCs' claims. This work included, *inter alia*:

- (a) analyzing the underlying factual circumstances and demographics of the PCCs;
- (b) identifying and researching foundational legal principles upon which to build the plan, including the preparation of an analysis of the limitations law in every Province and Territory, and an analysis of the principles of causation that are applicable to the claims and circumstances of the PCCs;

- (c) analyzing and applying relevant factual and legal judicial findings from the 2015 trial and 2019 appellate judgments that the Quebec Courts rendered in favour of the QCAPs in the *Blais* Class Action and the *Létourneau* Class Action;⁴³
- (d) obtaining expert epidemiological evidence⁴⁴ from Dr. Jha that was used to (i) define which Tobacco-related Diseases will qualify for compensation under the PCC Compensation Plan, and (ii) quantify the estimated number of PCCs who may qualify to receive compensation under the PCC Compensation Plan; and
- (e) consulting with Daniel Shapiro, K.C. who, pursuant to an Order dated September 15, 2020, the Honourable Justice McEwen appointed as the Consultant to Justice Winkler. Mr. Shapiro has extensive expertise in the administration of class action settlements gained through his work on some of Canada's most complex cases, including serving as an arbitrator/referee of disputes involving the Hepatitis C Class Actions Settlement and the Chief Adjudicator of the Independent Assessment Process, Indian Residential Schools Adjudication Secretariat.

31. The result of the claimants' collaborative engagement is the PCC Compensation Plan and the Cy-près Fund.

32. This document provides the particulars of and explains the rationale for the parameters of the PCC Compensation Plan, including:

- (a) the criteria for a PCC to qualify for direct compensation;

⁴³ *Létourneau v. JTI-Macdonald Corp.*, 2015 QCCS 2382; and *Imperial Tobacco Canada ltée c. Conseil québécois sur le tabac et la santé et al.*, 2019 QCCA 358.

⁴⁴ Report of Dr. Prabhat Jha dated March 24, 2021.

- (b) the selection of the Tobacco-related Diseases that will be compensable;
- (c) the legal parameters for the PCC Claims Period;
- (d) whether future claims will be compensated;
- (e) whether claims by estates of PCCs will be compensated;
- (f) whether claims by Surviving Family Members of PCCs will be compensated;
- (g) the amount and timing of payment of the portion of the Global Settlement Amount that will be allocated to fund the PCC Compensation Plan;
- (h) the administration of the PCC Compensation Plan; and
- (i) the distribution of any residual funds remaining after the administration of the PCC Compensation Plan is completed.

33. A separate document entitled “The Cy-près: Methodology and Analysis” explains the rationale for including a cy-près remedy in the global settlement and provides the particulars of and explains the rationale for the parameters of the Cy-près Fund, including:

- (a) the claims and potential claims which will be settled for the consideration provided by the Cy-près Fund;
- (b) the amount and timing of payment of the portion of the Global Settlement Amount that will be allocated to fund the Cy-près Fund; and
- (c) the rational connection between the research focused on improving outcomes in Tobacco-related Diseases to be funded by the Foundation, and Tobacco-related Diseases and the

varying circumstances of the diverse group of PCCs and *Létourneau* Class Members covered by the Cy-près Fund.

D. CAUSES OF ACTION THAT COULD BE ADVANCED BY PCCs AGAINST TOBACCO COMPANIES

34. The first step in the development of the PCC Compensation Plan was to identify the potential causes of action that could be advanced by the PCCs against the Tobacco Companies and the Tobacco Company Groups. Understanding the causes of action was necessary to determine the scope of the PCCs' claims and potential claims that will need to be released in the global settlement.

35. The thesis underlying the PCCs' claims is that the Tobacco Companies have committed breaches of the common law, equitable and/or statutory duties or obligations that they owed to individuals in each Province and Territory who have been exposed to a Tobacco Product manufactured by them and offered for sale in each jurisdiction ("**Tobacco-related Wrongs**"). It is alleged in the HCCR claims advanced by the Provinces and Territories that, as a result of the Tobacco-related Wrongs, persons in each Province and Territory have suffered Tobacco-related Diseases.

36. The term "tobacco-related wrong" is a defined term that is used in the Provincial HCCR Legislation. For example, in section 1(1) of the Ontario *Tobacco Damages and Health Care Costs Recovery Act, 2009*, a "tobacco-related wrong" means:

- (a) a tort committed in Ontario by a manufacturer which causes or contributes to tobacco related disease; or
- (b) in an action under subsection 2(1), a breach of a common law, equitable or statutory duty or obligation owed by a manufacturer to persons in

Ontario who have been exposed or might become exposed to a tobacco product.⁴⁵

37. The PCCs potentially could base their claims on one or more causes of action including, without limitation:

- (a) **Conspiracy:** commencing in or about 1953, in response to mounting publicity and public concern about the link between smoking and disease, the Tobacco Companies conspired and acted in concert to prevent individuals in each Province and Territory from acquiring knowledge of the harmful and addictive properties of cigarettes, in circumstances where they knew or ought to have known that their actions would cause Tobacco-related Diseases in such persons;
- (b) **Negligent design and manufacture:** the Tobacco Companies breached a duty of care owed to individuals in each Province and Territory who were exposed to cigarettes manufactured by them to design and manufacture a reasonably safe product which would not cause addiction and disease, and to take all reasonable measures to eliminate, minimize, or reduce the risks of addiction and disease from smoking the cigarettes that they manufactured and promoted;
- (c) **Breach of the duty to warn:** at all material times from 1950 to the public knowledge date of March 1, 1996,⁴⁶ the Tobacco Companies knew or ought to have known that their cigarettes, when smoked as intended, were addictive and could cause or contribute to disease and, as manufacturers of cigarettes sold to individuals in each Province and

⁴⁵ *Tobacco Damages and Health Care Costs Recovery Act, 2009*, S.O. 2009, c. 13, s. 1(1).

⁴⁶ *Létourneau v. JTI-Macdonald Corp.*, 2015 QCCS 2382 at paras. 821 and 832-835; see also paras. 122, 129-130 and 133; *Imperial Tobacco Canada ltée c. Conseil québécois sur le tabac et la santé et al.*, 2019 QCCA 358 at paras. 642-650 and 656.

Territory, they owed a duty of care to warn the public who smoked cigarettes of the risks of addiction and disease from smoking, as was known, or should have been known to them based on research on smoking and health from 1950 onward. The Tobacco Companies failed to provide any warning or any adequate and effective warnings of the risks of Tobacco-related Disease which were known to them. They suppressed information which was known to them and misinformed and misled individuals in each Province and Territory regarding the risks of addiction and disease from smoking; and

- (d) **Misrepresentation:** since 1950, the Tobacco Companies misrepresented the risks of smoking by denying any link between smoking and addiction which was contrary to what was known or should have been known to them, based on research known to them on smoking and health. The Tobacco Companies intended that these misrepresentations would be relied upon by individuals in each Province and Territory for the purpose of inducing them to start smoking or continue to smoke their cigarettes. As a result of these misrepresentations, which were either made fraudulently (contrary to their actual knowledge of the risks of addiction and disease from smoking, or recklessly without any reasonable basis or belief in their truth) or, in the alternative, negligently (in disregard of the research into smoking and health which was known or should have been known to them) individuals in each Province and Territory started or continued to purchase and smoke cigarettes manufactured and promoted by the Tobacco Companies and thereby suffered Tobacco-related Disease.

E. NO JUDGMENTS HAVE BEEN OBTAINED AGAINST TOBACCO COMPANIES IN CANADIAN COMMON LAW JURISDICTIONS

38. Once the potential causes of action that could be advanced by PCCs were identified, a review of the actions commenced under class proceedings legislation in the common law Provinces was undertaken to assess the merits of litigation pending against the Applicants and the Tobacco Company Groups. To date, no common law jurisdiction in Canada has awarded general damages for personal injuries allegedly caused by the use of cigarettes or other Tobacco Products.

39. In *Caputo*,⁴⁷ the Court declined to certify a class action against ITCAN, RBH and JTIM seeking damages for tobacco-related personal injuries in Canada. The Court highlighted the challenge in defining the criteria which might identify a class of individuals who may have a viable cause of action against the Tobacco Companies:

29 Throughout the course of this proceeding, the plaintiffs have proffered constantly changing class descriptions. In their Amended Statement of Claim, they originally sought to certify a class of “addicted” persons who suffered injury as a result of their addiction. The class was defined as follows:

Persons who due to the conduct of the defendants, their agents, servants or employees, have become addicted to the nicotine in the defendants' products, namely cigarettes, or who have had such addiction heightened or maintained through the consumption of said products, and who have as a result of said addiction suffered loss, injury and damage, persons with Family Law Act claims in respect to the claims of such addicted persons, and estates of such addicted persons.

30 The plaintiffs subsequently amended the proposed class in their factum on this motion, describing it as follows in para. 4:

- (a) all residents of Ontario, whether living or now deceased, who have ever smoked cigarette products manufactured, tested,

⁴⁷ *Caputo v. Imperial Tobacco Ltd.*, [2004] O.J. No. 299 at paras. 29-33 and 43 (S.C.J.); on January 11, 2006, the Court granted an Order discontinuing *Caputo* on a “with prejudice” basis as against the representative plaintiffs only, [2006] O.J. No. 537.

marketed, distributed, sold or otherwise placed into the stream of commerce by the defendants [Footnote omitted]; and

- (b) persons with Family Law Act claims in respect of such smokers and former smokers, and the estates of such smokers and former smokers.

31 The defendants, in their factum at para. 20, criticized this class definition as follows:

Class membership is not defined by reference to time or amount smoked or where the class members currently reside, where the tort was committed or where or whether damage has been suffered. The class includes virtually every living or dead person who has ever resided in Ontario and smoked even one cigarette.

32 In response to this criticism, the plaintiffs amended the proposed class in their reply factum at para. 61:

- (a) all Ontario residents who claim personal injury as a result of consumption of the defendants' cigarette products; and
- (b) persons with derivative claims pursuant to the Family Law Act, R.S.O. 1990, c. F.3.

33 They further amended the proposed class during the argument of this motion:

- (a) all current residents of Ontario, whether living or now deceased, who ever purchased and smoked cigarette products manufactured, tested, marketed, distributed, sold or otherwise placed into the stream of commerce by the defendants, from January 1, 1950 to the date of the certification order herein; and
- (b) persons with Family Law Act claims in respect of such smokers and former smokers, and the estates of such smokers and former smokers.

....

44 The plaintiffs have had numerous opportunities to amend their proposed class. The court should not be asked to exercise its discretion in order to produce a more certifiable class when the plaintiffs have not or cannot do so on a principled basis. Moreover, even if I were inclined to produce a class definition appropriate for certification, I could not do so in these circumstances. There is an insufficient evidentiary record upon which any such class definition could be based. As stated in *Hollick*, at para. 25, "the class representative must show some basis in fact for each of the certification requirements", other than the cause of action.

40. Based upon the holdings in *Caputo*, it is unlikely that any of the proposed class definitions in the actions listed in **Appendix “E”** would be certified.

41. Moreover, as discussed in Section O at paragraph 213, in addition to finding that the class definition in *Caputo* was uncertifiable, the Court dismissed the certification motion on other grounds, including that: the common issues proposed by the plaintiffs were rejected;⁴⁸ a class proceeding was not the preferable procedure for the resolution of the class members’ claims;⁴⁹ and the proposed representative plaintiffs had not provided a workable litigation plan, because there was no identifiable class for them to represent.⁵⁰

F. JUDGMENTS IN QUEBEC CLASS ACTIONS

42. In 1998, the *Blais* Class Action and the *Létourneau* Class Action were commenced against the Tobacco Companies in the Superior Court of Quebec (“QSC”). Both proceedings were certified as class actions on February 21, 2005. The *Blais* class is comprised of approximately 100,000 smokers resident in Quebec who developed lung cancer, throat cancer or Emphysema prior to March 12, 2012, after having smoked a stipulated quantity of cigarettes manufactured by the Tobacco Companies. The trial judge established the threshold for the required tobacco dose to be 12 pack-years. A pack-year is equivalent to the consumption of one pack of twenty cigarettes per day for one year or any equivalent consumption. In other words, this tobacco dose measurement corresponds to 7,300 cigarettes per annum for a total of 87,600 cigarettes.⁵¹

⁴⁸ *Caputo v. Imperial Tobacco Ltd.*, [2004] O.J. No. 299 at para. 59.

⁴⁹ *Caputo v. Imperial Tobacco Ltd.*, [2004] O.J. No. 299 at paras. 61, 68 and 73.

⁵⁰ *Caputo v. Imperial Tobacco Ltd.*, [2004] O.J. No. 299 at paras. 74, 77 and 79.

⁵¹ *Létourneau v. JTI-Macdonald Corp.*, 2015 QCCS 2382 at paras. 759, 978, 986, 988, 992, 998, 1004 and 1208.

43. The *Létourneau* class is estimated to include nearly one million smokers who developed an addiction to nicotine contained within cigarettes manufactured by the Tobacco Companies. The trial judge found that addiction to nicotine will be proven where *Létourneau* class members establish that: (i) they started to smoke before September 30, 1994 and, since that date, they smoked principally cigarettes manufactured by the Tobacco Companies; (ii) between September 1 and 30, 1998, they smoked an average of at least fifteen of the Tobacco Companies' cigarettes on a daily basis; and (iii) on February 21, 2005, or until their death if it occurred before that date, they were still smoking an average of at least fifteen of the Tobacco Companies' cigarettes on a daily basis.⁵²

44. A close review and analysis of the judgments of the QSC⁵³ and the Court of Appeal of Quebec⁵⁴ (“QCA”) in the *Blais* Class Action and the *Létourneau* Class Action were conducted to identify and assess the evidentiary and jurisprudential findings which resulted in the QCAPs being successful in obtaining a judgment awarding damages against the Applicants. The Tobacco Companies were at liberty to adduce their own documentary and expert and lay witness evidence, cross-examine the QCAPs' witnesses and make extensive oral argument to both the trial judge and the appellate Court. The merit of the parameters chosen for the PCC Compensation Plan is strengthened by the fact that they rely, in part, on judicial findings made after such rigorous testing in two Courts.

45. Judicial findings of fact, legal analysis and the certified class definition in *Blais* articulated in the judgments in favour of the QCAPs informed the formulation of the key parameters of the

⁵² *Létourneau v. JTI-Macdonald Corp.*, 2015 QCCS 2382 at paras. 771-773, 776, 778-786, 788, 946 and 1233.

⁵³ *Létourneau v. JTI-Macdonald Corp.*, 2015 QCCS 2382.

⁵⁴ *Imperial Tobacco Canada ltée c. Conseil québécois sur le tabac et la santé et al.*, 2019 QCCA 358.

PCC Compensation Plan. Discussed in Section F, subsections (i) to (vi) below are the following key relevant findings and analyses from the Quebec judgments that were relied upon to create the criteria for a PCC to qualify to receive direct compensation from the PCC Compensation Plan:

- (i) a summary of the findings supporting the theory of the case against the Applicants which grounds the judgments in favour of smokers who have been diagnosed with compensable Tobacco-related Diseases;
- (ii) the class definition in the *Blais* Class Action;
- (iii) the judicial findings regarding class period, date of diagnosis, “Critical Tobacco Dose” and compensable diseases used in the *Blais* class definition;
- (iv) the quantum of damages awarded for each QCAP Compensable Disease;
- (v) the judicial findings regarding the “Public Knowledge Date” and contributory negligence on the part of the QCAPs; and
- (vi) the relevance of the QCAPs’ renunciation of their rights to make individual claims and their decision to limit their claims for collective damages to moral damages and punitive damages.

(i) Summary of Findings in Quebec Class Actions supporting Theory of Case against Applicants

46. On May 27, 2015, the Honourable Justice Brian Riordan of the QSC granted judgment against the Tobacco Companies in both class actions. On March 1, 2019, the QCA upheld the trial judgment in every respect other than to vary the dates from which interest and the additional indemnity are to be calculated.

47. The QCA provided the following succinct summary of the findings supporting the theory of the case against the Tobacco Companies which grounds the judgments in favour of smokers who have been diagnosed with compensable Tobacco-related Diseases:

563 Therefore, between 1950 and 1998, the appellants deliberately violated their duty to inform as cigarette manufacturers, both by what they concealed until 1994, and by what they falsely conveyed and propagated, regardless of the angle from which it is viewed: a general duty not to harm others, arts. 1053 C.C.L.C. and 1457 C.C.Q.; a duty to inform users of the dangers of a product that is not otherwise affected by any defect in design, manufacture, preservation, or presentation, arts. 1468 and 1469 C.C.Q. and the prior case law; the guarantee against safety defects, s. 53 C.P.A. (from 1980 onwards). This failure, in all its forms, constitutes a fault within the meaning of art. 1053 C.C.L.C. and, even if it is not necessary to qualify the appellant's conduct as faults under arts. 1468 and 1469 C.C.Q. or s. 53 C.P.A., we can, however, without hesitation, find that it is within the meaning art. 1457 C.C.Q.

564 What is more, we can speak of behaviour in bad faith resulting from a deliberate concealment of the effects of cigarettes on the health of users followed by the systematic negation, minimization, and trivialization of those effects based, in particular, on the cleverly but artificially maintained idea of a scientific controversy and on the alleged weakness of the relationship between cigarettes and diseases or dependence, all wrapped up in a strategy of misleading advertising.

....

1012 By jointly opposing the scientific evidence advanced by a public authority and comparing the report of the Surgeon General to an attempt to make smoking socially unacceptable “by warming up some old chestnuts,” the appellants have clearly shown the specific intent and state of mind at issue in *St-Ferdinand*. In fact, according to a factual conclusion that has not been successfully challenged, the appellants had been aware at that time for nearly forty years of the addictive properties of tobacco. This concerted decision of the CTMC is but one example of their state of mind. This conduct goes beyond mere recklessness or negligence – which, as we know since *St-Ferdinand* are not sufficient – but indicates that the appellants acted “in full knowledge of the ... at least extremely probable consequences” of their actions. The appellants can no longer feign ignorance of the scientific and statistical evidence gathered in 1988.

1013 More specifically, these factual findings show that the appellants could not have been unaware of the extremely probable consequences of their denials on persons who would become addicted to tobacco, including all the members of the Létourneau Class as defined and on smokers who would develop one of the

diseases at issue. They understood that this marketing strategy had the consequence of throwing individuals into the path of addiction, causing mortal illness or exposing them to high risks of developing such diseases. By doing so, they certainly interfered in an unlawful and intentional manner with the right to life, personal security and inviolability of the members of the two Classes. All of the evidence retained by the trial judge, including his finding on the policy of silence, sufficiently warrants this conclusion.

1014 The judge committed no error justifying the intervention of the Court by characterizing the interference as intentional.⁵⁵

48. The QCA noted that, prior to the QSC's judgment, the Supreme Court of Canada had made the following statements regarding the harms caused by smoking tobacco products:

121 In the Supreme Court of Canada judgment^[56] rendered in 1995 concerning the 1988 legislation [*Tobacco Products Control Act*, S.C. 1988], La Forest, J., who, on the basis of the evidence, held that tobacco was an inherently dangerous and addictive product, commented as follows:

30 [...] A copious body of evidence was introduced at trial demonstrating convincingly, and this was not disputed by the appellants, that tobacco consumption is widespread in Canadian society and that it poses serious risks to the health of a great number of Canadians. [...]

31 [...] Overwhelming evidence was introduced at trial that tobacco use is a principal cause of deadly cancers, heart disease and lung disease. In our day and age this conclusion has become almost a truism. Nonetheless, it is instructive to review a small sampling of some of the vast body of medical evidence adduced at trial attesting to the devastating health consequences that arise from tobacco consumption. [...]

32 It appears, then, that the detrimental health effects of tobacco consumption are both dramatic and substantial. Put bluntly, tobacco kills. [...]

⁵⁵ *Imperial Tobacco Canada ltée c. Conseil québécois sur le tabac et la santé et al.*, 2019 QCCA 358 at paras. 563-564 and 1012-1014.

⁵⁶ *RJR-MacDonald Inc. v. Canada (Attorney General)*, [1995] 3 S.C.R. 199.

122 In 2007, in the judgment^[57] dismissing the constitutional challenge of the 1997 *Tobacco Act*, the Supreme Court, this time per McLachlin, C.J., added to those comments in light of new evidence:

9 Parliament was assisted in its efforts to craft and justify appropriately tailored controls on tobacco advertising and promotion by increased understanding of the means by which tobacco manufacturers seek to advertise and promote their products and by new scientific insights into the nature of tobacco addiction and its consequences. On the findings of the trial judge in the present case, tobacco is now irrefutably accepted as highly addictive and as imposing huge personal and social costs. We now know that half of smokers will die of tobacco-related diseases and that the costs to the public health system are enormous. We also know that tobacco addiction is one of the hardest addictions to conquer and that many addicts try to quit time and time again, only to relapse [Footnotes omitted].

....

13 Some 45,000 Canadians die from tobacco-related illnesses every year. By this measure, smoking is the leading public health problem in Canada.

14 Most smokers begin as teenagers, between the ages of 13 and 16. Tobacco advertising serves to recruit new smokers, especially adolescents. It is completely unrealistic to claim that tobacco advertising does not target people under 19 years of age. Recent tobacco advertising has three objectives: reaching out to young people, reassuring smokers (to discourage quitting), and reaching out to women.

15 Tobacco contains nicotine, a highly addictive drug. Some 80 percent of smokers wish they could quit but cannot. However, new smokers, especially young people, are often unaware of (or tend to deceive themselves about) the possibility of addiction. Tobacco companies have designed cigarettes to deliver increased levels of nicotine.⁵⁸

49. In the *Blais* Class Action, the QSC awarded the QCAPs moral damages, punitive damages, interest and additional indemnity on behalf of Quebec residents who have been diagnosed with

⁵⁷ *Canada (Attorney General) v. JTI-Macdonald Corp.*, 2007 SCC 30.

⁵⁸ *Imperial Tobacco Canada ltée c. Conseil québécois sur le tabac et la santé et al.*, 2019 QCCA 358 at paras. 121-122.

lung cancer, throat cancer or Emphysema as a result of smoking the Applicants' cigarettes during the class period.

50. The plaintiffs in the *Létourneau* Class Action recovered punitive damages on behalf of Quebec residents who, as a result of smoking the Applicants' cigarettes, developed a nicotine dependence. The trial judge did not award moral damages to the class members in the *Létourneau* Class Action because, despite findings of fault, damages and causality, the *Létourneau* class members failed to establish that all class members suffered substantially similar injuries such that the trial judge could award moral damages on a collective basis.⁵⁹ In dismissing the claim for moral damages, the trial judge held that "The inevitable and significant differences among the hundreds of thousands of *Létourneau* Class Members with respect to the nature and degree of the moral damages claimed make it impossible to establish with sufficient accuracy the total amount of the claims of the Class".⁶⁰ The trial judge concluded that:

There is an additional obstacle. Even if we were able to award compensatory damages to the *Létourneau* Class, it would be "impossible or too expensive" to administer the distribution of an amount to each of the members. Proof of dependence would almost always be subjective, with little or no independent substantiation available, and, therefore, open to potentially rampant abuse. Moreover, the relatively modest amount that could be awarded to any individual Member would rival the cost of administering the distribution process for that person. It would simply not make sense to undertake such an exercise.⁶¹

51. The judgment awarded to the QCAPs totals \$13,699,504,730 inclusive of interest calculated to March 8, 2019.

⁵⁹ *Létourneau v. JTI-Macdonald Corp.*, 2015 QCCS 2382 at paras. 946-950.

⁶⁰ *Létourneau v. JTI-Macdonald Corp.*, 2015 QCCS 2382 at para. 950.

⁶¹ *Létourneau v. JTI-Macdonald Corp.*, 2015 QCCS 2382 at para. 951.

(ii) **Class Definition in *Blais* Class Action**

52. In the *Blais* Class Action, the QCA certified the following class definition to establish the QCAPs' entitlement to compensation:

All persons residing in Quebec who satisfy the following criteria:

- (1) To have smoked, between January 1, 1950 and November 20, 1998, a minimum of 12 pack/years of cigarettes manufactured by the defendants (that is, the equivalent of a minimum of 87,600 cigarettes, namely any combination of the number of cigarettes smoked in a day multiplied by the number of days of consumption insofar as the total is equal to or greater than 87,600 cigarettes).

For example, 12 pack/years equals:

20 cigarettes a day for 12 years ($20 \times 365 \times 12 = 87,600$) or

30 cigarettes a day for 8 years ($30 \times 365 \times 8 = 87,600$) or

10 cigarettes a day for 24 years ($10 \times 365 \times 24 = 87,600$);

- (2) To have been diagnosed before March 12, 2012 with:
 - (a) Lung cancer or
 - (b) Cancer (squamous cell carcinoma) of the throat, that is to say of the larynx, the oropharynx or the hypopharynx or
 - (c) Emphysema [collectively, the "**QCAP Compensable Diseases**"].

The group also includes the heirs of the persons deceased after November 20, 1998 who satisfied the criteria mentioned herein.⁶²

⁶² *Imperial Tobacco Canada ltée c. Conseil québécois sur le tabac et la santé et al.*, 2019 QCCA 358 at para. 1282.

(iii) **Judicial Findings regarding Class Period, Date of Diagnosis, Critical Tobacco Dose and Compensable Diseases used in *Blais* Class Definition**

(a) **QCAPs' Class Period from January 1, 1950 to November 20, 1998**

53. In order for an individual to be eligible to receive compensation, they must have smoked a prescribed amount of cigarettes manufactured by the Tobacco Companies, or Critical Tobacco Dose⁶³, within a specified period of time (“**Class Period**”).

54. In the trial judgment, the QSC held that “the beginning of the Class Period is January 1, 1950”.⁶⁴ The rationale for choosing 1950 as the commencement of the QCAPs' Class Period was explained in the 2005 Class Action Authorization Judgment as follows:

According to the Council [*Conseil québécois sur le tabac et la santé*], despite the scientific evidence and studies carried out by the tobacco industry which tend to establish a link between cigarettes and several health problems, the latter has long denied the causality between tobacco and cancer. The Council supports this assertion on several documentary sources emanating from the industry starting from the end of the years 1950 and extending until 1998 and many of which have been revealed during lawsuits involving the parent companies of the respondents or companies closely linked to them.⁶⁵

55. The QSC further held that the QCAPs' Class Period ends on November 20, 1998, which is the date on which the motion for authorization to institute a class action was served in the *Blais* Class Action.⁶⁶

⁶³ *Imperial Tobacco Canada ltée c. Conseil québécois sur le tabac et la santé et al.*, 2019 QCCA 358 at para. 8.

⁶⁴ *Létourneau v. JTI-Macdonald Corp.*, 2015 QCCS 2382 at para. 891.

⁶⁵ *Conseil québécois sur le tabac et la santé et al. v. JTI-Macdonald Corp. et al.*, 2005 CanLII 4070 at para. 11.

⁶⁶ *Létourneau v. JTI-Macdonald Corp.*, 2015 QCCS 2382 at paras. 1 and 767 and Footnote 1.

56. In order to avoid potential inequity across Canada and achieve parity with the *Blais* class members for the PCCs in all of the Provinces and Territories, the *Blais* Class Period of January 1, 1950 to November 20, 1998 was chosen for the PCC Compensation Plan.

57. The choice of January 1, 1950 as the start of the Class Period is supported by liability evidence tendered in the *Blais* Class Action in regard to the timing of the commencement of the Applicants' Tobacco-related Wrongs. Such evidence was accepted by the QSC and upheld by the QCA.

58. As explained in Section F, subsection (v) at paragraphs 73 to 79 below, March 1, 1996 was determined by the QCA to be the Public Knowledge Date by which individuals knew or should have known of the risks that smoking the Applicants' cigarettes could cause Tobacco-related Diseases. Since November 20, 1998 is approximately two and a half years after the Public Knowledge Date, it was supportable to use that date as the end date for the PCCs' Class Period.

(b) QCAPs must be diagnosed with a Compensable Disease by March 12, 2012

59. In order for an individual to be eligible to receive compensation, they must have been diagnosed with a compensable disease by a particular date. In the *Blais* trial judgment, the QSC approved of March 12, 2012, the first day of trial, as the date by which the QCAPs must have been diagnosed with lung cancer, throat cancer or Emphysema.⁶⁷

60. As explained in paragraphs 131 to 135, in the PCC Compensation Plan, in order to avoid inequity across Canada, a PCC-Claimant is required to have been diagnosed with a PCC

⁶⁷ *Létourneau v. JTI-Macdonald Corp.*, 2015 QCCS 2382 at paras. 2, 845 and 891 and Footnote 429.

Compensable Disease during a uniform four year PCC Claims Period running from March 8, 2015 to March 8, 2019, inclusive of those dates.

(c) QCAPs must have smoked 12 pack-years in QCAPs' Class Period

61. A pack-year is a metric used to measure the amount that an individual has smoked over a long period of time. The number of pack-years is calculated by multiplying the number of cigarettes smoked daily by the number of years that the person has smoked and then dividing by 20. For example, 10 cigarettes smoked per day x 24 years ÷ 20 = 12 pack-years. Similarly, 20 cigarettes smoked per day x 12 years ÷ 20 = 12 pack-years.

62. In the trial judgment, the QSC held that 12 pack-years was the appropriate Critical Tobacco Dose for the *Blais* class members as follows:

756 Dr. Mundt's [expert called by RBH] final point speaks of the number of pack years required to cause lung cancer. He indicates that the scientific literature that he has reviewed shows little or no risk of lung cancer below 10 to 15 pack years. This is interesting from at least two angles.

757 First, such a statement from the Companies' only expert in epidemiology confirms that 'pack years' is, in fact, considered a valid unit of measure by the epidemiological community in relation to the onset of cancer. The other defence experts spent much time criticizing the appropriateness of that metric, but this removes any doubt from the Court's mind.

758 As well, we finally see one of the Companies' experts providing a helpful response to one of the questions before us, i.e., what is a plausible minimum figure for the 'critical dose'. Dr. Barsky, while steering clear of actually providing useful guidance to the Court, also criticized 'the low levels of smoking exposure' used by Dr. Siemiatycki. Moreover, the Plaintiffs do not fundamentally contest Dr. Mundt's figures, having mentioned 12 pack years as a not unreasonable alternative on several occasions.

759 Since Dr. Siemiatycki's method necessarily ignores several relevant, albeit minor, variables and, in any event, is not designed to calculate precise results, the Court will pay heed to Dr. Mundt's comments. Accordingly, we shall set the critical

dose in the Blais File at 12 pack years, rather than five. The Class description shall be amended accordingly [emphasis added; footnotes omitted].⁶⁸

63. The QCA approved of the QSC’s finding that twelve pack-years was the Critical Tobacco Dose as follows: “The threshold for this dose was established as being 12 pack-years by the trial judge. A pack-year is equivalent to the consumption of one pack of 20 cigarettes per day for one year or any equivalent consumption. In other words, this measurement corresponds to 7,300 cigarettes *per annum* for a total of 87,600 cigarettes”.⁶⁹

64. In order to avoid potential inequity across Canada and achieve parity with the *Blais* class members for the PCCs in all of the Provinces and Territories, twelve pack-years was chosen as the Critical Tobacco Dose for the PCC Compensation Plan. The choice of twelve pack-years is supported by expert evidence tendered in the *Blais* Class Action that was accepted by the QSC and upheld by the QCA.

(d) QCAP Compensable Diseases

65. In the trial judgment, the QSC confirmed⁷⁰ that compensation will be provided to QCAPs who meet the criteria of the QCAP class definition which includes the requirement to have been diagnosed with one of the following Tobacco-related Diseases: lung cancer, throat cancer or Emphysema.

66. As explained in Section M at paragraphs 155 to 165 below, the epidemiological analysis prepared by epidemiologist Dr. Jha supported the selection of lung cancer, throat cancer and COPD as the Tobacco-related Diseases for which compensation will be paid in the PCC Compensation

⁶⁸ *Létourneau v. JTI-Macdonald Corp.*, 2015 QCCS 2382 at paras. 756-759.

⁶⁹ *Imperial Tobacco Canada ltée c. Conseil québécois sur le tabac et la santé et al.*, 2019 QCCA 358 at para. 8.

⁷⁰ *Létourneau v. JTI-Macdonald Corp.*, 2015 QCCS 2382 at paras. 1208, 1210-1213.

Plan. Therefore, the selection of the PCC Compensable Diseases is based upon both Dr. Jha's epidemiological evidence and the findings of the QSC and QCA in the *Blais* Class Action.

(iv) Quantum of Damages awarded for each QCAP Compensable Disease

67. The QSC awarded moral damages to each *Blais* class member diagnosed with lung cancer, throat cancer or Emphysema as follows:

Table 1

QCAP Subclass	Moral Damages ⁷¹ awarded to <i>Blais</i> Class Members who started to smoke before January 1, 1976 ⁷²
Lung cancer	\$100,000
Throat cancer	\$100,000
Emphysema	\$30,000

68. The QSC explained that the moral damages awarded to the *Blais* class members were compensation for the following losses: "... loss of enjoyment of life, physical and moral pain and suffering, loss of life expectancy, troubles, worries and inconveniences arising after having been diagnosed with one of the Diseases."⁷³

69. The QSC found that the Tobacco Companies were liable to pay moral damages to *Blais* class members diagnosed with lung cancer based upon expert medical evidence:

979 The evidence of moral damages for the lung-cancer subclass is found in the report of Dr. Alain Desjardins (Exhibit 1382), recognized by the Court as an

⁷¹ The amounts of compensation payments to the QCAPs shall not exceed the maximum amounts specified in Table 1.

⁷² The significance of the date of January 1, 1976 is explained in Section F, subsection (v), paragraphs 73 to 79 below.

⁷³ *Létourneau v. JTI-Macdonald Corp.*, 2015 QCCS 2382 at para. 657.

expert chest and lung clinician. He outlines the treatment options for the three types of cancer covered by the Class description in the Blais File, those options being surgery, radiation therapy, chemotherapy and long-term pharmacological treatment. The treatments are relevant because, in addition to the damages caused by the cancer itself, the secondary effects of the treatments cause additional significant hardship that can last for years.

980 Given that the same treatments are prescribed for each of the three cancers, the Court will assume that the same secondary effects from the treatments apply to each Disease. In addition, there will be other effects related to the location of the tumours in the body.

981 In his report at pages 75 through 78, Dr. Desjardins describes the temporary secondary effects of radiation therapy and chemotherapy in the context of lung cancer as follows:

- headaches, nausea, vomiting, fatigue, sores in the mouth, diarrhoea, deafness;
- inflammation of the esophagus;
- skin burns;
- stiffness and joint pain;
- radical pneumonitis causing fever, coughing and los[s] of breath;
- loss of body hair;
- swelling of the lower members;
- increased susceptibility to infection.

982 As for lung cancer itself, at page 80 of his report he notes that a person living with cancer is affected both physically and psychologically, as well as spiritually, with certain patients experiencing significant stress as a result of being diagnosed with lung cancer. He goes on to cite the following specific affects [*sic*]:

- rapid fluctuations in the state of physical health;
- fatigue, lack of energy and weakness;
- loss of appetite;
- pain;
- loss of breath;
- paralysis in one or more members;
- depression.

983 The Companies did not challenge the Plaintiffs' characterization of the moral damages, nor the amount claimed for each Member in the most serious cases of any of the Diseases. The contestation in this area was directed more at the Plaintiffs' use of one single amount for such damages across the subclasses for each Disease.

984 The evidence of Drs. Desjardins and Guertin convinces us that few cases of lung and throat cancer fall below very serious. As well, the amount proposed is

not excessive in the context of life-threatening, and life-ruining, illnesses. Accordingly, we accept a uniform figure of \$100,000 for individual moral damages in the lung cancer and throat cancer subclasses [footnote omitted].⁷⁴

70. The QSC further found that the Tobacco Companies were liable to pay moral damages to the *Blais* class members diagnosed with throat cancer based upon expert evidence:

989 For Blais Class Members with cancer of the larynx or the pharynx, the evidence of moral damages is found in the report of Dr. Louis Guertin, an expert on chemistry and tobacco toxicology. It is not the Court's practice to reproduce lengthy extracts of documents in a judgment, however, it is appropriate to make an exception for the following paragraphs of Dr. Guertin's report: ... [excerpt from Dr. Guertin's report in French omitted].

990 In the pages that follow, Dr. Guertin chronicles the various treatments that are usually attempted when there is indication that the cancer might be curable: surgery, chemotherapy and radiation therapy. He describes the possible secondary effects of each one of those treatments, a veritable litany of horrors, including:

- open sores on the mucous membranes,
- swelling in the legs (oedema),
- nasal intubation or tracheotomy for weeks, months or even permanently,
- cutaneous changes, cervical fibrosis, loss of the ability to taste,
- chronic dry-mouth leading to elocution problems and difficulty in swallowing,
- removal of all teeth,
- surgery-induced mutilation of the face and neck, elocution problems and difficulty in swallowing and the inability to eat certain foods,
- loss of the vocal chords,
- chronic pain and diminution of shoulder strength.

991 Death ultimately ends the torture, but at what price? At page 8 of his report, Dr. Guertin writes that "the patients who die from a relapse of their original cancer will experience a death that is atrociously painful, unable even to swallow their saliva or to breathe" (the Court's translation).

992 This makes it clear that the uniform figure of \$100,000 for individual moral damages in the throat cancer subclass is well justified. ... [footnotes omitted].⁷⁵

⁷⁴ *Létourneau v. JTI-Macdonald Corp.*, 2015 QCCS 2382 at paras. 979-984.

⁷⁵ *Létourneau v. JTI-Macdonald Corp.*, 2015 QCCS 2382 at paras. 989-992.

71. Finally, the QSC held that the Tobacco Companies were liable to pay moral damages to the *Blais* class members diagnosed with Emphysema based upon expert medical and epidemiological evidence:

993 Dr. Alain Desjardins' report (Exhibit 1382) opines on the moral damages suffered as a result of emphysema as well as lung cancer. He deals with emphysema through an analysis of COPD, which includes both emphysema and chronic bronchitis. He notes that a high percentage of individuals with COPD have both diseases (page 12), but not all.

994 There is no serious contestation by the Companies that Dr. Desjardins' description of the impact of COPD on the quality of life accurately portrays the impact that emphysema alone would have. As such, his is a useful analysis for the purpose of evaluating moral damages caused to emphysema sufferers by smoking and the Court accepts it as sufficient proof of that.

995 Dr. Siemiatycki follows Dr. Desjardins in basing his analysis of emphysema on information available for COPD. He explains his reasons for this as follows: Many epidemiologic and statistical studies are now focused on COPD as the clinical end-point. Fewer focus explicitly on emphysema. Indeed, much of the evidence we now have on the epidemiology of emphysema comes from studies on COPD. Consequently, in this report I will use the term COPD/emphysema to signify that the conditions we are describing and analysing include a mixture of COPD and emphysema, in some unknown ratio. Where possible I have focused on evidence and studies that have been able to address emphysema specifically, but usually it has been some combination of emphysema and chronic bronchitis.

....

999 On the impact of COPD, and thus emphysema, on the quality of life a person afflicted with it, Dr. Desjardins' report (Exhibit 1382) indicates that:

- Over 60% of individuals with COPD report significant limitations in their daily activities caused by shortness of breath and fatigue (page 48);
- Specific activities affected include sports and leisure, social life, sleep, domestic duties, sexuality and family life (Figure J on page 48; see also page 34);
- These limitations, when experienced daily, eventually result in social isolation, loss of self esteem, marital problems, frustration, anxiety, depression and an important reduction in the overall quality of life (pages 48-49);

- A person with emphysema can expect to suffer from a persistent cough, spitting up of blood, loss of breath and swelling in the lower members (pages 26-28).

1000 Added to the above, of course, is the likelihood, or rather the near certainty, of a premature death (pages 18 and 19). The anticipation of that cannot but contribute to a loss of enjoyment of life.

1001 As mentioned, the Plaintiffs admit that the degree to which a patient's life is affected by emphysema depends on the degree of severity of the case. Taking that into consideration, Dr. Desjardins used the "GOLD Guidelines", which divide the degree of severity of COPD into five levels, from Level 0, indicating cases "at risk," through Level 4, indicating cases with very severe emphysema (Exhibit 1382, page 41). Dr. Desjardins estimated the percentage of impairment or diminution of the quality of life for each level as 0%, 10%, 30% 60% and 100%. This is in line with the figures used by the U.S. Veteran's Administration (Exh. 1382, pages 51-53).

1002 In an attempt to simplify the file, the Plaintiffs amended the amount claimed for the emphysema subclass to a universal amount of \$30,000, arguing that such a compromise was most conservative and ensured that the award would not unfairly penalize the Companies. This seems reasonable. In fact, if the Court had to arbitrate an amount for this subclass, it would likely have landed a bit higher.

1003 Another advantage to adopting such a low figure is that it serves to correct the distortion in this analysis caused by using COPD statistics, which include chronic bronchitis and emphysema, in lieu of figures for emphysema alone.

1004 Consequently, we accept a uniform figure of \$30,000 for individual moral damages for the emphysema subclass. ... [footnotes omitted].⁷⁶

72. As explained in Section O at paragraphs 190 to 192 below, based upon the strength of the findings of the QSC, upheld by the QCA, in regard to the appropriate quantum of damages to award for each of the QCAP Compensable Diseases, the quanta in Table 1 were used as the starting point for the calculations to determine the fair compensation to pay to the PCCs for each PCC Compensable Disease.

⁷⁶ *Létourneau v. JTI-Macdonald Corp.*, 2015 QCCS 2382 at paras. 993-995 and 999-1004.

(v) **Public Knowledge Date and Contributory Negligence**

73. The QSC held that the *Blais* class members who started to smoke the Applicants' cigarettes *before* January 1, 1976 were entitled to receive 100% of the moral damages awarded to each class member. Those class members who started to smoke the Applicants' cigarettes *as of* January 1, 1976 were held to be 20% contributorily negligent and entitled to receive 80% of the moral damages awarded:⁷⁷

Table 2

QCAP Subclass	Moral Damages ⁷⁸ awarded to <i>Blais</i> Class Members who started to smoke on or after January 1, 1976 (20% contributorily negligent)
Lung cancer	\$80,000
Throat Cancer	\$80,000
Emphysema	\$24,000

74. The distinction between the *Blais* class members held to be entitled to receive 100% of the compensation awarded and the *Blais* class members held to be 20% contributorily negligent (and, therefore, entitled to receive 80% of the damages awarded) was based upon the Public Knowledge Date by which individuals knew or should have known of the risks that smoking the Applicants' cigarettes could cause Tobacco-related Diseases. In the *Blais* Class Action, the QSC held that "the Companies' fault with respect to a possible safety defect by way of a lack of sufficient indications

⁷⁷ *Létourneau v. JTI-Macdonald Corp.*, 2015 QCCS 2382 at para. 834.

⁷⁸ The amounts of compensation payments to the QCAPs shall not exceed the maximum amounts specified in Table 2.

as to the risks and dangers of smoking ceased as of [the Public Knowledge Date]”.⁷⁹ The QSC determined that the Public Knowledge Date for the *Blais* class members was January 1, 1980:

820 In *Blais*, we found that the public knew or should have known of the risks and dangers of contracting a Disease from smoking as of the knowledge date: January 1, 1980. We have held that it takes approximately four years to become dependent, so persons who started smoking as of January 1, 1976 (the “smoking date” for the *Blais* File) were not yet dependent when knowledge was acquired in 1980. Hence, they would not have been unreasonably impeded by dependence from quitting smoking as of the knowledge date.⁸⁰

75. The QCA upheld the QSC’s finding that “tobacco dependence, which results from the appellants’ faults, is acquired four years after the onset of smoking (with an average consumption of at least 15 cigarettes per day)”. The QCA commented that “the judge’s conclusion appears rather conservative in the light of the evidence referred to above, much of which suggests that tobacco dependence is likely to develop in a period of less than four years and with a consumption of fewer than 15 cigarettes a day”.⁸¹

76. In the *Létourneau* Class Action, the QSC found that the Public Knowledge Date for individuals addicted to the nicotine contained in the Applicants’ cigarettes was March 1, 1996:

821 Similar reasoning applies in *Létourneau*, albeit with different dates. The public knew or should have known of the risks and dangers of becoming tobacco dependent as of the knowledge date: March 1, 1996. Hence, *Létourneau* Class Members who started to smoke as of March 1, 1992 (the “smoking date” for the *Létourneau* File) were not yet dependent when knowledge was acquired in 1996. They, too, would not have been unreasonably impeded by dependence from quitting smoking as of the knowledge date.⁸²

⁷⁹ *Létourneau v. JTI-Macdonald Corp.*, 2015 QCCS 2382 at paras. 121 and 139.

⁸⁰ *Létourneau v. JTI-Macdonald Corp.*, 2015 QCCS 2382 at para. 820.

⁸¹ *Imperial Tobacco Canada ltée c. Conseil québécois sur le tabac et la santé et al.*, 2019 QCCA 358 at para. 839.

⁸² *Létourneau v. JTI-Macdonald Corp.*, 2015 QCCS 2382 at para. 821; see also paras. 122, 129-130, 133 and 832-835.

77. In the *Létourneau* Class Action, the QSC held that “Since the Létourneau Class's knowledge date about the risks and dangers of becoming tobacco dependent from smoking is March 1, 1996, it follows that the Companies’ fault with respect to a possible safety defect by way of a lack of sufficient indications as to the risks and dangers of smoking ceased as of that date in the Létourneau File”.⁸³

78. The QCA set aside the trial judge’s finding in *Blais* that the date of public knowledge was January 1, 1980 and found that the correct date of public knowledge is March 1, 1996 for both the *Blais* Class Action and the *Létourneau* Class Action⁸⁴. Based upon this conclusion, it would appear to follow that any individual who started to smoke as of March 1, 1992 and continued smoking after the knowledge date of March 1, 1996 assumed the risk of becoming dependent as of March 1, 1992 and would be 20% contributorily negligent. However, the QCA did not vary the trial judge’s determination that the *Blais* class members who started smoking as of January 1, 1976 were 20% contributorily negligent,⁸⁵ because the *Blais* class members did not appeal the QSC’s finding regarding contributory negligence.⁸⁶

79. In order to avoid potential inequity across Canada and achieve parity for the PCCs in all of the Provinces and Territories with the *Blais* class members:

- (a) the Public Knowledge Date of March 1, 1996 was chosen for the PCC Compensation Plan;
- and

⁸³ *Létourneau v. JTI-Macdonald Corp.*, 2015 QCCS 2382 at para. 133.

⁸⁴ *Imperial Tobacco Canada ltée c. Conseil québécois sur le tabac et la santé et al.*, 2019 QCCA 358 at paras. 642-650 and 656.

⁸⁵ *Imperial Tobacco Canada ltée c. Conseil québécois sur le tabac et la santé et al.*, 2019 QCCA 358 at para. 1282.

⁸⁶ *Imperial Tobacco Canada ltée c. Conseil québécois sur le tabac et la santé et al.*, 2019 QCCA 358 at paras. 251 and 657.

- (b) it was determined that PCCs who started smoking the Applicants' cigarettes on or after January 1, 1976 will be designated as being 20% contributorily negligent and entitled to receive 80% of the compensation available under the PCC Compensation Plan.

(vi) QCAPs renounced their Rights to make Individual Claims and limited their Claims for Collective Damages to Moral Damages and Punitive Damages

80. The *Blais* Class Action and the *Létourneau* Class Action advanced claims for collective damages that were limited to moral damages and punitive damages. Both classes of plaintiffs renounced their potential right to make individual claims for compensatory damages, such as loss of income, which would have required adjudication in individual trials. The QSC agreed with the QCAPs that individual claims against the Applicants would not be successful as follows:

15 We are in the collective or common phase of these class actions, as opposed to analyzing individual cases. At this class-wide level, the Plaintiffs are claiming only moral (compensatory) and punitive (exemplary) damages.

....

170 Although it was Dr. Bourget who filed the DSM-5 into the record, she failed to approach the question from the angle espoused there, insisting on a clinical view as opposed to a population-wide one. Her argument requiring a personal examination of each Class Member fits in with the Companies' master strategy of attempting to exclude from collective recovery any sort of compensatory damages, because they are always felt on a personal level. The Court rejects this argument in a later section of the present judgment.

....

1193 The Plaintiffs displayed an impressive sense of clairvoyance in their Notes when they opted to renounce to [*sic*] making individual claims, declaring that 'Outside of collective recovery, recourses of the members against the defendants are just impossible'. The Court agrees. [footnote omitted; emphasis added]⁸⁷

⁸⁷ *Létourneau v. JTI-Macdonald Corp.*, 2015 QCCS 2382 at paras. 15, 170 and 1193.

81. The decision of the *Blais* class members to (i) not individualize their claims but, rather, bring the action on a collective basis, and (ii) limit their claim to moral damages, obviated them having to address problematic issues that would have required proof on an individual basis and would have, for practical reasons, been fatal to the viability of their case against the Tobacco Companies. By limiting their claim to seeking only moral damages, the QCAPs excluded all claims of residents of Quebec which could not succeed on a class-wide basis. Absent seeking recovery of damages on a collective basis, the *Blais* Class Action would not have succeeded against the Tobacco Companies.

82. The foregoing analysis highlights the likely insurmountable challenge that would confront any PCCs who attempted to proceed with individual claims against the Applicants and the Tobacco Company Groups.

G. CRITERIA TO QUALIFY TO RECEIVE DIRECT COMPENSATION FROM PCC COMPENSATION PLAN

83. The development of the “class definition” of the PCCs who will qualify to receive direct compensation from the PCC Compensation Plan was informed by, *inter alia*:

- (a) the judicial findings in the *Blais* Class Action (discussed in detail in Section F at paragraphs 49 to 62 above) regarding the class period, the date by which the diagnosis of a compensable disease must be made, the Critical Tobacco Dose and the Tobacco-related Diseases for which compensation was awarded;
- (b) the epidemiological analysis by Dr. Jha (discussed in Section M at paragraphs 155 to 165 below); and

- (c) the analysis of the applicable legislation and caselaw in the Provinces and Territories governing limitations, estates claims and claims by Surviving Family Members (discussed respectively in Section J at paragraphs 136 to 144, and in Section K at paragraphs 145 to 150 below).

84. Adjustments were made as necessary to take into account the CCAA Proceedings and the *sui generis* basis for providing compensation to the PCCs, and to achieve a fair PCC Compensation Plan that is in the interests of the PCCs.

85. The result of the process of analysis was the consensus reached by the PCC Representative Counsel, Quebec Class Counsel and counsel for the Provinces and Territories that, in order to qualify to receive direct compensation from the PCC Compensation Plan, an individual must meet the following criteria (“**PCC Eligibility Criteria**”):

- (a) on the date that a claimant submits their claim to the PCC Compensation Plan:
 - (i) if the claimant is alive, they must reside in a Province or Territory in Canada, or
 - (ii) if the claimant is deceased, they must have resided in a Province or Territory in Canada on the date of their death;
- (b) the claimant was alive on March 8, 2019;
- (c) between January 1, 1950 and November 20, 1998, (“**Breach Period**”) the claimant smoked a minimum of twelve pack-years of cigarettes sold by the Applicants (“**Critical Tobacco Dose**”);

- (d) between March 8, 2015 and March 8, 2019 inclusive of those dates (“**PCC Claims Period**”) the claimant was diagnosed with:
 - (i) lung cancer,
 - (ii) throat cancer, or
 - (iii) Emphysema/COPD (GOLD Grade III or IV) (collectively, the “**PCC Compensable Diseases**”); and
- (e) on the date of the diagnosis with a PCC Compensable Disease the claimant resided in a Province or Territory in Canada.

86. The individuals who will *not* qualify to receive direct compensation from the PCC Compensation Plan include, but are not limited to:

- (a) individuals who did not reside in Canada on the date that they submitted their claim;
- (b) individuals who smoked less than twelve pack-years between January 1, 1950 and November 20, 1998;
- (c) individuals diagnosed with a Tobacco-related Disease which is not a PCC Compensable Disease; and
- (d) individuals who are diagnosed with a compensable disease after March 8, 2019.

H. RATIONALE FOR CRITERIA TO QUALIFY TO RECEIVE DIRECT COMPENSATION FROM PCC COMPENSATION PLAN

87. In this Section, detailed explanations are provided regarding the reasoning supporting the selection of each of the PCC Eligibility Criteria.

(i) Rationale for requirement that PCCs were alive on March 8, 2019

88. The criterion requiring that, on March 8, 2019, an individual must have been alive and have been diagnosed with a PCC Compensable Disease was established based on the principle of prioritizing payment to living claimants over estates, consistency with the certification judgment rendered in the *Blais* Class Action, and to achieve parity in the treatment of estate claims among PCCs in all Provinces and Territories.

89. In developing the PCC Compensation Plan, it was considered fair and reasonable, as well as more manageable, to require that eligible PCCs must have been alive when the first Initial Order was issued by the CCAA Court on March 8, 2019 in JTIM's CCAA Proceeding.⁸⁸

90. The PCC Compensation Plan was developed to prioritize the claims of individuals who suffered a compensable harm and were still alive when the CCAA Proceedings were initiated. The parties to the mediation considered that it is fair and reasonable to give precedence to the claims of living victims who had been diagnosed with a PCC Compensable Disease as a result of their use of Tobacco Products, as at the date of JTIM's filing under the CCAA.

91. The requirement that a PCC-Claimant be alive at as of March 8, 2019, is also consistent with the approach taken in the certification judgment in the *Blais* Class Action. This decision,

⁸⁸ *JTI-Macdonald Corp., Re*, 2019 ONSC 1625; Initial Order of Justice Hainey dated March 8, 2019.

rendered by Justice Pierre Jasmin J.S.C. of the Superior Court of Quebec on February 21, 2005, determined that, from a manageability perspective, it was appropriate to limit the *Blais* class to persons who were alive on the date that the *Blais* Class Action proceedings were first served (November 20, 1998) and to their heirs in the case of members who subsequently died. The QCAPs had originally sought certification on behalf of heirs of persons who had died before November 20, 1998, but Justice Jasmin circumscribed the class as aforesaid. Therefore, in developing the PCC Compensation Plan, it was considered fair and reasonable to require that eligible PCC-Claimants must have been alive when the first Initial Order was issued in JTIM's CCAA Proceeding.

92. Furthermore, as discussed in paragraphs 136 and following, there is disparity in the treatment of estate claims among the PCCs in all Provinces and Territories, such that parity across the country is better achieved by adopting a common and consistent criterion that an eligible PCC-Claimant must have been alive on March 8, 2019. In jurisdictions where estate claims could not have been pursued, such claims would not fall under section 19(1)(a)(i) CCAA, as they would not be claims to which the Tobacco Companies were subject on the day the proceedings were initiated under the CCAA. As such, after careful consideration and discussion in the mediation and taking into account the foregoing principles, it was determined that only eligible PCCs alive on March 8, 2019, as well as estates of eligible PCCs who died on or after March 8, 2019, would qualify to receive direct compensation under the PCC Compensation Plan.

(ii) Rationale for requirement that PCCs reside in one of the Provinces or Territories

93. Based upon the weight of the authorities discussed in this Section it was decided that, in order to qualify to receive direct compensation from the PCC Compensation Plan, individuals must

be resident in a Province or Territory of Canada on both the date of their diagnosis with a PCC Compensable Disease, as well as on the date that they submit their claim to the PCC Compensation Plan. The global settlement is not intended to provide consideration to settle the claims and potential claims of individuals resident outside of Canada.

94. A principal cause of action upon which the PCCs could base their claims against the Applicants is conspiracy. The theory of the case against the Tobacco Companies is that, in the early 1950s, strong evidence emerged in leading medical and scientific journals that cigarettes were responsible for a global epidemic of lung cancer. Such studies were widely publicized, causing a drop in cigarette sales in Canada. In 1953, the Tobacco Companies responded by forming a conspiracy to deny the scientific findings, suppress information about the dangers of smoking and create doubt and confusion in persons in Canada, notwithstanding that the tobacco companies had already recognized internally that cigarettes cause cancer. The foreign and domestic Tobacco Companies conspired and acted in concert with each other internationally, within Canada and within their Tobacco Company Groups to prevent persons in each Province and Territory from acquiring knowledge of the harmful and addictive properties of cigarettes, and committed Tobacco-related Wrongs.

95. There is a persuasive line of authorities arising from the Tobacco Companies' defence of the HCCR actions brought against them by the Provinces which establishes that conspiracy occurs in the jurisdiction where the harm is suffered regardless of where the wrongful conduct occurred. The harm suffered by an individual as a result of the Tobacco Companies' conspiracy is the diagnosis with a PCC Compensable Disease; therefore, the place of residence of an individual at the time of diagnosis is the jurisdiction which should govern for the purpose of determining whether that person qualifies to receive direct compensation from the PCC Compensation Plan.

96. In the actions commenced under the HCCR Legislation in British Columbia, Ontario and New Brunswick the foreign Tobacco Companies based in the United Kingdom and the United States challenged the jurisdiction of the Courts of those Provinces by bringing motions seeking to set aside the service *ex juris* of the Crowns' statements of claim and stay or dismiss the actions against them on the basis that the Courts do not have jurisdiction *simpliciter* over them.

97. In *British Columbia v. Imperial Tobacco Canada Ltd.*, the British Columbia Supreme Court ("BCSC") held that a conspiracy occurs in the jurisdiction in which the harm is suffered by the claimant:

116 The Government claims these defendants acted in concert and conspired with the foreign and domestic defendants who did manufacture the cigarettes sold in British Columbia. The two groups conspired to commit the wrongs alleged in the Statement of Claim.

117 A conspiracy occurs in British Columbia if the harm is suffered here and the court will take jurisdiction over foreign defendants who are alleged parties to the conspiracy. Further, once jurisdiction over a wrong, including conspiracy, is established, all defendants who are potentially liable to the plaintiff may properly be joined in the action [emphasis added].⁸⁹

98. The British Columbia Court of Appeal affirmed the BCSC's conclusions:

33 In its statement of claim, the Government alleges that as a result of these wrongs, British Columbians started to smoke cigarettes or continued to smoke cigarettes and suffered disease. All of those alleged wrongs occurred in British Columbia and resulted in harm in British Columbia. Jurisdiction over these *ex juris* defendants is derived directly from the analysis in *Moran v. Pyle National (Canada) Ltd.*, [1975] 1 S.C.R. 393, 43 D.L.R. (3d) 239. In that case, Dickson J., recognizing "the important interest a state has in injuries suffered by persons within its territory", held for a unanimous Court (at 409):

... where a foreign defendant carelessly manufactures a product in a foreign jurisdiction which enters into the formal channels of trade and he knows or ought to know both that as a result of his carelessness a consumer may well be injured and it is reasonably

⁸⁹ *British Columbia v. Imperial Tobacco Canada Ltd.*, 2005 BCSC 946, 44 B.C.L.R. (4th) 125 at paras. 116-117.

foreseeable that the product would be used or consumed where the plaintiff used or consumed it, then the forum in which the plaintiff suffered damage is entitled to exercise judicial jurisdiction over that foreign defendant.

34 In *Harrington v. Dow Corning Corp.* (2000), 82 B.C.L.R. (3d) 1, 2000 BCCA 605, this Court considered the issue of whether a British Columbia court could adjudicate a British Columbia class action in which some victims had received allegedly faulty breast implants outside British Columbia but had subsequently moved to this jurisdiction. In finding that the court could take jurisdiction, Huddart J.A. reviewed the history of the real and substantial connection test and then said, at para. 84:

In my view, this rule is sufficient to justify the inclusion in the resident class of all women resident in British Columbia who allege they are suffering harm from the use of silicone breast implants manufactured and put into the flow of commerce negligently by an appellant. Any manufacturer of breast implants would understand that any injury would follow the user in whom they were implanted into whatever jurisdiction the user might reside from time to time.

43 A conspiracy occurs in British Columbia if the harm is suffered here, regardless of where the “wrongful conduct” occurred ... [emphasis added].⁹⁰

99. The lower and appellate courts of both New Brunswick⁹¹ and Ontario⁹² dismissed the Tobacco Companies’ jurisdiction motions on the same basis. The Supreme Court of Canada denied the Tobacco Companies’ applications for leave to appeal in all three jurisdictions.

⁹⁰ *British Columbia v. Imperial Tobacco Canada Ltd.*, 2006 BCCA 398, 273 D.L.R. (4th) 711 at paras. 33-34 and 43; leave to appeal to Supreme Court of Canada refused, [2006] S.C.C.A. No. 443, [2006] S.C.C.A. No. 444, [2006] S.C.C.A. No. 446.

⁹¹ *New Brunswick v. Rothmans Inc.*, 2010 NBQB 381, 373 N.B.R. (2d) 157 at paras. 50-53; leave to appeal to the New Brunswick Court of Appeal was denied; leave to appeal the NBCA decision to the Supreme Court of Canada was denied: *British American Tobacco (Investments) Ltd. v. New Brunswick*, [2011] S.C.C.A. No. 218; *B.A.T. Industries P.L.C. v. New Brunswick*, [2011] S.C.C.A. No. 219; *Carreras Rothmans Ltd. v. New Brunswick*, [2011] S.C.C.A. No. 221; and *British American Tobacco P.L.C. v. New Brunswick*, [2011] S.C.C.A. No. 222.

⁹² *Ontario v. Rothmans Inc.*, 2012 ONSC 22 at paras. 107-109; affirmed 2013 ONCA 353, [2013] O.J. No. 2367 at para. 37; leave to appeal to Supreme Court of Canada refused, [2013] S.C.C.A. No. 327.

(iii) Rationale for PCC Claims Period extending from March 8, 2015 to March 8, 2019

100. Section I below provides a detailed explanation of the analysis of the relevant facts and law applicable to limitation periods in each Province and Territory that was conducted and the reasoning that was applied to reach the conclusion that the appropriate PCC Claims Period extends from March 8, 2015 to March 8, 2019, inclusive of those dates.

(iv) Rationale for Selection of PCC Compensable Diseases

101. Throughout the discussions and analysis to develop the PCC Eligibility Criteria, particular attention was paid to aligning the PCC Eligibility Criteria with the *Blais* class definition to the greatest extent possible with a view to achieving parity of treatment of claimants across all of the jurisdictions in Canada where fair, reasonable and appropriate. As discussed in Section M herein, the epidemiological evidence of Dr. Jha supported the selection of lung cancer, throat cancer and COPD as the Tobacco-related Diseases for which compensation will be paid in the PCC Compensation Plan. The certified class definition in the *Blais* Class Action provides compensation for Emphysema.

102. When the *Blais* Class Action was commenced in 1998, COPD was not commonly used in diagnoses. Emphysema was the term most used in warnings on cigarette packs, and in the United States Surgeon General's seminal reports⁹³ summarizing conditions that are causally related to tobacco use. Emphysema was also the term commonly used among the general public.

⁹³ U.S. Department of Health, Education, and Welfare, Public Health Service, *Smoking and Health: Report of the Advisory Committee to the Surgeon General of the Public Health Service*, Public Health Service Publication No. 1103, 1964 at 31; and U.S. Department of Health and Human Services, *Reducing Tobacco Use: A Report of the Surgeon General*. Atlanta, Georgia: U.S. Department of Health and Human Services, Centers for Disease Control and Prevention, National Center for Chronic Disease Prevention and Health Promotion, Office on Smoking and Health, 2000 at 167-170.

Emphysema stopped being routinely diagnosed in the 2000s, and COPD became the more commonly used diagnosis.

103. COPD is comprised of several respiratory illnesses and may be used to refer to less severe cases which can be linked to allergies or environmental pollutants. The Global Initiative for Chronic Obstructive Lung Disease (“**GOLD**”) developed a four grade classification system based upon severity of airflow limitation and other diagnostic parameters. The GOLD Grade III (severe) and GOLD Grade IV (very severe) classifications represent the two most severe categories of disease. The decision was made to exclude from the PCC Eligibility Criteria COPD GOLD Grades I and II, which include asthma and chronic bronchitis, conditions that are not as strongly correlated to smoking.

104. For the purpose of the administration of the PCC Compensation Plan and the Quebec Administration Plan, the diagnoses of Emphysema and COPD (GOLD Grade III or IV) are treated as sufficiently equivalent.

105. The PCC Compensation Plan provides that a PCC-Claimant’s diagnosis of Emphysema/COPD (GOLD Grade III or IV) between March 8, 2015 and March 8, 2019 (inclusive of those dates) may be proven by the submission to the Claims Administrator of a copy of a report of a spirometry test performed on the PCC-Claimant between March 8, 2015 and March 8, 2019, that first demonstrated a FEV1 (non-reversible) of less than 50% of the predicted value.

106. Similarly, the Quebec Administration Plan provides that a QCAP’s diagnosis of Emphysema/COPD (GOLD Grade III or IV) before March 12, 2012 may be proven by the submission to the Claims Administrator of a copy a report of a spirometry test performed before March 12, 2012, demonstrating a FEV1 (non-reversible) of less than 50% of the predicted value.

I. LIMITATIONS LAW ANALYSIS INFORMED DETERMINATION OF PCC CLAIMS PERIOD TO BE FROM MARCH 8, 2015 TO MARCH 8, 2019

(i) Purpose of Limitations Law Analysis

107. In the jurisdictions across Canada there exists a patchwork of non-uniform legislated limitations periods which would otherwise bar potential claims by individuals, estates and Surviving Family Members arising from the Tobacco-related Wrongs committed by the Tobacco Companies and their parent and affiliated companies up to March 8, 2019. Some of these limitation periods have been tolled by the commencement of actions under class proceedings legislation.

108. An analysis of the limitations law applicable in each Province and Territory (“**Limitations Law Analysis**”) was undertaken in order to identify the class of individuals in each jurisdiction who had claims or potential claims against the Tobacco Companies and the Tobacco Company Groups as of March 8, 2019 when JTIM was the first Tobacco Company to file for protection from its creditors under the CCAA. The relevant facts, legislation and caselaw applicable to limitation periods in each Province and Territory were analyzed to inform the determination of:

- (a) the appropriate length of the PCC Claims Period;
- (b) the estimated size of the class of potential PCCs in Canada;
- (c) the quantum required to compensate the individuals who fulfill the PCC Eligibility Criteria;
- (d) whether estates should qualify to receive direct compensation from the PCC Compensation Plan; and

- (e) whether Surviving Family Members should qualify to receive direct compensation from the PCC Compensation Plan.

109. The purpose of the Limitations Law Analysis was *not* to engage in any detailed consideration of the following issues which would require evidence regarding the circumstances of each potential PCC to be assessed on a case by case basis:

- (a) whether the claim of any particular individual is statute-barred;
- (b) how the Courts in each jurisdiction interpret and apply the principles governing the determination of when a cause of action has arisen or when a cause of action has been discovered in a particular case; and
- (c) whether, in certain jurisdictions, the Court might exercise its discretion to extend the limitation period in favour of a particular individual.

110. Set out in subsections (ii) to (vi) that follow are the relevant historical background, factors, principles and legislation that were taken into account in the Limitations Law Analysis.

(ii) Historical Background and Overview of Principles applied in Limitations Law Analysis

111. Individual actions claiming damages against tobacco manufacturers were brought in the United States starting in the 1960s. These actions were protracted and, ultimately, were unsuccessful in securing compensation for most individuals who attempted to claim.

112. In 1994, states began to bring actions in the United States against tobacco manufacturers seeking the recovery of Medicare and Medicaid costs. The culmination of these actions was the 1998 Master Settlement Agreement (“MSA”). A provision of the MSA required the tobacco

manufacturers to disclose and produce internal tobacco industry documents into the public domain. These documents made available in Canada a wealth of evidence regarding the Tobacco-related Wrongs committed by the Applicants and the Tobacco Company Groups. With access to the Tobacco Industry's documents, Canadian governments, individuals and lawyers became willing to take on claims against the Tobacco Companies and Tobacco Company Groups.

113. In the wake of the MSA, the government of British Columbia passed legislation which conferred on the government the right to bring an action for the recovery of health care costs.⁹⁴

114. Eventually the legislation, as revised into the form under which the current British Columbia HCCR action is brought,⁹⁵ was held to be constitutionally valid by the Supreme Court of Canada,⁹⁶ which also dismissed jurisdictional challenges by the Tobacco Companies that are based in the United States and United Kingdom. The British Columbia statute and congruent legislation in other jurisdictions conferred a right of action on the governments and provided a two-year limitation for bringing actions by the governments for the recovery of health care costs,⁹⁷ and by individuals for damages.⁹⁸

115. The certification motion in *Caputo*, a class action brought in Ontario prior to the enactment of its HCCR Legislation, was dismissed in 2004.⁹⁹ Subsequent class actions commenced in Ontario

⁹⁴ *Tobacco Damages and Health Care Costs Recovery Act*, SBC 2000, c. 30, s. 2(1).

⁹⁵ *Tobacco Damages and Health Care Costs Recovery Act*, SBC 2000, c. 30.

⁹⁶ *British Columbia v. Imperial Tobacco Canada Ltd.*, [2005] 2 S.C.R. 473 at para. 3.

⁹⁷ *Tobacco Damages and Health Care Costs Recovery Act*, SBC 2000, c. 30, s. 6(1)(a).

⁹⁸ *Tobacco Damages and Health Care Costs Recovery Act*, SBC 2000, c. 30, s. 6(1)(b).

⁹⁹ *Caputo v. Imperial Tobacco Ltd.*, [2004] O.J. No. 299 at paras. 29-33 and 43 (S.C.J.); on January 11, 2006, the Court granted an Order discontinuing *Caputo* on a "with prejudice" basis as against the representative plaintiffs only, [2006] O.J. No. 537.

and five other Provinces purportedly on behalf of individuals diagnosed with Tobacco-related Diseases have not been certified.¹⁰⁰

116. Generally, filing a class action tolls a limitation period¹⁰¹ provided that the limitation period has not already expired. Filing a class action cannot revive claims that are statute-barred, or confer rights of action that do not exist for individuals.

117. The Limitations Law Analysis was undertaken for the purpose of considering which claims by individuals could justifiably and practically be compensated under the PCC Compensation Plan in the global settlement.

118. The Limitations Law Analysis does not determine that claims for individuals who were diagnosed with a PCC Compensable Disease within the PCC Claims Period would be successful if litigated. It is arguable that such claims could be barred given public knowledge relating to the conduct of the tobacco industry and the health consequences of smoking (as stated in the QCAPs' judgment¹⁰²), other than those statutorily authorized and brought under HCCR Legislation.¹⁰³ The Limitations Law Analysis nonetheless provides a rational and practical basis on which to allow compensation for the PCCs diagnosed with a PCC Compensable Disease within the PCC Claims Period.

¹⁰⁰ Appendix "E": Uncertified Class Actions – No Judgments.

¹⁰¹ *Class Proceedings Act*, RSBC 1996, c. 50, s. 39(1); *Class Proceedings Act*, SA 2003, c. C-16.5, s. 40(2); *The Class Actions Act*, SS 2001, c. C-12.01, s. 43; *The Class Proceedings Act*, C.C.S.M. c. C130, s. 39; *Class Proceedings Act*, 1992, S.O. 1992, c.6, s. 28; *Class Proceedings Act*, SNS 2007, c.28, s. 42; *Class Actions Act*, SNL 2001, c. C-18.1, s. 39; and *Class Proceedings Act*, R.S.P.E.I. 1988, c. C-9.01, s. 46. The *Federal Courts Rules*, SOR/98-106, do not contain a provision under Part 5.1 that tolls limitation periods in class actions.

¹⁰² See Section F at paragraphs 73 to 79.

¹⁰³ *Tobacco Damages and Health Care Costs Recovery Act*, SBC 2000, c. 30, s. 6(1)(b).

119. The PCC Compensation Plan is a consensual resolution that provides compensation to eligible claimants who otherwise may be without legal or equitable entitlement to a remedy and, even in circumstances where a remedy may be legally viable, such claimants would have to litigate their claims for many years before potentially accessing any remedy. It is intended to provide uniformity among the various jurisdictions even if, on a strict interpretation, claims in some jurisdictions would be barred in the absence of the PCC Compensation Plan. The compromising parties, in the interests of achieving a global settlement, are extending benefits under the PCC Compensation Plan to some individuals beyond the extent of legal requirements or entitlements.

(iii) Suspension of running of Limitation Periods on Dates that Actions were commenced under Class Proceedings Legislation

120. The seven uncertified actions commenced against the Tobacco Companies under class proceedings legislation in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Nova Scotia are listed in **Appendix “E”**. The two additional dismissed actions commenced against the Tobacco Companies under class proceedings legislation in Ontario and Newfoundland are listed in **Appendix “F”**.

121. The Provincial class proceedings statutes contain provisions which operate to suspend in favour of a class member the running of any limitation period applicable to a cause of action asserted in a proceeding on the commencement of the class proceeding. The limitation period resumes running upon the occurrence of one of the events enumerated in the statute.¹⁰⁴

¹⁰⁴ *Class Proceedings Act*, RSBC 1996, c. 50, s. 39(1); *Class Proceedings Act*, SA 2003, c. C-16.5, s. 40(2); *The Class Actions Act*, SS 2001, c. C-12.01, s. 43; *The Class Proceedings Act*, C.C.S.M. c. C130, s. 39; *Class Proceedings Act*, 1992, S.O. 1992, c.6, s. 28; *Class Proceedings Act*, SNS 2007, c.28, s. 42; and *Class Actions Act*, SNL 2001, c. C-18.1, s. 39.

122. The Limitations Law Analysis took into account the statutory suspension of the running of the limitation periods commencing on the dates on which the actions were commenced under the class proceedings statutes in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Nova Scotia and Newfoundland.

(iv) Reopening of Limitations Periods for a Two-Year (Three-Year in Quebec) Window on Date of Enactment of Provincial HCCR Statutes

123. The Limitations Law Analysis considered the impact, if any, of the Provincial HCCR statutes which contain provisions¹⁰⁵ that operated to reopen the limitation period such that claims which were statute-barred could have been commenced against the Tobacco Companies within two years of the coming into force of the statutes in all Provinces, except Quebec which reopened the limitation period for three years.

124. For example, section 6(1) of Ontario's *Tobacco Damages and Health Care Costs Recovery Act, 2009* provides:

6(1) No action that is commenced within two years after the coming into force of this section by,

- (a) the Crown in right of Ontario;
- (b) a person, on his or her own behalf or on behalf of a class of persons; or
- (c) a person entitled to bring an action under section 61 (right of dependants to sue in tort) of the *Family Law Act*,

¹⁰⁵ *Tobacco Damages and Health Care Costs Recovery Act*, S.B.C. 2000, c. 30, s. 6; *Crown's Right of Recovery Act*, SA 2009, c C-35, ss. 46(2) and 46(3); *The Tobacco Damages and Health Care Costs Recovery Act*, SS, 2007, c. T-14.2, s. 7; *The Tobacco Damages and Health Care Costs Recovery Act*, CCSM c T70, s. 6; *Tobacco Damages and Health Care Costs Recovery Act, 2009*, S.O. 2009, c. 13, s. 6; *Tobacco-related Damages and Health Care Costs Recovery Act*, CQLR c R-2.2.0.0.1, s. 27; *Tobacco Damages and Health Care Costs Recovery Act*, SNB 2006, c. T-7.5, s. 6; *Tobacco Damages and Health-care Costs Recovery Act*, SNS 2005, c 46, s. 7; *Tobacco Damages and Health Care Costs Recovery Act*, RSPEI 1988, c T-3.002, s. 6; *Tobacco Health Care Costs Recovery Act*, SNL 2001, c. T-4.2, s.8.

for damages, or the cost of health care benefits, alleged to have been caused or contributed to by a tobacco related wrong, is barred under the *Limitations Act, 2002* or any other Act.

(2) Any action described in subsection (1) for damages alleged to have been caused or contributed to by a tobacco related wrong is revived, if the action was dismissed before the coming into force of this section merely because it was held by a court to be barred or extinguished by the *Limitations Act, 2002* or any other Act.¹⁰⁶

125. Quebec's *Tobacco-related Damages and Health Care Costs Recovery Act*, CQLR c R-2.2.0.0.1 provides that "An action, including a class action, to recover tobacco-related health care costs or damages for tobacco-related injury may not be dismissed on the ground that the right of recovery is prescribed, if it is in progress on 19 June 2009 or brought within three years following that date".¹⁰⁷

126. The Provincial HCCR Legislation did not have any impact on the determination of the time periods during which individuals' claims against the Tobacco Companies are *not* statute-barred (see **Table 3** below), because no actions were commenced in the Provinces during the reopened limitation periods.

127. Yukon has not enacted any HCCR Legislation; therefore, in the Yukon there was no period during which the limitation period was reopened and extended for two years.

128. The Northwest Territories and Nunavut enacted the Consolidation of the *Tobacco Damages and Health Care Costs Recovery Act*, S.Nu. 2010, c.31, but have not yet proclaimed the Act in force; therefore, in the Northwest Territories and Nunavut there was no period during which the limitation period was re-opened and extended for two years.

¹⁰⁶ *Tobacco Damages and Health Care Costs Recovery Act, 2009*, S.O. 2009, c. 13, s. 6.

¹⁰⁷ *Tobacco-related Damages and Health Care Costs Recovery Act*, CQLR c R-2.2.0.0.1, s. 27.

(v) **Summary of Conclusions from Limitations Law Analysis**

129. The table in **Appendix “G”** summarizes the detailed conclusions reached in the Limitations Law Analysis for each Province and Territory regarding the status of claims and potential claims by individuals against the Tobacco Companies and the Tobacco Company Groups.

130. Excluding individuals resident in Alberta for whom all claims are statute-barred, the claims of individuals resident in the other Provinces and the Territories who were diagnosed with a Tobacco-related Disease during the time periods specified in **Table 3** below may not be statute-barred:

Table 3

Jurisdiction	Time Periods during which Individuals' Claims against Tobacco Companies may not be Statute-barred
British Columbia	June 25, 2008 to March 8, 2019
Alberta	All claims are statute-barred
Saskatchewan	June 12, 2007 to March 8, 2019
Manitoba	June 12, 2007 to March 8, 2019
Ontario	June 27, 2010 to March 8, 2019
Quebec	March 8, 2016 to March 8, 2019
New Brunswick	March 8, 2017 to March 8, 2019
Nova Scotia	June 18, 2003 to March 8, 2019
Prince Edward Island	March 8, 2013 to March 8, 2019
Newfoundland and Labrador	March 8, 2017 to March 8, 2019
Yukon	March 8, 2013 to March 8, 2019

Jurisdiction	Time Periods during which Individuals' Claims against Tobacco Companies may not be Statute-barred
Northwest Territories	March 8, 2013 to March 8, 2019
Nunavut	March 8, 2013 to March 8, 2019

(vi) Rationale for selecting March 8, 2015 - March 8, 2019 to be PCC Claims Period

131. **Table 3** shows that across the thirteen Canadian jurisdictions there is a large disparity in the length of the time period (ranging from 0 years in Alberta to 16 years in Nova Scotia) during which individuals' claims against the Tobacco Companies may not be statute-barred.

132. In order to avoid inequity across Canada by determining eligibility to receive compensation from the PCC Compensation Plan using different claims periods in different jurisdictions, and to achieve parity among the PCCs residing in all the Provinces and Territories, a uniform four year PCC Claims Period running from March 8, 2015 to March 8, 2019 (inclusive of those dates) was chosen for the PCC Compensation Plan based upon the following reasoning.

133. In every Province and Territory other than Quebec there is a two year limitation period within which an individual is required to commence an action for damages in respect of personal injury.¹⁰⁸ Quebec has a three year limitation period for actions arising from bodily injury.¹⁰⁹

¹⁰⁸ *Limitation Act*, R.S.B.C. 1996, c. 266, s. 3(2)(a); *Limitation Act*, S.B.C. 2012, c. 13, s. 6; *Limitation of Actions Act*, RSA 1980, c L-15, ss. 51(b) and 52; *Limitations Act*, RSA 2000, c. L-12, s. 3; *The Limitation of Actions Act*, R.S.S. 1978, c. L-15, s. 3(1)(d)(i); *The Limitations Act*, S.S. 2004, c.L-16.1, ss. 5 and 31(5); *The Limitation of Actions Act*, C.C.S.M. c. L150, s. 2(1)(e); *Limitations Act, 2002*, S.O. 2002, c. 24, Schedule B, s. 4; *Limitation of Actions Act*, SNB 2009, c L-8.5, s. 5(1)(a); *Limitation of Actions Act*, S.N.S. 2014, c. 35, s. 8(1)(a); *Statute of Limitations*, R.S.P.E.I. 1988, c. S-7, s. 2(1)(d); *Limitations Act*, SNL 1995, c. L-16.1, s. 5(a); *Limitation of Actions Act*, RSY 2002, c.139, s. 2(1)(d); *Limitation of Actions Act*, R.S.N.W.T. 1988, c.L-8, s. 2(1)(e).

¹⁰⁹ *Civil Code of Quebec*, c. CCQ-1991, Articles 2925 and 2926.

134. The time periods in **Table 3** which extend beyond the two year (or three year for Quebec) period are a result of: (i) the suspension of the running of the limitation periods by operation of the class proceedings legislation in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Nova Scotia and Newfoundland; and (ii) a six year limitation period which applies in Prince Edward Island, Yukon, Northwest Territories and Nunavut for actions for fraudulent misrepresentation which is a tenable cause of action for individuals suffering from Tobacco-related Diseases to assert against the Tobacco Companies.

135. Table 3 also demonstrates that all claims by all individuals resident in Alberta are statute-barred. Claims elsewhere may also be statute-barred by virtue of actions not being commenced during the two-year period provided by the HCCR Legislation. In order to develop a plan which provides direct compensation to PCCs resident in every Canadian jurisdiction, it was necessary to have a uniform PCC Claims Period from March 8, 2015 to March 8, 2019 (inclusive of those dates), during which a PCC-Claimant must have been diagnosed with a PCC Compensable Disease. This approach achieves parity and uniform treatment across the jurisdictions and makes provision for compensation to be paid to persons resident in Alberta, as well as persons resident in other Provinces or the Territories whose claims might be barred, but who fulfill all of the PCC Eligibility Criteria.

J. ESTATE CLAIMS

(i) Considerations taken into Account in determining the Treatment of Claims by Estates and Claims by Surviving Family Members of PCCs

136. There is no universal entitlement across Canada for family members to claim damages resulting from the injury or death of another family member. In those jurisdictions which allow

such claims, they are derivative claims, meaning that they are derived from a right of action of the injured or deceased person. The family members do not have an independent cause of action. They have no claim without a valid cause of action by the injured or deceased person.

137. Furthermore, the limitation periods for estate claims commence at the date of death and expire two years (three years in Quebec; one year in Nova Scotia and Yukon) from the date of death. The claims of family members, to the extent that they may exist in certain jurisdictions, similarly expire.

138. Legal principles and practical considerations necessitated the limiting of estate claims to the estates of those individuals who were diagnosed with a PCC Compensable Disease during the PCC Claims Period, were alive on the date of the first CCAA filing (March 8, 2019), and resided in one of the Provinces or Territories at the time of their death, such that they qualified to receive direct compensation under the PCC Compensation Plan.

139. A fundamental principle of the PCC Compensation Plan is that PCCs across Canada will be subject to the same system for determining compensation. The estates of PCCs who would have had a valid claim were it not for such PCCs' deaths during the pendency of the CCAA proceedings and mediation will not be deprived of the compensation which otherwise would have been available to these PCCs under the PCC Compensation Plan. Accordingly, in these circumstances, these estates assume the rights of PCCs otherwise eligible for compensation who die during the CCAA stay of proceedings.

140. The PCC Compensation Plan achieves a balance among the interests of the PCCs and their families. Compensation will be made available on the same basis in every jurisdiction across the country. Appropriately, compensation will be paid to those persons who are diagnosed with PCC

Compensable Diseases within the PCC Claims Period. Compensation will be extended to the estates of those PCCs who have died during the CCAA stay of proceedings to allow for orderly compensation across Canada.

(ii) Scope of Potential Claims by Estates of PCCs

141. The Limitations Law Analysis identified the five jurisdictions (Manitoba, Ontario, Quebec, Northwest Territories and Nunavut) in which the estate of a deceased person may maintain an action to recover damages for pain and suffering and/or loss of expectation of life pursuant to the governing legislation as set out in **Table 4** below:

Table 4

Jurisdiction	Whether Non-pecuniary Damages are recoverable by Estate of a Deceased Person
British Columbia	Estates are statute-barred from recovering damages for pain and suffering and loss of expectation of life. ¹¹⁰
Alberta	Estates are statute-barred from recovering damages for loss of expectation of life, pain and suffering, physical disfigurement or loss of amenities, as well as punitive or exemplary damages. ¹¹¹
Saskatchewan	Estates are statute-barred from recovering damages for pain and suffering, loss of expectation of life and aggravated damages. ¹¹²
Manitoba	Estates are statute-barred from recovering damages for loss of expectation of life and exemplary damages; however, damages for pain and suffering may be recovered. ¹¹³

¹¹⁰ *Wills, Estates and Succession Act*, SBC 2009, c 13, ss. 150(2) and 150(4)(a).

¹¹¹ *Survival of Actions Act*, RSA 2000, c. S-27, ss. 2 and 5.

¹¹² *Survival of Actions Act*, SS 1990-91, c. S-66.1, ss. 3, 6(1) and 6(2).

¹¹³ *The Trustee Act*, C.C.S.M., c. T160, ss. 53(1) and 53(2).

Jurisdiction	Whether Non-pecuniary Damages are recoverable by Estate of a Deceased Person
Ontario	Estates are statute-barred from recovering damages for loss of expectation of life; however, damages for pain and suffering and punitive damages may be recovered. ¹¹⁴
Quebec	Estates may claim damages, including punitive damages. ¹¹⁵
New Brunswick	Estates are statute-barred from recovering damages for pain and suffering and loss of expectation of life. If the person in whom the cause of action is vested died on or after January 1, 1993, the estate may recover punitive or exemplary damages. ¹¹⁶
Nova Scotia	Estates are statute-barred from recovering damages for pain and suffering and loss of expectation of life as well as punitive damages. ¹¹⁷
Prince Edward Island	Estates are statute-barred from recovering damages for pain and suffering and loss of expectation of life as well as punitive damages. ¹¹⁸
Newfoundland and Labrador	Estates are statute-barred from recovering damages for pain and suffering and loss of expectation of life as well as punitive or exemplary damages. ¹¹⁹
Yukon	Estates are statute-barred from recovering damages for pain and suffering and loss of expectation of life as well as punitive damages. ¹²⁰
Northwest Territories	Estates may maintain actions for all torts or injuries to the person to recover damages for pain and suffering and loss of expectation of life. ¹²¹

¹¹⁴ *Trustee Act*, RSO 1990, c T.23, ss. 38(1) and 38(3).

¹¹⁵ *Civil Code of Quebec*, c. CCQ-1991, Articles 1610 and 2926.1.

¹¹⁶ *Survival of Actions Act*, RSNB 1973, c S-18, s. 6.

¹¹⁷ *Survival of Actions Act*, R.S.N.S. 1989, c. 453, s. 4.

¹¹⁸ *Survival of Actions Act*, RSPEI 1988, c S-11, s. 5.

¹¹⁹ *Survival of Actions Act*, RSNL 1990, c. S-32, s. 4.

¹²⁰ *Survival of Actions Act*, RSY 2002, c.212, s. 5.

¹²¹ *Trustee Act*, RSNWT (Nu) 1988, c T-8, ss. 31(1) and 31(3).

Jurisdiction	Whether Non-pecuniary Damages are recoverable by Estate of a Deceased Person
Nunavut	Estates may maintain actions for all torts or injuries to the person to recover damages for pain and suffering and loss of expectation of life. ¹²²

142. In the *Blais* Class Action, the heirs of persons who satisfied the *Blais* class definition but died after November 20, 1998 are entitled to be paid in accordance with the terms of the judgment.¹²³

(iii) Summary of Principles governing Estate Claims in PCC Compensation Plan

143. **Table 4** shows that the legislation governing estate claims creates a disparity across the thirteen Canadian jurisdictions in regard to whether the estates of PCCs will be entitled to recover any compensation from the PCC Compensation Plan.

144. In order to achieve parity among the PCCs in all Provinces and Territories, the following principles were chosen to govern estate claims in the PCC Compensation Plan:

- (a) Claims by estates of individuals who died prior to March 8, 2019 are excluded from the PCC Compensation Plan;
- (b) The estate of an individual who was alive on March 8, 2019 and fulfilled the rest of the PCC Eligibility Criteria, but died after March 8, 2019, will qualify to receive direct compensation from the PCC Compensation Plan;

¹²² *Trustee Act*, RSNWT (Nu) 1988, c T-8, ss. 31(1) and 31(3).

¹²³ *Létourneau v. JTI-Macdonald Corp.*, 2015 QCCS 2382 at paras. 1045-1050 and 1208; *Imperial Tobacco Canada ltée c. Conseil québécois sur le tabac et la santé et al.*, 2019 QCCA 358 at paras. 1282.

- (c) The estate of an individual who died on March 8, 2019 and fulfilled the rest of the PCC Eligibility Criteria will qualify to receive direct compensation under the PCC Compensation Plan; and
- (d) In order to expand the number of Canadians who will qualify to receive direct compensation from the PCC Compensation Plan, the entitlement of the estate of a PCC who was alive on March 8, 2019 and fulfilled the rest of the PCC Eligibility Criteria, but died after March 8, 2019, will be extended to apply to PCCs who resided in British Columbia, Alberta, Saskatchewan, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador and Yukon, despite the legislation in those jurisdictions which bars estates from recovering damages (see Table 4).

K. SURVIVING FAMILY MEMBERS' CLAIMS

(i) Scope of Potential Claims by Surviving Family Members of PCCs

145. The Limitations Law Analysis identified the individuals who may be eligible to recover damages for loss of guidance, care and companionship pursuant to the applicable legislation in each jurisdiction which governs Surviving Family Members' claims for damages as set out in **Table 5¹²⁴** below:

¹²⁴ The summary information set out in Table 5 is intended only to provide an overview and is not intended to be a fulsome statement of the law governing Surviving Family Members' claims in each jurisdiction.

Table 5

Jurisdiction	Damages recoverable	Surviving Family Members who may claim Damages
British Columbia	Damages for loss of love, guidance and affection ¹²⁵	Spouse, parents and children of deceased individual
Alberta	Claims for damages for grief and loss of the guidance, care and companionship are statute-barred ¹²⁶	Spouse, adult interdependent partner, parent, child, brother or sister of deceased individual
Saskatchewan	Damages for grief and loss of the guidance, care and companionship ¹²⁷	Spouse, parents and children of deceased individual
Manitoba	Damages for loss of the guidance, care and companionship ¹²⁸	Children and family members of deceased individual
Ontario	Damages for loss of guidance, care and companionship ¹²⁹	Spouse, children, grandchildren, parents, grandparents, brothers and sisters of deceased individual
Quebec	Financial, moral and punitive damages ¹³⁰	Family members of deceased individual
New Brunswick	Damages for loss of companionship and grief suffered as a result of the death ¹³¹	“Parent” which means a father, mother, grandfather, grandmother, stepfather, stepmother, adoptive parent and a person who stood in the role of parent to the deceased.

¹²⁵ *Family Compensation Act*, RSBC 1996, c. 126, ss. 2 and 3(1).

¹²⁶ *Fatal Accidents Act*, RSA 2000, c. F-8, ss. 2, 3(1) and 8.

¹²⁷ *Fatal Accidents Act*, RSS 1978, c. F-11, s. 4.1(2).

¹²⁸ *The Fatal Accidents Act*, CCSM, c. F50, s. 3.1(2).

¹²⁹ *Family Law Act*, RSO 1990, c. F.3, ss. 61(1) and 61(2).

¹³⁰ *Civil Code of Quebec*, c. CCQ-1991, Article 1457.

¹³¹ *Fatal Accidents Act*, RSNB 2012, c.104, s. 10(1).

Jurisdiction	Damages recoverable	Surviving Family Members who may claim Damages
Nova Scotia	Damages for loss of guidance, care and companionship ¹³²	Spouse, common-law partner, parent or child of deceased individual
Prince Edward Island	Damages for loss of the guidance, care and companionship ¹³³	“Dependants” which means the surviving spouse, child, grandchild and parent of deceased; the spouse of the child, grandchild or parent of deceased; a person divorced from deceased who was dependent upon the deceased for maintenance or support at the time of the deceased’s death; and any other person who for a period of at least three years immediately prior to death of the deceased was dependent upon deceased for maintenance
Newfoundland and Labrador	Damages for loss of care, guidance and companionship ¹³⁴	Spouse, partner, parent and child of deceased individual
Yukon	Damages for grief and the loss of guidance, care and companionship ¹³⁵	Spouse, parent or child of deceased individual
Northwest Territories	Damages for loss of care, guidance and affection ¹³⁶	Spouse, parent or child of deceased individual
Nunavut	Damages for loss of care, guidance and affection ¹³⁷	Spouse, parent or child of deceased individual

¹³² *Fatal Injuries Act*, RSNS, c. 163, s. 5(2)(d).

¹³³ *Fatal Accidents Act*, RSPEI 1988, c. F-5, s. 6(3)(c).

¹³⁴ *Fatal Accidents Act*, RSNL 1990, c F-6, ss. 4 and 6(2).

¹³⁵ *Fatal Accidents Act*, RSY 2002, c 86, ss. 3 and 3.01(2).

¹³⁶ *Fatal Accidents Act*, RSNWT (Nu) 1988, c F-3, ss. 3(1)(a) and 3(2).

¹³⁷ *Fatal Accidents Act*, RSNWT (Nu) 1988, c F-3, ss. 3(1)(a) and 3(2).

146. In the *Blais* Class Action, the Surviving Family Members (as distinct from the heirs) of persons who satisfied the *Blais* class definition are not entitled to receive any damages under the judgment.

(ii) Rationale for Exclusion of Claims by Surviving Family Members from PCC Compensation Plan

147. **Table 5** shows that the legislation governing claims by Surviving Family Members creates a disparity across the thirteen Canadian jurisdictions in regard to the scope of the family members who may be entitled to claim damages for loss of guidance, care and companionship in respect of individuals diagnosed with a PCC Compensable Disease who fulfilled all of the PCC Eligibility Criteria.

148. Furthermore, as explained in Section M and **Appendix “H”** below, Dr. Jha estimated that 198,884 persons were diagnosed with PCC Compensable Diseases during the four year PCC Claims Period. Since most jurisdictions permit, at a minimum, the spouse, parents and children of a deceased individual to claim damages for loss of guidance, care and companionship, the number of potential claims by Surviving Family Members could easily exceed 1,000,000. It would be impractical to attempt to administer a plan that includes compensation for such a high number of Surviving Family Members, particularly since conventional awards for loss of guidance, care and companionship are widely variable across Canada.

149. Therefore, in order to achieve parity among the PCCs in all Provinces and Territories, it was determined that all claims by Surviving Family Members would be excluded from the PCC Compensation Plan.

150. The Cy-près Fund will provide consideration for the full and final settlement and release of the claims of the Surviving Family Members of:

- (a) individuals who fulfill the PCC Eligibility Criteria;
- (b) individuals who, before the PCC Claims Period, were diagnosed with any Tobacco-related Disease, including one of the PCC Compensable Diseases;
- (c) individuals who were diagnosed with a Tobacco-related Disease other than one of the PCC Compensable Diseases during the PCC Claims Period; and
- (d) individuals who will be diagnosed with any Tobacco-related Disease, including one of the PCC Compensable Diseases, after March 8, 2019.

L. FUTURE CLAIMS

151. The extent to which future claims will be released in the global settlement is inextricably tied to the scope of the release to be provided to the Applicants in the global settlement.

152. A foundational principle underlying the PCC Compensation Plan is that the Tobacco-related Wrongs committed by the Tobacco Companies and Tobacco Company Groups which gave rise to the claims and potential claims of individuals in Canada were known as at March 8, 2019.

153. Future claims relating to Tobacco-related Wrongs committed by the Tobacco Companies and Tobacco Company Groups up to March 8, 2019 will be fully and finally released in the global settlement. Thus, for example, the claim of an individual who is diagnosed with lung cancer, throat cancer or Emphysema/COPD (GOLD Grade III or IV) *after* March 8, 2019, will be released in the

global settlement. Such individual will not receive any direct compensation from the PCC Compensation Plan, but will receive benefits through the Cy-près Fund.

154. On the other hand, the claim of an individual who is injured or suffers losses arising from conduct of the Tobacco Companies and/or Tobacco Company Groups that occurs *after* March 8, 2019 and is *not* a Tobacco-related Wrong will *not* be fully and finally released in the global settlement. For example, if an individual has a wrongful dismissal claim against a Tobacco Company that arises from a termination of employment that occurred after March 8, 2019, that individual's claim will *not* be released in the global settlement, and the individual will be free to pursue the wrongful dismissal claim.

M. EPIDEMIOLOGICAL EVIDENCE OF DR. PRABHAT JHA USED TO SELECT PCC COMPENSABLE DISEASES

155. Dr. Prabhat Jha completed his M.D. at the University of Manitoba and a Ph.D. in epidemiology at the University of Oxford. He is an Endowed Professor of Global Health and Epidemiology at the Dalla Lana School of Public Health at the University of Toronto and Founding Executive Director of the Center for Global Health Research at St. Michael's Hospital in Toronto. He has done extensive work on tobacco epidemiology. He has assessed causes of death by focusing on key risk factors including tobacco, alcohol and other exposures, and has published extensively on these topics. His positions have included Senior Health Specialist at the World Bank in Washington, DC, and Senior Scientist at the World Health Organization (WHO) in Geneva, Switzerland. Two of his publications were the basis for the Framework Convention on Tobacco Control, which is a worldwide treaty signed by 180 countries. He has conducted epidemiological studies on tobacco in Canada, the United States, United Kingdom, Poland, India,

South Africa, Mexico, South Korea, Bangladesh, and throughout various countries in the European Union. Dr. Jha's curriculum vitae is attached as Appendix "G" to the CCAA Plan.

156. Dr. Prabhat Jha was engaged to prepare a report dated March 24, 2021 entitled "Analyses to quantify tobacco-related conditions that could be compensable and quantification of these conditions for each province and over time from 2003-2019" (attached as Appendix "F" to the CCAA Plan) that:

- (a) provides epidemiological evidence to define which common diseases are caused by typical lifelong smoking of manufactured cigarettes (starting early in life and not quitting until disease develops) to a high degree of certainty such that an individual adjudication is not required to determine each claimant's entitlement to compensation; and
- (b) quantifies the numbers of Canadians in each Province and Territory who were alive on March 8, 2019 and were affected by certain specified Tobacco-related Diseases, including the PCC Compensable Diseases, during the claims period identified for each jurisdiction through the Limitations Law Analysis (see **Table 3**, **Table 7** and Section N at paragraphs 166 to 181 below).

(i) **Dr. Jha's Methodology to define Tobacco-related Diseases that are potentially compensable**

157. Dr. Jha used the standard Cox proportional hazards regression model ("**Cox Model**") to analyze data from the Canadian Community Health Survey ("**CCHS**") which periodically surveys

tens of thousands of Canadians randomly from the whole of Canada and then follows them over time to determine who dies from specific diseases.¹³⁸

158. The Cox Model is an established statistical technique used to simultaneously evaluate the association between several risk factors or exposures (e.g. smoking, age, sex, education, alcohol use and body mass index) and survival time. It is used to investigate differences in survival between groups of individuals by examining how specified factors influence the rate of a particular event happening at a particular point in time. The measure of the effect of the risk factors is the hazard rate which is the risk or probability of suffering the event of interest (e.g. death from lung cancer) given that the individual has survived up to a specific time. The hazard rate represents the expected number of events per one unit of time.¹³⁹

159. In investigations where there are several known factors which could potentially affect the outcome, adjustments must be made to take into account the impact of the other variables on the factor of interest. Dr. Jha presented two models which made adjustments for variables which tend to be different between smokers and never smokers, such as the fact that smokers tend to drink alcohol more commonly than non-smokers. In Model 1, he adjusted only for sex, age and education (smoking is higher in people of lower socioeconomic status, so education is used as the indicator of socioeconomic status). In Model 2, he also adjusted for body mass index (weight divided by the square of height) and alcohol use which are two major “confounding” risk factors that could alter the relationship of smoking with disease.¹⁴⁰

¹³⁸ Report of Dr. Jha dated March 24, 2021 at pp. 2 and 13.

¹³⁹ Report of Dr. Jha dated March 24, 2021 at p. 13.

¹⁴⁰ Report of Dr. Jha dated March 24, 2021 at p. 13.

160. The associations between risk factors and survival time in the Cox Model are expressed by Hazard Ratios (“**HR**”) which provide a measure of the causal links of smoking to a particular disease. The HR for a risk factor (e.g. smoking) represents the increase or decrease in the hazard (in this case, death) in one group (smokers) as compared to the other group (never smokers).¹⁴¹

161. A HR of 1 means that the hazard rates in the two groups are equal, that is, there are no differences between smokers and otherwise similar never smokers. A HR other than 1 indicates that there is a difference in the hazard rates between the two groups. The higher the HR, the stronger the causal association of the disease with, in this case, smoking.

162. The objective is to develop a PCC Compensation Plan in which compensation will be provided to claimants suffering from diseases which are caused by smoking to a high degree of certainty such that an individual adjudication is not required to determine each claimant’s entitlement to compensation. To achieve this goal, Dr. Jha opined that a HR of 4, representing a 75% cut-off for causality, is defensible and will identify those diseases for which it is more certain that the cause is smoking. The 75% cut-off is also defensible as it suggests that smoking was a sufficiently important cause of disease that nearly all of the deaths that occurred did so due to smoking.¹⁴² Dr. Jha explained his selection of a HR of 4 in the following terms:

Next consider the HR values, which comments on the strength of association. Here, I apply the arbitrary criteria of a HR (or RR) of 4. Why 4? This HR implies that 75% of the deaths that occurred among smokers would not have occurred among otherwise similar non-smokers. Thus, a HR of 4 implies an excess risk of 3, i.e. 4-1, with 1 being the risk in never smokers. Then the excess risk divided by the total risk (i.e. 3/ 4) gives us 75%, which is well beyond the legal balance of probability standard. Moreover, this high relative risk means that the disease was

¹⁴¹ Report of Dr. Jha dated March 24, 2021 at p. 13.

¹⁴² Report of Dr. Jha dated March 24, 2021 at p. 14.

very likely caused by smoking, and thus has the benefit of not requiring the potential claimant to establish that they did in fact smoke.¹⁴³

(ii) Tobacco-related Diseases with a HR of 4 that are potentially compensable

163. Dr. Jha’s analysis identified the following seven diseases as having a HR of 4 or higher and, therefore, being strongly causally related to smoking (“**Potentially Compensable Diseases**”):¹⁴⁴

Table 6

Diseases	Hazard Ratio (Dr. Jha’s Model 2 adjusting for age, sex, education, alcohol and body mass index)
COPD	40.19
Lung cancer	29.13
Cancer of the larynx, oropharynx or hypopharynx	11.84
Oral cancer	5.85
Bladder cancer	7.31
Esophageal cancer	5.25
Kidney cancer	3.81

(iii) Tobacco-related Diseases selected to be PCC Compensable Diseases

164. Of the Potentially Compensable Diseases, COPD, lung cancer and throat cancer were selected to be the PCC Compensable Diseases for the PCC Compensation Plan based on Dr. Jha’s opinion that “For the more extreme HRs, such as Chronic Obstructive Pulmonary Disease or

¹⁴³ Report of Dr. Jha dated March 24, 2021 at p. 4.

¹⁴⁴ Report of Dr. Jha dated March 24, 2021 at p. 3, Table 1.

COPD (109 deaths, HR > 40), lung cancer (497 deaths with a HR > 29), cancer of the larynx, oropharynx or hypopharynx (20 deaths, HR > 12), there is little doubt that smoking is a cause of the disease [emphasis added]”.¹⁴⁵ In regard to the other diseases with a HR above 4 (oral cancer, bladder cancer, esophageal cancer and kidney cancer), they are less strongly causally related to smoking such that they have been excluded from the PCC Compensable Diseases.

165. There are significant differences between the HRs for the PCC Compensable Diseases as compared to the other diseases listed in Table 6 such that medical evidence on an individual personal basis would be required to establish a causal relationship to smoking, whereas presumptive causation can be inferred for the PCC Compensable Diseases. Furthermore, the selection of COPD, lung cancer and throat cancer as the PCC Compensable Diseases achieves parity for the PCCs in all of the Provinces and Territories with the *Blais* class members.

N. COSTING OF PCC COMPENSATION PLAN

(i) Overview

166. Once a consensus was reached regarding the selection of the PCC Compensable Diseases based upon Dr. Jha’s analysis, the next step was to determine the quantum required to fund the PCC Compensation Plan. This costing process included:

- (a) Dr. Jha’s epidemiological estimation of the potential number of eligible PCCs in each Province and Territory;

¹⁴⁵ Report of Dr. Jha dated March 24, 2021 at p. 4.

- (b) the determination of the appropriate compensation to pay eligible PCCs for each PCC Compensable Disease, which entailed an analysis of the appropriate discount to apply to the quantum of damages payable to the *Blais* class members; and
- (c) the estimation of the appropriate take-up rate to apply in the calculation.

167. Dr. Jha quantified the estimated numbers of Canadians in each Province and Territory who were alive as of March 8, 2019, and were diagnosed with one of the Potentially Compensable Diseases in the eligible years during the time periods set out in Table 7 below:

Table 7

Jurisdiction	Time Periods for which Dr. Jha estimated Numbers of Canadians diagnosed with Potentially Compensable Diseases who were alive on March 8, 2019
British Columbia	June 25, 2008 to March 8, 2019
Alberta	March 8, 2015 to March 8, 2019
Saskatchewan	June 12, 2007 to March 8, 2019
Manitoba	June 12, 2007 to March 8, 2019
Ontario	June 27, 2010 to March 8, 2019
Quebec	March 8, 2015 to March 8, 2019
New Brunswick	March 8, 2015 to March 8, 2019
Nova Scotia	June 18, 2003 to March 8, 2019
Prince Edward Island	March 8, 2013 to March 8, 2019
Newfoundland and Labrador	March 8, 2015 to March 8, 2019
Yukon	March 8, 2013 to March 8, 2019

Jurisdiction	Time Periods for which Dr. Jha estimated Numbers of Canadians diagnosed with Potentially Compensable Diseases who were alive on March 8, 2019
Northwest Territories	March 8, 2013 to March 8, 2019
Nunavut	March 8, 2013 to March 8, 2019

168. As compared to the time periods in **Table 3**,¹⁴⁶ Dr. Jha was instructed to use four year periods running from March 8, 2015 to March 8, 2019 for Alberta, Quebec, New Brunswick and Newfoundland and Labrador. This instruction was given to ensure that the estimated numbers of Canadians diagnosed with Potentially Compensable Diseases who were alive on March 8, 2019, would be provided for the four year PCC Claims Period in all thirteen jurisdictions and available for calculations in the costing analysis.

(ii) Dr. Jha's Methodology to estimate Numbers of Cancer Cases

169. Dr. Jha used data on new cases of cancer that Statistics Canada compiled from provincial cancer registries for each year. Since Quebec ceased reporting cancer registry data as of 2010, for Quebec Dr. Jha used values reported independently by the Canadian Cancer Society. Each cancer registry provides the numbers of newly diagnosed site-specific cancers by sex. Dr. Jha combined males and females in his analyses and grouped the cancers based on their International Classification of Disease (ICD-10) coding.¹⁴⁷

170. The latest available data is for 2017. Dr Jha created forward projections for the number of new cancers diagnosed in 2018 by applying to each province the average annual growth in Ontario

¹⁴⁶ Table 3 sets out the time periods during which individuals' claims against the Tobacco Companies may not be statute-barred. For Alberta, Quebec, New Brunswick and Newfoundland and Labrador those time periods are shown in Table 3 to be less than four years.

¹⁴⁷ Dr. Jha's report dated March 24, 2021 at p. 7.

for each specific cancer from 2003-2005 to 2015-2017 to the average number of that specific cancer in 2015-2017. Dr. Jha chose Ontario for this purpose because it has the largest number of cases and, therefore, is more stable statistically.¹⁴⁸

171. In order to estimate the survival for each cancer from the diagnosis year to January 1, 2019 (used as a proxy for survival to March 8, 2019), Dr. Jha applied to each cancer the survival data from the United States Surveillance, Epidemiology, and End Results (“SEER”) Program, which provides detailed information on cancer statistics among the U.S. population. He used SEER data as it has larger sample sizes than comparable Canadian survival data and provides more prolonged survival estimates (which is particularly relevant for Nova Scotia, where survival up to sixteen years from 2003 was required) for his analysis.¹⁴⁹

172. Dr. Jha calculated the proportion of persons diagnosed with each cancer surviving to January 1, 2019 by multiplying the number of cancers diagnosed in each year by the relevant duration of survival. For example, in Ontario 3,630 bladder cancers were diagnosed in 2010, and the SEER survival for nine years for bladder cancer was 74.4%, meaning that 2701 people diagnosed with that cancer in 2010 would be alive by January 1, 2019.¹⁵⁰

173. Dr. Jha summed the estimates for each cancer for each Province and Territory in each eligible year and presented the results in spreadsheets. He made the following three adjustments to the totals:¹⁵¹

¹⁴⁸ Dr. Jha’s report dated March 24, 2021 at p. 7.

¹⁴⁹ Dr. Jha’s report dated March 24, 2021 at p. 8.

¹⁵⁰ Dr. Jha’s report dated March 24, 2021 at p. 8.

¹⁵¹ Dr. Jha’s report dated March 24, 2021 at p. 8.

- (a) Dr. Jha multiplied the totals by 120% to account for the better survival in Canada versus the United States among cancer patients due to the more universal system of health care in Canada and other factors;
- (b) Statistics Canada has estimated that all cancer registries miss the reporting of about 10% of cancers; therefore, Dr. Jha applied a 110% adjustment to take into account missed cancers; and
- (c) For the relevant jurisdictions, Dr. Jha adjusted the total based on actual years of follow-up versus the proxy years used in his calculations.

(iii) Dr Jha’s Methodology to estimate Numbers of COPD Cases

174. COPD cases are not registered in Canada. To estimate the numbers of COPD cases in each time period for each Province and Territory, Dr. Jha used data from the Canadian Chronic Disease Surveillance System (“CCDSS”), which is a collaborative network of Provincial and Territorial surveillance systems supported by the Public Health Agency of Canada.¹⁵²

175. The CCDSS provides data for COPD for single years from 2003 to 2016, except for Saskatchewan for which data is only available to 2015. In order to estimate the incidence of COPD for all Provinces and Territories in 2017 and 2018, and for Saskatchewan in 2016, Dr. Jha examined the national trends in age-standardized COPD incidence rate per 100,000 for both sexes, aged 35 years and older from 2000-2016. To these trends, he fitted a log-linear model to allow forward projections to 2017 and 2018.¹⁵³

¹⁵² Dr. Jha’s report dated March 24, 2021 at p. 8.

¹⁵³ Dr. Jha’s report dated March 24, 2021 at p. 9.

176. COPD patients have an overall mortality rate that is about three times higher than non-COPD patients at all ages. Dr. Jha calculated the proportion of persons diagnosed with COPD surviving to January 1, 2019 by using the national mortality rates among COPD patients from the CCDSS and the number of years from diagnosis which he fitted to a log-linear model with good performance.¹⁵⁴

177. Dr. Jha did not adjust the number of persons diagnosed with COPD as he did by applying a 110% adjustment to take into account missed cancers that were not entered into the cancer registries. He assumed that the universal billing systems in each jurisdiction would result in only a few missing diagnosed cases.¹⁵⁵

178. As the COPD GOLD Grade III (severe) and GOLD Grade IV (very severe) classifications represent the two most severe categories of disease, only individuals diagnosed with COPD classified as GOLD Grade III or IV will qualify to receive direct compensation from the PCC Compensation Plan.

179. Dr. Jha did not provide estimates of the number of COPD cases in each Province and Territory based on severity of COPD. He reported, however, that “Stats Canada surveys suggest that about 1% prevalence (but with wide variation) of severe moderate COPD (akin to “Gold” stages III and IV) out of an overall prevalence of about 4% among Canadians”.¹⁵⁶ Therefore, about 25% (1 in 4) of the COPD cases estimated by Dr. Jha in each time period for each Province and Territory would be classified as GOLD Grade III or IV.

¹⁵⁴ Dr. Jha’s report dated March 24, 2021 at p. 9.

¹⁵⁵ Dr. Jha’s report dated March 24, 2021 at p. 9.

¹⁵⁶ Dr. Jha’s report dated March 24, 2021 at p. 9.

(iv) Dr. Jha's Estimates of Numbers of Individuals diagnosed with PCC Compensable Diseases during PCC Claims Period

180. Attached to Dr. Jha's report are spreadsheets which present his estimates of:

- (a) the numbers of persons diagnosed with each cancer that he identified to be a Potentially Compensable Disease (i.e. cancer of the lung, throat, mouth, esophagus, bladder and kidney) in each Province and Territory during the time periods set out in Table 7 in paragraph 167 herein; and
- (b) the numbers of COPD cases diagnosed during the time periods set out in Table 7 in paragraph 167 herein.

181. In costing the PCC Compensation Plan, the following two additional adjustments were made to Dr. Jha's estimates based upon judicial findings made by the QSC and QCCA in the *Blais* Class Action:

- (a) a 12% discount was made to take into account the fact that a subset of PCCs immigrated to Canada and had smoked cigarettes outside of Canada that were not manufactured by the Applicants; and
- (b) a 20% discount was made to take into account the contributory negligence on the part of the PCCs who started to smoke the Applicants' cigarettes *as of* January 1, 1976.

(v) 12% Immigration Discount based on Judgments in *Blais* Class Action

182. The criteria to qualify to receive direct compensation from the PCC Compensation Plan include the requirements that an individual: must have smoked cigarettes manufactured by the Applicants; must reside in one of the Provinces or Territories or, at the time of death, must have

resided in one of the Provinces or Territories; and on the date of the diagnosis with a PCC Compensable Disease must have resided in a Province or Territory.

183. It is possible that a subset of the PCCs diagnosed with one of the PCC Compensable Diseases may have resided outside of Canada and smoked cigarettes not manufactured by the Applicants before immigrating to Canada where they smoked cigarettes made by the Applicants and received their diagnosis while residing in one of the Provinces or Territories. Individuals who did not smoke the Applicants' cigarettes at all, or who did not smoke the full Critical Tobacco Dose of twelve pack years of the Applicants' cigarettes, do not have a cause of action against the Applicants in regard to any Tobacco-related Diseases from which they suffer and, therefore, are not eligible to receive direct compensation from the PCC Compensation Plan.

184. In the *Blais* Class Action judgment, the QSC applied a 12% discount to the total numbers of QCAPs to account for this immigration factor (“**Immigration Discount**”).¹⁵⁷

185. The QCCA affirmed the application of the 12% Immigration Discount and used it in Schedule II to the judgment setting out the QCCA's calculations of the interest and additional indemnity owing to the QCAPs in respect of the lung cancer, throat cancer and Emphysema subclasses.¹⁵⁸

186. Set out in the **Appendix “H”** table are the estimates of the numbers of persons diagnosed with the PCC Compensable Diseases during the four year PCC Claims Period that were prepared using data from Dr. Jha's spreadsheets and applying the 12% Immigration Discount.

¹⁵⁷ *Létourneau v. JTI-Macdonald Corp.*, 2015 QCCS 2382 at para. 986.

¹⁵⁸ *Imperial Tobacco Canada ltée c. Conseil québécois sur le tabac et la santé et al.*, 2019 QCCA 358 at Schedule II.

(vi) 20% Discount for Contributory Negligence

187. As explained in Section F at paragraphs 73 to 79 above, PCCs who started smoking the Applicants' cigarettes as of January 1, 1976 will be designated as being 20% contributorily negligent and entitled to receive 80% of the compensation available under the PCC Compensation Plan. PCCs who started to smoke the Applicants' cigarettes *before* January 1, 1976 will be entitled to receive 100% of the compensation available under the PCC Compensation Plan.

(vii) Calculation of \$2.52 Billion Total Compensation for PCC Compensation Plan using Four Year PCC Claims Period, 60% of QCAPs' Damages and 50% Take-up Rate

188. The quantum required to fund the PCC Compensation Plan was calculated using the following parameters:

- (a) The calculations used Dr. Jha's estimates of the number of persons diagnosed with each PCC Compensable Disease during the four year PCC Claims Period (March 8, 2015 – March 8, 2019) who were alive on March 8, 2019 (see **Appendix "H"**);
- (b) As discussed in Section O at paragraphs 190 to 217 below, it was determined that each qualified PCC who was not contributorily negligent would be eligible to receive a direct payment from the PCC Compensation Fund which was 60% of the quantum of damages awarded to the QCAPs diagnosed with the same tobacco-attributable disease. Each qualified PCC who was 20% contributorily negligent would be eligible to receive a direct payment from the PCC Compensation Fund which was 80% of the quantum payable to each qualified PCC who was not contributorily negligent (see **Appendix "I"**); and

- (c) As discussed in Section P at paragraphs 218 to 227 below, it was determined that an estimated take-up rate of 50% is fair and reasonable to apply in the costing of the PCC Compensation Plan.

189. Applying these parameters, it was calculated that **\$2,520,544,055** is required to fund the PCC Compensation Plan (see **Appendix “J”**).

O. FACTORS CONSIDERED IN DETERMINATION THAT 40% DISCOUNT SHOULD BE APPLIED TO QUANTUM OF QCAP COMPENSATION

(i) Overview

190. In reliance upon the compelling findings of the QSC, upheld by the QCA, in regard to the appropriate quantum of damages to award for each of the QCAP Compensable Diseases, the same quanta were used as the starting point for the calculations to determine the fair compensation to pay to the PCCs for each PCC Compensable Disease as follows: \$100,000 for lung cancer; \$100,000 for throat cancer; and \$30,000 for Emphysema/COPD (GOLD Grade III or IV).¹⁵⁹

191. The factors discussed in subsections (ii) to (viii) below were duly considered and taken into account to reach the consensus that each qualified PCC who was not contributorily negligent would be eligible to receive a direct payment from the PCC Compensation Fund which was 60% of the quantum of damages awarded to the QCAPs diagnosed with the same tobacco-attributable disease as follows: \$60,000 for lung cancer; \$60,000 for throat cancer; and \$18,000 for Emphysema/COPD (GOLD Grade III or IV).¹⁶⁰ In accordance with the QSC and QCA judgments, these amounts will be discounted by 20% for PCCs who started to smoke the Applicants’ cigarettes

¹⁵⁹ See Table 1.

¹⁶⁰ See Appendix “I”: Quantum of Compensation for which Qualified PCCs are eligible under PCC Compensation Plan

as of January 1, 1976 such that they were 20% contributorily negligent. **Table 8** below sets out the maximum Individual Payments that, subject to proration as discussed in paragraph 272 herein, may be payable to qualified PCCs:

Table 8

PCC Compensation Plan		
Column 1 PCC Compensable Disease	Individual Payment (or such lesser amount as may be determined by the PCC Claims Administrator to be available for the subclass of claimants; quantum will vary based upon the actual take-up rate and other factors and shall not exceed the maximum amounts specified in this table)	
	Column 2 Compensation for PCCs who started to smoke before January 1, 1976 (60% of damages awarded to Quebec Class Action Plaintiffs)	Column 3 Compensation for PCCs who started smoking on or after January 1, 1976 (80% of Column 2)
Lung cancer	\$60,000	\$48,000
Throat cancer	\$60,000	\$48,000
Emphysema/COPD (GOLD Grade III or IV)	\$18,000	\$14,400

192. An analysis of the expert epidemiological evidence as well as a comparative analysis of the statutory framework within which claims are brought were undertaken to determine the relative fairness and reasonableness of the proposed PCC Compensation Plan as compared to the judgment in the *Blais* Class Action as well as previous class action settlements in Canada. When all of the

factors are weighed together, they support a 40% discount to the quantum of damages awarded in the *Blais* Class Action.

(ii) Proof of Causation: Expert Evidence

193. Liability must be proven for there to be any recovery of compensation. A claimant must not only prove wrongful conduct by a defendant – a claimant also must prove causation, both in law and in fact. Proving causation in law requires the establishment of the requisite causal connection between the defendant’s wrongful conduct and the claimant’s conduct, in this context, cigarette smoking. In addition, medical causation must be proven on a balance of probabilities through expert evidence. In this context, the medical issue is whether the disease for which compensation is being claimed was, in fact, caused by the claimant’s cigarette smoking.

194. It is the expert epidemiological evidence of Dr. Jha that the relative risk ratios of the PCC Compensable Diseases are substantially and significantly higher than any of the other cancers or diseases.¹⁶¹ This epidemiological evidence allows for a causal presumption to be made by the Court. If a smoker has smoked twelve pack-years and has been diagnosed with one of the PCC Compensable Diseases, then an inference may be drawn by the Court that cigarette smoking probably was a cause of the disease.

195. Cigarette smoking may cause or contribute to many other cancers or diseases on the basis of an epidemiological analysis of the population; however, there is no causative presumption. Causation on a balance of probabilities for the individual cannot be inferred. It cannot be proven

¹⁶¹ Dr. Jha’s report dated March 24, 2021 at pp. 3-4.

that it is more likely than not that cigarette smoking caused the individual's disease on the sole basis that a smoker is diagnosed with a disease that is epidemiologically associated with smoking.

(iii) Causation at Common Law

196. In general, at common law, a claimant must prove that, *but for* the defendant's wrongful conduct, the injury and losses claimed *on a balance of probabilities* would not have been suffered.

197. As reiterated by the Supreme Court of Canada in *Clements v. Clements*:

The test for showing causation is the “but for” test. The plaintiff must show on a balance of probabilities that “but for” the defendant's negligent act, the injury would not have occurred. Inherent in the phrase “but for” is the requirement that the defendant's negligence was necessary to bring about the injury – in other words that the injury would not have occurred without the defendant's negligence. This is a factual inquiry. If the plaintiff does not establish this on a balance of probabilities, having regard to all the evidence, her action against the defendant fails.¹⁶²

(iv) Causation in Judgments in *Blais* Class Action and *Létourneau* Class Action

198. The QCAPs benefitted from a statutory provision¹⁶³ which allowed for proof of causation *on the sole basis of statistical or epidemiological information*. Class proceedings in the common law jurisdictions are unable to utilize and rely on the same statutory provision. Moreover, Quebec civil law does not apply the “but for” test of causation which applies in common law provinces, applying instead a more flexible “adequate causation” test. While, at common law, a court may rely on statistical evidence to establish causation in a class proceeding, in most circumstances,

¹⁶² *Clements v. Clements*, 2012 SCC 32 at para. 7.

¹⁶³ *Tobacco-related Damages and Health Care Costs Recovery Act*, CQLR c R-2.2.0.0.1, s. 15.

there continues to be a need for individual trials in which the defendant may rebut the otherwise presumed class-wide inference of causation in respect of individual claimants.¹⁶⁴

199. Section 15 of the *Tobacco-related Damages and Health Care Costs Recovery Act*, CQLR c R-2.2.0.0.1 (“**TRDA**”), provides that proof of causation may be established on the sole basis of statistical or epidemiological information. In the *Blais* Class Action, the QSC stated:

678 This provision is designed to facilitate a plaintiff’s burden in proving causation in tobacco litigation. It reads as follows:

15. In an action brought on a collective basis, proof of causation between alleged facts, in particular between the defendant’s wrong or failure and the health care costs whose recovery is being sought, or between exposure to a tobacco product and the disease suffered by, or the general deterioration of health of, the recipients of that health care, may be established on the sole basis of statistical information or information derived from epidemiological, sociological or any other relevant studies, including information derived from a sampling.

....

691 In none of the Supreme Court decisions cited by the Companies did the TRDA apply. That distinction is critical, since section 15 thereof appears to correspond to what Judge L’Heureux-Dubé envisioned when she wrote of a “disposition ou mention au contraire”. As such, and in light of the fact that the TRDA does apply here, the Plaintiffs may prove causation solely through epidemiological studies. This has a direct impact on the need for proof for each class member, given that epidemiology deals with causation in a population and not with respect to each member of it.

692 The objective of the TRDA is to make the task of a class action plaintiff easier, inter alia, when it comes to proving causation among the class members. When the legislator chose to favour the use of statistics and epidemiology, he was not acting in a vacuum but, rather, in full knowledge of the previous jurisprudence to the effect that each member of the class must suffer the same or similar prejudice. It thus appears that the specific objective of the act is to move tobacco litigation outside of that rule.

693 The Court must therefore conclude that, for tobacco cases, adequate proof of causation with respect to each member of a class can be made through

¹⁶⁴ *Levac v. James*, 2023 ONCA 73 at paras. 61-70.

epidemiological evidence. The previous jurisprudence calling for proof that each member suffered a similar prejudice is overridden.

694 Although this rebuts the Companies' plaint over the use of epidemiological evidence to prove causation within the class, it does not relieve the Plaintiffs from making epidemiological proof that is reliable and convincing to a degree sufficient to establish probability. This brings us to an analysis of Dr. Siemiatycki's work and an assessment of the degree to which it is reliable and convincing [emphasis added; footnotes omitted].¹⁶⁵

(v) Distinctions between Class Proceedings in Quebec and Class Proceedings in Common Law Provinces and Territories

200. The statutes which govern HCCR actions and class proceedings for tobacco damages contain presumptions in favour of governments bringing aggregate actions for the recovery of health care costs for the population, but not for class actions brought on behalf of individuals claiming damages. These statutory distinctions provide a meaningful evidentiary difference in the respective proceedings by the three categories of claimants: the QCAPs; the Crowns advancing HCCR claims; and the PCCs. The differences are also grounded in the different ways in which causation is addressed under civil law and common law.

201. The QCA has confirmed these differences as follows:

666 In general, Quebec courts find that causation exists when it is shown that the damage is the logical, direct and immediate consequence of the fault. This understanding of causation is most often reflected in the dismissal of theories of equivalence of conditions and proximate cause. The theory of reasonable foreseeability of the consequences is sometimes applied in conjunction with the theory of adequate causation, but adequate causation is more widely used in the case law.

667 In comparison, in the common law provinces, the causation test most frequently used is the "but for" test. This test is an application of the theory of equivalence of conditions. We must therefore ask ourselves whether, but for the fault of the defendant, would the damage have occurred. If it is established that

¹⁶⁵ *Létourneau v. JTI-Macdonald Corp.*, 2015 QCCS 2382 at paras. 678 and 691-694.

the damage would have occurred even in the absence of the defendant's fault, the defendant cannot be held liable.

668 Exceptionally, and in the presence of specific conditions, Canadian common law courts are prepared to mitigate the rigour of this test by replacing it with the “material contribution test.” In *Resurfice Corp. V. Hanke*, Chief Justice McLachlin wrote :

Broadly speaking, the cases in which the “material contribution” test is properly applied involve two requirements. First, it must be impossible for the plaintiff to prove that the defendant's negligence caused the plaintiff's injury using the “but for” test. The impossibility must be due to factors that are outside of the plaintiff's control; for example, current limits of scientific knowledge. Second, it must be clear that the defendant breached a duty of care owed to the plaintiff, thereby exposing the plaintiff to an unreasonable risk of injury, and the plaintiff must have suffered that form of injury. In other words, the plaintiff's injury must fall within the ambit of the risk created by the defendant's breach.

669 More recently in *Clements v. Clements*, the Chief Justice revisited the pre-eminence of the “but for” test of causation – the nine judges of the Court were unanimous on this point – while making the following clarifications:

43 It is important to reaffirm that in the usual case of multiple agents or actors, the traditional “but for” test still applies. The question, as discussed earlier, is whether the plaintiff has shown that the negligence of one or more of the defendants was a necessary cause of the injury. Degrees of fault are reflected in calculations made under contributory negligence legislation. By contrast, the material contribution to risk approach applies where “but for” causation cannot be proven against any of multiple defendants, all negligent in a manner that might have in fact caused the plaintiff's injury, because each can use a “point the finger” strategy to preclude a finding of causation on a balance of probabilities.

44 This is not to say that new situations will not raise new considerations. I leave for another day, for example, the scenario that might arise in mass toxic tort litigation with multiple plaintiffs, where it is established statistically that the defendant's acts induced an injury on some members of the group, but it is impossible to know which ones.

670 These nuances are important because, as discussed below, Legislative Assembly of British Columbia passed legislation in July 2000 entitled *The Tobacco Damages and Health Care Costs Recovery Act* from which the Quebec legislator drew inspiration in 2009. However, the repeated use in this law of the

words “causes, directly or indirectly” and “causes or contributes to” – words which recall the terminology used in the material contribution to risk approach – seems to indicate an intention to incorporate a more flexible test for causation than the but for test.

....

683 With the modifications required, section 15 necessarily means that in actions such as those that were before the Superior Court, evidence of causation between the facts alleged therein, such as the fault or failure of a defendant and tobacco-related harm, can be established on the sole basis of statistical information or information derived from epidemiological, sociological or any other relevant studies, including information derived from a sampling.

684 The specific wording of this section calls for some additional comments. It states that proof of causation between alleged facts in a class action of this type, “in particular” the causation between ““alleged facts”” can be made in various ways. It can be established “on the sole basis of statistical information” or information derived from epidemiological, sociological or any other relevant studies.” And where such studies are relevant, this same proof can also be established ““on the sole basis”” of any other information (this is the meaning of the word “including”) “derived from a sampling.” It is useful to draw attention to one thing: the words “alleged facts”” and “on the sole basis”” do not have a counterpart in the British Columbia legislation, which is reproduced in full in the appendix in *British Columbia v. Imperial Tobacco Canada Ltd.* Such differences are significant [footnotes omitted].¹⁶⁶

202. In summary, section 15 of the TRDA, together with the civil law test to establish causality, enabled the *Blais* class members to bring their action on a collective basis and relieved them of the need to prove the moral damages of each *Blais* class member on an individual basis which would have been “impossible”¹⁶⁷ (See Section F at paragraphs 80 to 81 above).

¹⁶⁶ *Létourneau v. JTI-Macdonald Corp.*, 2015 QCCS 2382; and *Imperial Tobacco Canada ltée c. Conseil québécois sur le tabac et la santé et al.*, 2019 QCCA 358 at paras. 666-670 and 683-684.

¹⁶⁷ *Létourneau v. JTI-Macdonald Corp.*, 2015 QCCS 2382 at para. 1193.

(vi) **Distinctions between Crown HCCR Claims and Individual and Class Proceeding Claims for Damages in the Common Law Provinces and Territories regarding Proof of Causation and Apportionment of Liability**

203. The HCCR statutes in each of the common law Provinces, the Northwest Territories and Nunavut are virtually identical. For illustrative purposes, the discussion in this subsection references sections in Ontario’s HCCR legislation. The HCCR statutes confer on “The Crown in right of [the Province] a direct and distinct action” pursuant to section 2(1) “to recover the cost of health care benefits caused or contributed to by a tobacco related wrong.” Pursuant to section 2(4), “the Crown in right of [the Province] may recover the cost of health care benefits ... on an aggregate basis, for a population of insured persons as a result of exposure to a type of tobacco product.”¹⁶⁸

204. The “cost of health care benefits” is “the present value of the total expenditure by the Crown in right of [the Province] for health care benefits provided for insured persons resulting from tobacco related disease or the risk of tobacco related disease” in the past and in the future.¹⁶⁹

205. The HCCR statutes create three important substantive distinctions regarding the proof of causation and the apportionment of liability between the Crowns’ HCCR actions and claims for damages by an individual or a class of individuals under a class proceeding.

206. First, the Crowns may avoid the need to prove causation in each individual insured person by claiming recovery of tobacco-related health care expenditures on an aggregate basis. Section 2(5) provides that “If the Crown in right of [the Province] seeks in an action under subsection (1) to recover the cost of health care benefits on an aggregate basis, ... [i]t is not necessary ... (ii) to

¹⁶⁸ *Tobacco Damages and Health Care Costs Recovery Act, 2009*, S.O. 2009, c. 13, s. 2(4).

¹⁶⁹ *Tobacco Damages and Health Care Costs Recovery Act, 2009*, S.O. 2009, c. 13, s. 1(1).

prove the cause of tobacco related disease in any particular insured person, or (iii) to prove the cost of health care benefits for any particular individual insured person ...”.¹⁷⁰ In contrast, in an action for damages by an individual, the plaintiff must prove legally and medically, on a balance of probabilities, that the Tobacco Companies’ conduct caused both that individual’s smoking and that particular individual’s disease.

207. Second, the Crowns have the distinct advantage of the following mandatory causation presumptions available to them pursuant to section 3 of the HCCR statutes:

3(1) In an action under subsection 2(1) for the recovery of the cost of health care benefits on an aggregate basis, subsection (2) applies if the Crown in right of [the Province] proves, on a balance of probabilities, that, in respect of a type of tobacco product,

- (a) the defendant breached a common law, equitable or statutory duty or obligation owed to persons in [the Province] who have been exposed or might become exposed to the type of tobacco product,
- (b) exposure to the type of tobacco product can cause or contribute to disease, and
- (c) during all or part of the period of the breach referred to in paragraph (a), the type of tobacco product, manufactured or promoted by the defendant, was offered for sale in [the Province].

3(2) Subject to subsections (1) and (4), the court shall presume that

- (a) the population of insured persons who were exposed to the type of tobacco product, manufactured or promoted by the defendant, would not have been exposed to the product but for the breach referred to in clause (1)(a), and
- (b) the exposure described in paragraph (a) caused or contributed to disease or the risk of disease in a portion of the population described in clause (a).

....

¹⁷⁰ *Tobacco Damages and Health Care Costs Recovery Act, 2009*, S.O. 2009, c. 13, s. 2(5).

3(4) The amount of a defendant's liability assessed under clause (3)(b) may be reduced, or the proportions of liability assessed under clause (3)(b) readjusted among the defendants, to the extent that a defendant proves, on a balance of probabilities, that the breach referred to in clause (1)(a) did not cause or contribute to,

- (a) the exposure referred to in clause (2)(a); or
- (b) the disease or risk of disease referred to in clause (2)(b).¹⁷¹

208. In contrast, there is no statutory provision for the application of any causative presumptions, mandatory or discretionary, in an action for damages by an individual or a class of individuals.

209. Third, the distinction between Crown HCCR actions and individual and class proceeding claims for damages is further manifest in section 4(1) which provides for the Court to make a finding of joint and several liability for the cost of health care benefits of "Two or more defendants in an action under section 2(1) ... if (a) those defendants jointly breached a duty or obligation described in the definition of 'tobacco related wrong'".

210. In contrast, section 7 of the HCCR statutes provides a list of considerations for the Court to apply in individual actions in determining the apportionment of liability among multiple Tobacco Company defendants based on risk contribution in "an action for damages, or the cost of health care benefits, alleged to have been caused or contributed to by a tobacco related wrong other than an action for the recovery of the cost of health care benefits on an aggregate basis."¹⁷²

¹⁷¹ *Tobacco Damages and Health Care Costs Recovery Act, 2009*, S.O. 2009, c. 13, s. 3.

¹⁷² *Tobacco Damages and Health Care Costs Recovery Act, 2009*, S.O. 2009, c. 13, ss. 4(1) and 7.

211. There is an additional aspect of the HCCR statutes relating to the use of population-based evidence which would make it very challenging for an individual or a class of individuals to establish causation and quantify damages. Section 5 of the HCCR statutes provides:

Statistical information and information derived from epidemiological, sociological and other relevant studies, including information derived from sampling, is admissible as evidence for the purposes of establishing causation and quantifying damages or the costs of health care benefits respecting a tobacco related wrong in an action brought,

- (a) by or on behalf of a person in the person's own name or as a member of a class of persons under the *Class Proceedings Act, 1992*; or
- (b) by the Crown in right of [the Province] under section 2(1).¹⁷³

212. Section 5 is an evidentiary section. It neither confers a substantive right on individual claimants, nor reverses or lessens the burden of proof in claims for damages. Statistical and epidemiological evidence is permitted to be admitted by the Court in actions by all of the Crowns, individuals and classes of individuals; however, the individuals, in particular, would face considerable challenges to access and fund the analysis and preparation of such evidence which would be required for trial.

(vii) Uncertified Class Actions

213. Class actions in jurisdictions other than Quebec have not been advanced past the issuance of the statement of claim.¹⁷⁴ There is a significant risk that they would not be certified based upon the reasons for the decision in *Caputo* dismissing the certification motion in the class proceeding commenced in Ontario. The following comments from *Caputo* are informative of the barriers to

¹⁷³ *Tobacco Damages and Health Care Costs Recovery Act, 2009*, S.O. 2009, c. 13, s. 5.

¹⁷⁴ See Appendix "E": Uncertified Class Actions – No Judgments.

success in such proceedings whether at the certification stage or if a claim was pursued individually:

45 ... Simply put, the reason that no acceptable class definition has been posited is that no such definition exists.

....

50 In my view, the majority of the foregoing proposed common issues proceed on a theory of aggregation that is fundamentally misconceived. First, the claim for damages for addiction, other injuries and death cannot proceed as a common issue through to a determination of liability. Although deficient in other respects, the record before the court makes it apparent that, regardless of the common issues asserted and potentially resolved through a single trial, individual issues will remain to be decided before the liability of the defendants to individual class members can be ascertained. Regardless of the conduct of the defendants, they are entitled to a fair procedure, whether by way of a class proceeding or otherwise.

....

63 The defendants assert that individual proceedings are preferable to a class proceeding in the present factual matrix. I am not persuaded that such is the case. The time, and doubtless many lawyer hours, spent on simply getting this action before the court on a certification motion, let alone an examination of the positions taken in the expert evidence filed by the defendants, is indicative that an individual attempting to pursue litigation would likely find his or her resources taxed beyond sustainable limits.

....

72 Here, notwithstanding the inability of the plaintiffs to define an acceptable class in relation to the causes of action alleged, it appears that any class would be comprised of at least several million people. The eight remaining legal bases for asserting claims allegedly arise from multiple fact situations spanning at least 50 years, during which prevailing circumstances changed dramatically. The legal principles underlying the claims asserted require inquiry into the circumstances of each individual class member in order even to ascertain liability, let alone damages. This would be necessary on a procedural basis to ensure that the defendants are treated fairly but would also be necessary from the perspective of the members of the class so that each would receive fair compensation. Further, even if the defendants were to only contest a portion of the individual claims, and each dispute could be concluded in one day, simple

mathematics indicate that such a process would require the equivalent of 1,000 years of litigation, if it were to be conducted sequentially.¹⁷⁵

214. The QCAPs proceeded to certification, trial and eventually judgment by defining the smoking criteria required in pack-years and limiting the specific compensable diseases to those sustainable on the sole basis of epidemiological evidence. As confirmed by the QSC, nothing else was viable.¹⁷⁶

(viii) Additional Factors supporting a 40% Discount to the QCAPs' Compensation

215. If no actions are certified as class actions, then the costs for an individual to prosecute an action with such complex evidentiary and legal issues to judgment and through the appeals process would be prohibitive, particularly given the range of damages which would be recoverable by an individual.

216. The PCCs will receive more timely compensation through the PCC Compensation Plan. Even if the PCCs could overcome the significant challenges to prosecuting individual actions or class actions against the Applicants and the Tobacco Company Groups, it would take many years for the PCCs to obtain a trial judgment and several years longer for the parties' appeal rights to be exhausted.

(ix) Conclusion regarding Discount to be applied to Quantum of QCAP Compensation

217. The foregoing significant evidentiary and legal obstacles to proving causation in the common law jurisdictions, as well as other legal barriers, practical impediments and challenges

¹⁷⁵ *Caputo v Imperial Tobacco*, [2004] O.J. No. 299 at paras. 45, 50, 63 and 72.

¹⁷⁶ *Létourneau v. JTI-Macdonald Corp.*, 2015 QCCS 2382 at para. 1193.

associated with pursuing individual actions and class actions, support the determination that the application in the PCC Compensation Plan of a 40% discount to the quantum of damages awarded in the *Blais* Class Action is reasonable and appropriate, such that PCCs who meet all the PCC Eligibility Criteria and are diagnosed with lung cancer or throat cancer will be paid a maximum of \$60,000, and PCCs who meet all the PCC Eligibility Criteria and are diagnosed with Emphysema/COPD (GOLD Grades III and IV) will be paid a maximum of \$18,000.

P. FACTORS CONSIDERED IN DETERMINATION THAT 50% TAKE-UP RATE SHOULD BE USED IN COSTING OF PCC COMPENSATION PLAN

(i) Overview

218. In class actions, the “take-up rate” refers to the percentage of claimants who submit claims and receive compensation out of the estimated total number of potentially eligible persons. In order to calculate the quantum required to fund the PCC Compensation Plan, it was necessary to determine what is the reasonable estimate of the anticipated take-up rate by PCCs across Canada.

219. In class actions providing damages for personal injury, the take-up rates are considerably less than 100%. There are a number of factors that have been found to influence the take-up rate. These factors recently were reviewed and discussed in a comprehensive report by the Law Commission of Ontario on class action reform.¹⁷⁷ Some of these factors increase take-up rates and others decrease take-up rates. A consideration of these factors and other factors unique to the PCC Compensation Plan led to the determination that the factors which may potentially increase the take-up rate must be balanced with factors which may potentially decrease the take-up rate. The

¹⁷⁷ Law Commission of Ontario, *Class Actions: Objectives, Experiences and Reforms: Final Report*, (Toronto, July 2019).

result of this balancing process was the determination that a 50% take-up rate is reasonable and appropriate to apply in the calculation of the quantum required to fund the PCC Compensation Plan.

(ii) Factors that will tend to increase the PCC Take-up Rate

220. Factors that will tend to increase the PCC take-up rate include the following:

- (a) the PCC Compensation Plan will be widely publicized and should attract significant media and public attention;
- (b) notice to the public regarding the availability of and criteria to qualify for compensation under the PCC Compensation Plan will be clear and unambiguous;
- (c) the claims process for PCCs to submit their claims for review, audit and processing also will be clear and unambiguous;
- (d) the claims process will be efficient and effective in delivering timely compensation;
- (e) since the PCC Compensable Diseases result in disability and death, the harm suffered by PCCs is severe and the compensation will be appropriately substantial; and
- (f) eligible claimants under the PCC Compensation Plan will include the estates of those individuals diagnosed within the PCC Claims Period who were alive on March 8, 2019, but died thereafter.

(iii) Factors that will tend to decrease the PCC Take-up Rate

221. Factors that will tend to decrease the PCC take-up rate include the following:

- (a) the PCC Compensable Diseases and the treatment that PCCs may undergo are progressively debilitating, and the PCCs are vulnerable because of their age and health;
- (b) there may be other health and demographic contributors to a diminished desire or ability by a PCC or PCC's estate to submit a claim;
- (c) given the absence of certification of a class action or previous pursuit of litigation on behalf of PCCs past the issuance of statements of claim, there is no previously developed list of potential claimants comparable to the database of Quebec residents who have registered their interest to submit a claim for compensation pursuant to the judgments in the *Blais* Class Action and, therefore, there is no method for directly contacting PCCs regarding the submission of claims to the PCC Compensation Plan;
- (d) the number of individuals estimated by Dr. Jha to have been diagnosed with a PCC Compensable Disease has not been restricted by the criterion that a PCC must have smoked twelve-pack years between January 1, 1950 and November 20, 1998, such that Dr. Jha's quantification of the PCCs may be overestimated; and
- (e) while the claims administration process will be claimant friendly and streamlined, the information required to legitimately establish compensation eligibility must have integrity and be verified.

(iv) Balancing of Factors influencing PCC Take-up Rate

222. In balancing the factors which may potentially increase the take-up rate with the factors which may potentially decrease the take-up rate, the following four circumstances were assessed to carry the most weight.

223. First, Dr Jha's epidemiological estimate of the number of persons diagnosed with PCC Compensable Diseases did not factor in the Critical Tobacco Dose (smoked twelve pack-year of the Applicants' cigarettes) requirement for eligibility. This requirement will reduce the potential number of claimants from those estimated for the purpose of calculating funding for the PCC Compensation Plan. The actual reduction could be substantial.

224. Second, a significant factor revealed by the analysis undertaken in the review of class actions (see Section Q below) is that take-up rates are higher if the potential claimants already have been identified or are identifiable. The PCCs have not been identified, and they have not participated in or been informed about their potential claims through litigation. Although the public will be made aware of the PCC Compensation Plan, potential claimants who may meet the PCC Eligibility Criteria are not readily identifiable and will not be contacted directly regarding the PCC claims administration process.

225. Third, the PCC Compensation Plan necessarily will require legal proof of an individual's residential and smoking eligibility (12 pack-years) and medical proof of the PCC Compensable Disease diagnosis and status within the PCC Claims Period.

226. Fourth, the PCC Compensation Plan offers meaningful compensation, but the sad reality is that for many potential claimants, the end of life is near, many may already have passed given the passage of time, or their personal circumstances may have a dampening effect on the take-up rate.

227. Weighing the foregoing factors, as well as the supplementary factors identified above, it was determined that, in the context of this settlement and all the surrounding circumstances, an

estimated take-up rate of 50% is reasonable and appropriate to apply in the calculation of the quantum required to fund the PCC Compensation Plan.

Q. COMPARATIVE CASE ANALYSIS OF TAKE-UP RATES IN PERSONAL INJURY CLASS ACTION SETTLEMENTS

(i) Overview

228. The PCC Compensation Plan estimated take-up rate of 50% is, in part, based on an empirical analysis of class action settlements which can be considered comparable. There has been a significant range in take-up rates among class action settlements. There is no universally applicable range, and there is a lack of data over the thirty years of class action litigation in Canada. Nonetheless there have been some substantial personal injury settlements which provide relevant information. Those cases range up to a 40% take-up rate. The estimated 50% take-up rate for the PCC Compensation Plan provides additional room should the take-up rate among the PCCs be higher than has been the case historically in comparable cases. An analysis of personal injury cases involving medical products and pharmaceuticals, as well as persons infected with hepatitis C from blood and blood products follows. The information and data provided is anecdotal and unpublished, and was gathered from counsel knowledgeable about the cases.

(ii) Breast Implant Cases

229. The Breast Implant Cases were the first certified class actions in this jurisdiction. The litigation was substantial with estimates of the potential number of claimants being approximately 100,000 nationally.

230. The litigation and eventual settlements received extensive media coverage, both pre-settlement and post-settlement. Numerous lawyers were involved who had developed lists of potential claimants nationally throughout the years of the litigation.

231. The number of claims submitted was approximately 20,000. The number of claims accepted and paid nationally through multiple claims administrators was approximately 15,000.

232. A comparison of the claims made and paid to the original estimates of the potential number of claimants indicates a take-up rate of approximately 15% to 20%.

233. The duration of the claims administration period was seven to twelve years, given that there were multiple settlements with separate defendants, and also recognizing latency periods and injuries manifesting over time.

234. The proof of claims requirements included the submission of treating physicians' reports of disability along with experts' reports confirming the diagnosis of a compensable disease.

235. The range of payments was substantial, from less than \$5,000 to over \$100,000, with the vast majority being between \$10,000 and \$25,000.

236. In the settlement there was provision for an initial payment to claimants plus additional payments every two years for new claims submitted. A small "top up" payment was distributed at the end of the program.

237. The Breast Implant cases are informative and comparable to the PCCs' potential claims by reason of their magnitude, the publicity received, and widespread notice. The already developed lists of potential claimants with the lawyers involved in pursuing the litigation would be

comparable to the QCAPs' database, but distinguishable from the PCCs who have not been actively engaged in the pursuit of recovery through litigation.

238. The requirement for verification of claims through medical confirmation also is comparable to the need to identify that a PCC meets the PCC Eligibility Criteria, including having been diagnosed with a PCC Compensable Disease.

(iii) Pharmaceutical Cases

(a) Zyprexa Case

239. Approximately 350,000 patients had been prescribed Zyprexa, a pharmaceutical drug used to treat certain mental illnesses, for a duration of greater than sixty days and, therefore, met the class definition.

240. The number of potential claimants who had suffered adverse events, namely diabetes and other metabolic illnesses, was 25,000. The number of claims which were accepted and paid was 2,950. Thus, the take-up rate was approximately 12%.

241. The duration of the claims administration period was four years.

242. Claims submissions were required to include treating physicians' reports of the prescription and an expert report which included a diagnosis of a compensable disease, along with reports requiring confirmation that there was no family history of the compensable diseases, and no other contributing factors (obesity, pre-diabetic conditions, etc.).

243. Eligible claimants received payments ranging from \$5,000 to \$30,000.

(b) Vioxx Case

244. Another pharmaceutical class action involved the non-steroidal anti-inflammatory, Vioxx. Approximately two million patients had been prescribed Vioxx for greater than thirty days in Canada.

245. The estimated number of potential claimants who suffered adverse events (heart attack or stroke) was approximately 160,000. The number of claims submitted was 3,000, and the number of claims accepted and paid was 2,000. The take-up rate, therefore, was less than 10%.

246. The duration of the claims period was five years. Claims were difficult to submit and were each individually reviewed. Claims submissions were required to include fifteen years of uninterrupted family physician records, full prescription records, and an expert diagnosis of compensable disease. Records were then physician-reviewed, and many were rejected for pre-existing conditions or other risk factors including smoking.

247. Eligible claimants received payments ranging from \$5,000 to \$50,000.

248. The PCC Compensation Plan estimated take-up rate of 50% is based on a substantially higher take-up rate than either of these significant pharmaceutical cases.

(iv) Walkerton Case

249. The Walkerton claim involved tainted water. The case was limited geographically. The payments were \$2,000 per person among the affected population. There were additional payments made over several years to claimants who contracted a compensable disease. Payments for this

category of claimant was in the average range of \$30,000 to \$50,000 with a few cases exceeding this range. Medical proof of the compensable disease was required.

250. Take-up rates for diseases were low as most claimants opted to participate in the simplified process which had no requirement of proof other than presence in Walkerton.

(v) Hepatitis C Cases

251. The settlement of the hepatitis C cases provided for compensation to those recipients of blood or blood products who became infected with hepatitis C. The settlement was complex, and administration of the settlement has taken numerous years and involved subsequent proceedings.

252. Funding for the settlement has been approximately one billion dollars and the administration has proceeded over the past two decades.

253. As 22,000 claimants out of the 55,000 estimated potentially eligible claimants have received compensation, the take-up rate would appear to be approximately 40%. However, it is likely that, in reality, the take-up rate is lower than 40% because a key feature of the benefits under the hepatitis C settlement agreement is that claimants who have already been paid benefits are able to make a further claim for additional compensation if their disease progresses such that they are approved to receive compensation at a higher disease level. In such a case, a single claimant has made two claims which would have the effect of inflating the take-up rate in the hepatitis C settlement. There are other aspects of the hepatitis C case which are unique to that settlement, including the extended claims period and the availability of a cure. To this extent, the hepatitis C settlement is not entirely comparable to the PCC Compensation Plan; nevertheless it is referenced herein for consideration, subject to the foregoing qualifications as to comparability.

(vi) Other Class Actions

254. The Ontario Law Reform Commission conducted comprehensive research and analysis of take-up rates across Canada for its 2019 report on class action reform.¹⁷⁸ Despite a paucity of data on take-up rates, due to there being no standard reporting requirements, some general observations were made. Higher take-up rates were noted when a series of favourable factors were present. Factors which positively influence take-up rates include class members being already identified or being readily identifiable such that they can be traced and notified, as well as claims procedures that are easy to follow.

(vii) Conclusion regarding PCC Take-up Rate

255. Balancing the factors which influence the take-up rate positively and negatively, and considering take-up rates in comparable personal injury class action settlements, the PCC Compensation Plan estimated take-up rate of 50% is fair and reasonable. It exceeds that of comparable cases and is soundly based on a consideration of relevant factors.

R. COMPARISON OF QUANTA OF COMPENSATION PROVIDED TO QCAPS VERSUS COMPENSATION PROVIDED TO PCCs

256. Discussed in subsections (i) to (iii) below are the three principal reasons which explain why it is reasonable and appropriate for the PCCs to be paid 60% of the damages awarded to the QCAPs.

¹⁷⁸ Law Commission of Ontario, *Class Actions: Objectives, Experiences and Reforms: Final Report*, (Toronto, July 2019).

(i) QCAPs' Compensation is subject to Legal Fees whereas PCCs will not pay Legal Fees

257. The maximum damages to which *Blais* class members will be entitled for a QCAP Compensable Disease is \$100,000. This amount is the judgment award, not including interest and additional indemnity, for lung cancer and throat cancer before any reduction for contributory negligence. However, this damages award likely does not represent the net amount that would be received, given that legal fees must also be deducted from the QCAPs' share of the Global Settlement Amount. The QCAPs' legal fees appropriately are substantial because of the duration and complexity of the litigation. The fees are contingent on the outcome, and contingent fees usually are a significant percentage of a plaintiff's recovery of damages.

258. In contrast, the PCCs will not be required to pay substantial legal fees. They have not actively litigated their claims. Their interests have been protected under the auspices of the mediation ordered to be conducted in the Applicants' CCAA proceedings which has resulted in the development of the PCC Compensation Plan. Their recovery of damages, unlike the QCAPs' recovery, will not be further significantly reduced by payment of class counsel legal fees (although they may possibly incur modest costs to obtain professional assistance in submitting their claims). A PCC's maximum damages amounting to 60% (\$60,000 for the PCC compensable cancers) of a QCAP's damages award will be a net recovery. As stated above, this recovery is fair and reasonable considering not only the absence of a deduction for legal fees, but also all the additional factors discussed in previous sections which would decrease the PCCs' likelihood of success if they pursued either individual actions or class actions.

(ii) QCAPs have a Trial Judgment which was upheld by Quebec Court of Appeal

259. While some actions advancing PCCs' claims were commenced under class proceedings legislation, they were not certified as class actions and were not actively pursued through litigation. In contrast, the QCAPs' claims were actively litigated and vigorously defended and tested at trial. The QCAPs were awarded a judgment which was upheld on appeal. The QCAPs' claims were found to be meritorious and have been quantified by judicial determination. The PCCs' claims, to the extent that any were commenced, remain tenuous and unquantified except for the analysis undertaken within the CCAA mediation to develop the PCC Compensation Plan.

(iii) QCAPs have pursued their Legal Remedies for past Twenty Years whereas PCCs are obtaining Remedy without Pursuit of Litigation

260. The duration of the QCAPs' litigation must be considered in the relative equities of the recoveries for the QCAPs and the PCCs. The QCAPs' litigation was protracted and fraught with risk. They have been waiting to recover their damages for more than twenty years. A measure of this duration is the fact that their award included interest approximately equal to the damages awards comprising approximately 50% of the judgment. The QCAPs' claims, however, must be compromised under the CCAA proceedings; therefore, their recovery effectively is without the interest component. It is only fair that the PCCs, who have not pursued their remedies and have not been awaiting the outcome of protracted litigation, should receive compensation that is proportionately and reasonably less than the QCAPs' recovery.

S. ADMINISTRATION OF PCC COMPENSATION PLAN

261. Through the mediation process, with the facilitation of the Court-Appointed Mediator and the Monitors, the PCC Representative Counsel, Quebec Class Counsel and counsel for the

Provinces and Territories developed the comprehensive document which sets out the detailed terms for the administration of the PCC Compensation Plan. This process included fulsome consultation with Daniel Shapiro, K.C., who, pursuant to an Order dated September 15, 2020, the Honourable Justice McEwen appointed as the Consultant to Justice Winkler. Mr. Shapiro has extensive expertise in the administration of class action settlements gained through his work on some of Canada's most complex cases, including serving as an arbitrator/referee of disputes involving the Hepatitis C Class Actions Settlement and the Chief Adjudicator of the Independent Assessment Process, Indian Residential Schools Adjudication Secretariat. The PCC Compensation Plan is Schedule "S" to the CCAA Plan and forms part of the Definitive Documents in the global settlement. Subsections (i) to (vi) below provide an overview of the key terms of the PCC Compensation Plan.

(i) Notice Plan

262. The Claims Administrator will design the PCC Notice Plan which must effectively reach prospective PCC-Claimants and capture their attention with notices communicated in clear, concise, plain language so that they fully understand their rights and options ("**PCC Notices**"). The PCC Notice Plan may include communications in newspapers, other print media, television, radio, social media, other digital media and direct communications where appropriate in order to reach as many prospective PCC-Claimants across Canada as possible. The PCC Notice Plan shall be subject to CCAA Court approval.

(ii) Duties and Responsibilities of Claims Administrator

263. The Claims Administrator of the PCC Compensation Plan is to be identified and recommended by the Court-Appointed Mediator and the Monitors for approval and appointment

by the Order of the CCAA Court at the Sanction Hearing. The duties and responsibilities of the Claims Administrator shall include:

- (a) Establishing and operating a Call Centre to provide information to PCCs;
- (b) Developing, hosting, maintaining and managing an accessible website regarding the PCC Compensation Plan;
- (c) Contributing to the design and customization of the claims process to be used to administer the claims of prospective PCCs;
- (d) Reviewing the Claim Packages submitted by claimants and determining whether each claimant is eligible to receive an Individual Payment based upon the review of the information provided by the claimant in writing in the Claim Package;
- (e) Providing a process whereby a claimant who does not meet all of the PCC Eligibility Criteria may request that a review of their claim be conducted by a Review Officer;
- (f) Issuing payments of compensation to the claimants who have been determined to have met all of the PCC Eligibility Criteria; and
- (g) Annually and as circumstances warrant at any other times as requested by the CCAA Plan Administrators in their discretion or as the Court directs, the Claims Administrator shall report to the CCAA Plan Administrators regarding the progress of the administration of the Plan including the publication of notices, the Claims Application Deadline to file Claims, Claims approved, Claims rejected, any delays in the claims process, amounts distributed, fees charged and disbursements made.

(iii) Claims Process

264. To make a claim to the PCC Compensation Plan a claimant, or their duly authorized Legal Representative, shall be required to submit to the Claims Administrator by the Claims Application Deadline a Claim Package comprised of a completed Claim Form and medical evidence proving that the claimant was diagnosed with lung cancer, throat cancer or Emphysema/COPD (GOLD Grade III or IV) between March 8, 2015 and March 8, 2019 (inclusive of those dates). Included in the Schedules to the PCC Compensation Plan are drafts of the forms comprising the Claim Package, as well as a checklist and forms which the Claims Administrator will use to determine whether a claimant meets the PCC Eligibility Criteria.

265. Where a claimant meets all of the PCC Eligibility Criteria but has been diagnosed with more than one of lung cancer, throat cancer or Emphysema/COPD (GOLD Grade III or IV), they shall be paid for the single compensable disease with which they have been diagnosed that will provide them with the highest amount of compensation under the Plan. No “double recovery” or overlapping recovery will be permitted if a claimant has been diagnosed with more than one compensable disease.

266. Where appropriate and to the extent possible, the PCC Compensation Plan and the Quebec Class Action Administration Plan for the administration of claims by the Quebec Class Members pursuant to the *Blais* judgment shall be harmonized with each other. An individual resident in Quebec is only permitted to make one claim for compensation either as a *Blais* Class Member under the Quebec Administration Plan or as a PCC-Claimant under the PCC Compensation Plan. A Quebec resident is not permitted to make a claim to both Claims Processes. In particular, the PCC Compensation Plan includes measures to ensure that a claimant resident in Quebec is not paid

compensation pursuant to the *Blais* judgment as well as from the PCC Compensation Plan. It is intended that a claimant will receive compensation for the most serious compensable disease with which they are diagnosed. For example, a claimant who was diagnosed with Emphysema/COPD (GOLD Grade III or IV) before March 12, 2012 would qualify to receive a payment in respect of the Emphysema/COPD (GOLD Grade III or IV) under the *Blais* judgment. If that claimant was also diagnosed with lung cancer or throat cancer between March 8, 2015 to March 8, 2019 (inclusive of those dates), then they would be eligible to receive compensation in respect of the cancer diagnosis from the PCC Compensation Plan provided that they were alive on March 8, 2019. It is intended that such claimant would only receive payment for the most serious diagnosis, namely the cancer which, in this example, would be paid for from the PCC Compensation Plan.

(iv) Role of CCAA Plan Administrators

267. The CCAA Plan Administrators shall ensure that the PCC Compensation Plan Amount is invested in accordance with approved investment guidelines pending disbursement to the Claimants.

268. From time to time, the Claims Administrator shall submit to the CCAA Plan Administrators a requisition with sufficiently detailed information and supporting data requesting the advancement of a specified sum of money from the PCC Compensation Plan Amount to be used by the Claims Administrator for the purpose of making Individual Payments to Eligible PCC-Claimants.

269. Upon receipt of each such requisition and supporting information and data from the Claims Administrator, the CCAA Plan Administrators will verify the calculation of the sum requisitioned by the Claims Administrator. In their discretion, the CCAA Plan Administrators may request

further information from the Claims Administrator before they authorize the advancement of an instalment of funds from the PCC Compensation Plan Amount held in the PCC Trust Account to the Claims Administrator to enable it to make Individual Payments to Eligible PCC-Claimants.

270. On an annual basis, and as circumstances warrant at any other times in the CCAA Plan Administrators' discretion or as the Court directs, the CCAA Plan Administrators shall report to the CCAA Court regarding the progress of the administration of the Plan including the publication of notices, the Claims Application Deadline to file Claims, Claims approved, Claims rejected, any delays in the claims process, amounts distributed, fees charged and disbursements made and any other matter which the CCAA Plan Administrators in their discretion deem to be appropriate.

(v) Determination of Quantum of Individual Payments to Eligible Claimants

271. Upon the completion of the processing of the claims, the CCAA Plan Administrators, in consultation with the Claims Administrator, shall determine the quantum of the Individual Payments which may be made from the PCC Compensation Plan Amount based upon several factors, including: the timing of the payment of the total PCC Compensation Plan Amount by the Tobacco Companies; the amount in the Plan available for distribution; the numbers of Claims accepted in respect of each of the diagnoses of lung cancer, throat cancer and Emphysema/COPD (GOLD Grade III or IV); and the numbers of Eligible Claimants who started smoking before and on or after January 1, 1976.

272. If the PCC Compensation Plan Amount plus any interest accrued thereon in the PCC Trust Account is not sufficient to pay the aggregate of the Individual Payments determined to be payable by the CCAA Plan Administrators, in consultation with the Claims Administrator, then the Individual Payments owing to the claimants shall be divided on a *pro rata* basis among the Eligible

Claimants so that the aggregate amount of the Individual Payments otherwise payable to the Eligible Claimants does not exceed the PCC Compensation Plan Amount plus any interest accrued thereon in the PCC Trust Account.

273. Once the CCAA Plan Administrators have finally determined the quanta of the Individual Payments which may be made from the PCC Compensation Plan Amount, at the direction of the CCAA Plan Administrators, the Claims Administrator shall be responsible for making the Individual Payments to the Eligible Claimants.

(vi) Costs of Administration of PCC Compensation Plan

274. All professional fees, other fees, costs, disbursements, expenses, court costs and other expenditures of the CCAA Plan Administrators, Claims Administrator, Administrative Coordinator, PCC Representative Counsel, and all applicable sales taxes thereon, incurred in respect of the administration of the PCC Compensation Plan shall be paid directly by the Tobacco Companies and shall not be deducted from the PCC Compensation Plan Amount.

T. DISTRIBUTION OF RESIDUAL FUNDS FROM PCC COMPENSATION PLAN

(i) Rationale for Provinces and Territories receiving Residual Funds

(a) Provinces' and Territories' Provision of Health Care Benefits to PCCs

275. The Provinces and Territories provide funding for health care generally, including for the treatment of the PCC Compensable Diseases. The Provincial and Territorial HCCR Legislation specifically provides for the recovery of health care costs which are defined to be the governments'

expenditures for the provision of health care benefits for the population of insured persons.¹⁷⁹ Health care benefits are defined in each jurisdiction to include hospital services, physician services, and other health care expenditures.

276. The PCCs, by definition, have been diagnosed with and treated for PCC Compensable Diseases. Their health care benefits have been paid by the Provincial and Territorial governments. Furthermore, the governments provide health care benefits for the population of insured persons suffering from Tobacco-related Diseases as statutorily defined, regardless of whether the insured persons meet the PCC Eligibility Criteria. The Provincial and Territorial governments are statutorily entitled to recover health care costs resulting from Tobacco-related Wrongs committed by the Tobacco Companies. Therefore, it is fair, reasonable and appropriate that any residual funds remaining in the PCC Compensation Plan at the end of the administration period be paid to the governments.

277. The aggregate quanta of the governments' HCCR claims exceed by manyfold the aggregate quanta of the claims of the PCCs and QCAPs, as the former statutorily cover past expenditures for several decades as well as future expenditures for all Tobacco-related Diseases. There is no justification for any residual funds reverting to the Tobacco Companies. It is fair, reasonable and appropriate for any residual funds to be paid to the Provinces and Territories as part of the consideration for the final settlement and release of their claims for payment of their past and future expenditures to provide health care benefits for the population suffering from Tobacco-related Diseases.

¹⁷⁹ *Tobacco Damages and Health Care Costs Recovery Act, 2009*, S.O. 2009, c. 13, s. 1(1).

(ii) Timing of Payment of Residual Funds

278. Three years after the Claims Administrator commenced its review and processing of the PCC-Claims, or at such other time as the CCAA Plan Administrators are of the view that the administration of the PCC-Claims has been substantially completed, to the extent that there remains any Residual Funds in the PCC Compensation Plan, any such Residual Funds shall be allocated to the Provinces and Territories Settlement Amount and apportioned among the Provinces and Territories in accordance with the percentages set out in the table found in Article 16, Section 16.3 of the CCAA Plan.

U. CONCLUSION

279. For all of the reasons set out above, the settlement of the PCCs' claims and potential claims via the PCC Compensation Plan, which is part of the Applicants' CCAA Plans that effect the global settlement of the Tobacco Claims in Canada, is fair, reasonable and in the best interests of the PCCs as a whole.

DATED as of the 5th day of December, 2024.

APPENDIX “A”

GLOSSARY

“**Applicants**” means, collectively, Imperial Tobacco Canada Limited, Imperial Tobacco Company Limited, Rothmans, Benson & Hedges Inc. and JTI-Macdonald Corp.

“**Alternative Product**” means (i) any device that produces emissions in the form of an aerosol and is intended to be brought to the mouth for inhalation of the aerosol without burning of (a) a substance; or (b) a mixture of substances; (ii) any substance or mixture of substances, whether or not it contains tobacco or nicotine, that is intended for use with or without those devices to produce emissions in the form of an aerosol without burning; (iii) any non-combustible tobacco (other than smokeless tobacco) or nicotine delivery product; or (iv) any component, part, or accessory of or used in connection with any such device or product referred to above.

“**Blais Class Action**” means *Conseil québécois sur le tabac et la santé et al. v. JTI-Macdonald Corp. et al.*, Court File No. 500-06-000076-980 (Montreal, Quebec).

“**CCAA**” means the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended.

“**CCAA Court**” means the Ontario Superior Court of Justice (Commercial List) at Toronto.

“**CCAA Plan**”, or “**Plan**”, means, in respect of each Tobacco Company, the Court-Appointed Mediator’s and Monitors’ plan of compromise and arrangement pursuant to the CCAA concerning, affecting and involving such Tobacco Company, including all Schedules thereto.

“**CCAA Plan Administrators**” has the meaning given in Article 14, Section 14.1 of the CCAA Plan.

“**CCAA Proceeding**” means, in respect of each Tobacco Company, the proceeding commenced by such Tobacco Company pursuant to the CCAA, namely Application No. CV-19-616077-00CL in respect of Imperial, Application No. CV-19-616779-00CL in respect of RBH, and Application No. CV-19-615862-00CL in respect of JTIM, collectively the “**CCAA Proceedings**”.

“**Certificate**” means the certificate filed by the Monitor with the CCAA Court confirming that the full amount of the Upfront Contributions has been received from the Tobacco Companies and deposited into the Global Settlement Trust Account.

“**Claims**” means any and all manner of requests, demands, complaints, claims (including claims for contribution or indemnity), 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, asserted or unasserted, whether 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, in equity, or under statute, and “**Claim**” means any one of them.

“**Claims Administrator**” means the claims administrator approved and appointed by the CCAA Court to (i) manage the overall administration of the individual claims process and perform all other duties and responsibilities assigned to it in regard to the PCC Compensation Plan, and (ii) manage the overall administration of the individual claims process and perform all other duties and responsibilities assigned to it in regard to the Quebec Administration Plan. The appointment of Epiq as the Claims Administrator will be upon the recommendation of the Court-Appointed Mediator and the Monitors and subject to the approval of the CCAA Court.

“**COPD**” means chronic obstructive pulmonary disease (GOLD Grade III or IV). The Global Initiative for Chronic Obstructive Lung Disease (“**GOLD**”) developed a four grade classification system based upon severity of airflow limitation and other diagnostic parameters. The GOLD Grade III (severe) and GOLD Grade IV (very severe) classifications represent the two most severe categories of disease.

“**Eligible PCC-Claimants**” means the PCC-Claimants whom the Claims Administrator has determined meet all the PCC Eligibility Criteria such that their PCC Claims are approved for an Individual Payment in accordance with the terms of the PCC Compensation Plan, and “**Eligible PCC-Claimant**” means any one of them.

“**Emphysema**” means the condition of the lung that is marked by distension and eventual rupture of the alveoli with progressive loss of pulmonary elasticity, that is accompanied by shortness of breath with or without cough, and that may lead to impairment of heart action. For the purpose of the PCC Compensation Plan, “Emphysema” includes COPD (GOLD Grade III or IV).

“**Epiq**” means Epiq Class Actions Services Canada, Inc.

“**FEV1**” means the measurement recorded during a spirometry test of the maximum volume of air that the individual can forcibly expel during the first second following maximal inhalation.

“**Global Settlement Trust Account**” has the meaning given in Article 5, Section 5.3 of the CCAA Plan.

“**HCCR Legislation**” means, collectively, the *Crown’s Right of Recovery Act*, SA 2009, c C-35, Part 2, Sections 41-50 only, *Tobacco Damages and Health Care Costs Recovery Act*, SBC 2000, c 30, *The Tobacco Damages and Health Care Costs Recovery Act*, SM 2006, c 18, *Tobacco Damages and Health Care Costs Recovery Act*, SNB 2006, c T-7.5, *Tobacco Health Care Costs Recovery Act*, SNL 2001, c T-4.2, *Tobacco Damages and Health-Care Costs Recovery Act*, SNS 2005, c 46, *Tobacco Damages and Health Care Costs Recovery Act*, SNWT 2011, c 33 (proclaimed but not yet in force), *Tobacco Damages and Health Care Costs Recovery Act*, SNU 2010, c 31 (proclaimed but not yet in force), *Tobacco Damages and Health Care Costs Recovery Act*, 2009, SO 2009, c 13, *Tobacco Damages and Health Care Costs Recovery Act*, SPEI 2009, c 22, *Tobacco-related Damages and Health Care Costs Recovery Act*, 2009, CQLR c R-2.2.0.0.1, and *The Tobacco Damages and Health Care Costs Recovery Act*, SS 2007, c T-14.2.

“**Imperial**” means, collectively, ITCAN and ITCO.

“**Individuals**” means all individuals residing in a Province or Territory of Canada, and
 “**Individual**” means any one of them.

“**ITCAN**” means Imperial Tobacco Canada Limited.

“**ITCO**” means Imperial Tobacco Company Limited.

“**JTIM**” means JTI-Macdonald Corp.

“***Knight Class Action***” means *Kenneth Knight v. Imperial Tobacco Canada Limited* (Supreme Court of British Columbia, Court File No. L031300).

“***Knight Class Action Plaintiffs***” means individuals who meet the criteria of the certified class definition in the *Knight Class Action*. The fact that an Individual is a *Knight Class Action* Plaintiff does not thereby disqualify that Individual from being a Pan-Canadian Claimant.

“**Pan-Canadian Claimants**”, or “**PCCs**”, means Individuals, excluding *Blais Class Members* and *Létourneau Class Members* in relation to QCAP Claims, who have asserted or may be entitled to assert a PCC Claim.

“**Parent**” means:

- (i) in the case of Imperial, British American Tobacco p.l.c.;
- (ii) in the case of RBH, Philip Morris International Inc.; and
- (iii) in the case of JTIM, JT International Holding B.V.

“**Parties**” means the Claimants, the Tobacco Companies and the Tobacco Company Groups, and
 “**Party**” means any one of them.

“**PCC Claim**” means any Claim of any Pan-Canadian Claimant that has been made or may in the future be asserted or made in whole or in part against or in respect of the Released Parties, or any one of them (either individually or with any other Person), that has been advanced, could have been advanced or could be advanced, whether on such Pan-Canadian Claimant’s own account, or on their behalf, or on behalf of a certified or proposed class, to recover damages or any other remedy in respect of the development, design, manufacture, production, marketing, advertising, distribution, purchase or sale of Tobacco Products, including any representations or omissions in respect thereof, the historical or ongoing use of or exposure (whether directly or indirectly) to Tobacco Products or their emissions and the development of any disease or condition as a result thereof, whether existing or hereafter arising, 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) including, all Claims that have been advanced, could have been advanced or could be advanced in the following actions commenced by individuals under

provincial class proceedings legislation and actions commenced by individuals, or in any other similar proceedings:

- (a) *Barbara Bourassa v. Imperial Tobacco Canada Limited et al.* (Supreme Court of British Columbia, Court File No. 10-2780 and Court File No. 14-4722);
- (b) *Roderick Dennis McDermid v. Imperial Tobacco Canada Limited et al.* (Supreme Court of British Columbia, Court File No. 10-2769);
- (c) *Linda Dorion v. Canadian Tobacco Manufacturers' Council et al.* (Alberta Court of Queen's Bench, Court File No. 0901-08964);
- (d) *Thelma Adams v. Canadian Tobacco Manufacturers' Council et al.* (Saskatchewan Court of Queen's Bench, Court File No. 916 of 2009);
- (e) *Deborah Kunta v. Canadian Tobacco Manufacturers' Council et al.* (Manitoba Court of Queen's Bench, Court File No. CI09-01-61479);
- (f) *Suzanne Jacklin v. Canadian Tobacco Manufacturers' Council* (Ontario Superior Court of Justice, Court File No. 53794/12);
- (g) *Ben Semple v. Canadian Tobacco Manufacturers' Council et al.* (Supreme Court of Nova Scotia, Court File No. 312869);
- (h) *Victor Todd Sparkes v. Imperial Tobacco Canada Limited* (Newfoundland and Labrador Supreme Court - Trial Division, Court File No. 200401T2716 CP);
- (i) *Peter Stright v. Imperial Tobacco Canada Limited* (Supreme Court of Nova Scotia, Court File No. 177663);
- (j) *Ljubisa Spasic as estate trustee of Mirjana Spasic v. Imperial Tobacco Limited and Rothmans, Benson & Hedges Inc.* (Ontario Superior Court of Justice, Court File No. C17773/97);
- (k) *Ljubisa Spasic as estate trustee of Mirjana Spasic v. B.A.T. Industries P.L.C.* (Ontario Superior Court of Justice, Court File No. C18187/97);
- (l) *Ragoonanan v. Imperial Tobacco Canada Limited* (Ontario Superior Court of Justice, Court File No. 00-CV-183165-CP00);
- (m) *Scott Landry v. Imperial Tobacco Canada Limited* (Ontario Superior Court of Justice, Court File No. 1442/03);
- (n) *Joseph Battaglia v. Imperial Tobacco Canada Limited* (Ontario Superior Court of Justice, Court File No. 21513/97);
- (o) *Roland Bergeron v. Imperial Tobacco Canada Limited* (Quebec Superior Court, Court File No. 750-32-700014-163);

(p) *Paradis, in personal capacity and on behalf of estate of Lorraine Trepanier v. Rothmans, Benson & Hedges Inc.* (Quebec Small Claims Court);

(q) *Couture v. Rothmans, Benson & Hedges Inc.* (Quebec Superior Court); and

including any such Claim that is a Section 5.1(2) Claim or Section 19(2) Claim.

“PCC Claims Period” means the period of time that extends from March 8, 2015 to March 8, 2019, inclusive of those dates, during which a PCC-Claimant was diagnosed with a PCC Compensable Disease.

“PCC Compensation Plan” has the meaning given in Article 8, Section 8.1 of the CCAA Plan and is attached as Schedule “S” to the CCAA Plan.

“PCC Compensation Plan Amount” means the aggregate amount allocated from the Global Settlement Amount to be payable into the PCC Trust Account in respect of compensation for Eligible PCC-Claimants as set forth in Article 16, Sections 16.1, 16.2 and 16.3 of the CCAA Plans.

“PCC Representative Counsel” means The Law Practice of Wagner & Associates, Inc.

“PCC Trust Account” means the designated trust account or trust accounts held in the Bank for the benefit of the Pan-Canadian Claimants and into which the PCC Compensation Plan Amount shall be paid and deposited from the Global Settlement Trust Account.

“Plan Implementation Date” means the date upon which all of the conditions to the CCAA Plans and other Definitive Documents have been satisfied or waived and the transactions contemplated by the CCAA Plans, the Sanction Orders and the other Definitive Documents are to be implemented, as evidenced by the Monitors’ Certificates to be delivered to the Tobacco Companies and filed with the CCAA Court.

“Provinces” means, collectively, His Majesty the King in right of British Columbia (**“British Columbia”**), His Majesty the King in right of Alberta (**“Alberta”**), His Majesty the King in right of Saskatchewan (**“Saskatchewan”**), His Majesty the King in right of Manitoba (**“Manitoba”**), His Majesty the King in right of Ontario (**“Ontario”**), the Attorney General of Quebec (**“Quebec”**), His Majesty the King in right of New Brunswick (**“New Brunswick”**), His Majesty the King in right of Nova Scotia (**“Nova Scotia”**), His Majesty the King in right of Prince Edward Island (**“Prince Edward Island”**) and His Majesty the King in right of Newfoundland and Labrador (**“Newfoundland and Labrador”**).

“QCAP Claim” means any Claim that has been advanced, could have been advanced or could be advanced in the following class actions or in any other similar proceedings, whether before or after the Effective Time:

(a) *Conseil québécois sur le tabac et la santé et Jean-Yves Blais c. Imperial Tobacco Ltée, Rothmans, Benson & Hedges Inc. et JTI-MacDonald Corp.* (Quebec Superior Court, Court File No. 500-06-00076-980); and

- (b) *Létourneau c. Imperial Tobacco Ltée, Rothmans Benson & Hedges Inc. et JTI MacDonald Corp.* (Quebec Superior Court, Court File No. 500-06-000070-983),

including the judgment of the Honourable Justice Brian Riordan dated May 27, 2015 as rectified on June 9, 2015, and the judgment of the Court of Appeal of Quebec dated March 1, 2019, and any such Claim that is a Section 5.1(2) Claim or Section 19(2) Claim.

“**Quebec Class Action Administration Plan**”, or “**Quebec Administration Plan**”, means the document (with attached appendices) that is subject to the approval of the CCAA Court setting out the process by which the Quebec Class Action Plaintiffs may submit claims for a Compensation Payment pursuant to the *Blais* Judgment, the process of administering such claims, and the joint oversight and supervision thereof by the CCAA Court and the Superior Court of Quebec.

“**Quebec Class Action Plaintiffs**” or “**QCAPs**”, means individuals who meet the criteria of the certified class definitions in the Quebec Class Actions.

“**Quebec Class Actions**” means, collectively, (i) *Conseil québécois sur le tabac et la santé et al. v. JTI-Macdonald Corp. et al.*, Court File No. 500-06-000076-980 (Montreal, Quebec), and (ii) *Cecilia Létourneau et al. v. Imperial Tobacco Canada Ltd., et al.*, Court File No. 500-06-000070-983 (Montreal, Quebec).

“**Quebec Class Counsel**” means, collectively, the law practices of Trudel Johnston & Lespérance s.e.n.c., Kugler Kandestin s.e.n.c.r.l., L.L.P., De Grandpré Chait s.e.n.c.r.l., L.L.P., and Fishman Flanz Meland Paquin s.e.n.c.r.l., L.L.P.

“**RBH**” means Rothmans, Benson & Hedges Inc.

“**Released Claims**” has the meaning given in Article 1, Section 1.1 of the CCAA Plan.

“**Releasees**” has the meaning given in paragraph 1 of the Global Release.

“**Surviving Family Members**” means, collectively the individuals who are eligible to recover damages for loss of guidance, care and companionship pursuant to the applicable legislation in each jurisdiction which governs surviving family members’ claims for damages, namely: *Family Compensation Act*, RSBC 1996, c. 126; *Fatal Accidents Act*, RSA 2000, c. F-8; *The Fatal Accidents Act*, RSS 1978, c. F-11; *The Fatal Accidents Act*, CCSM, c. F50; *Family Law Act*, RSO 1990, c. F.3; *Civil Code of Quebec*, chapter CCQ-1991; *Fatal Accidents Act*, RSNB 2012, c.104; *Fatal Injuries Act*, RSNS 1989, c. 163; amended 2000, c. 29, ss. 9-12 ; *Fatal Accidents Act*, RSPEI 1988, c. F-5; *Fatal Accidents Act*, RSNL 1990, c F-6; *Fatal Accidents Act*, RSY 2002, c 86; and *Fatal Accidents Act*, RSNWT (Nu) 1988, c F-3. For greater certainty, “Surviving Family Members” does not include the estates of Individuals who fulfill the criteria to receive compensation as a Pan-Canadian Claimant.

“**Territories**” means, collectively, the Government of Yukon (“**Yukon**”), the Government of the Northwest Territories (“**Northwest Territories**”) and the Government of Nunavut (“**Nunavut**”).

“**Tobacco Claim**” has the meaning given in Article 1, Section 1.1 of the CCAA Plan.

“Tobacco Companies” means, collectively, Imperial, RBH and JTIM, and **“Tobacco Company”** means any one of them.

“Tobacco Company Group” means, in respect of a Tobacco Company, the applicable Parent and all other current or former affiliates, direct or indirect subsidiaries or parents, of such Tobacco Company, and their respective indemnitees.

“Tobacco Product” means any product made in whole or in part of tobacco that is intended for human consumption or use, including any component, part, or accessory of or used in connection with a tobacco product, including cigarettes, tobacco sticks (intended for smoking and requiring further preparation before they are smoked), loose tobacco intended for incorporation into cigarettes, cigars, cigarillos, pipe tobacco, kreteks, bidis and smokeless tobacco (including chewing tobacco, nasal snuff and oral snuff), but does not include any Alternative Product.

“Tobacco-related Disease” means a disease or other illness or harm caused or contributed to by the use of or exposure (whether directly or indirectly) to a Tobacco Product.

APPENDIX “B”

CONSIDERATION PROVIDED BY APPLICANTS IN GLOBAL SETTLEMENT TO SETTLE CLAIMS AND POTENTIAL CLAIMS OF INDIVIDUALS RESIDENT IN CANADA

PCC COMPENSATION PLAN

The PCC Compensation Plan will provide direct compensation to individuals who fulfill the following PCC Eligibility Criteria:

- (a) on the date that a claimant submits their claim to the PCC Compensation Plan:
 - (i) if the claimant is alive, they must reside in a Province or Territory in Canada, or
 - (ii) if the claimant is deceased, they must have resided in a Province or Territory in Canada on the date of their death;
- (b) the claimant was alive on March 8, 2019;
- (c) between January 1, 1950 and November 20, 1998, the claimant smoked a minimum of twelve pack-years of cigarettes manufactured by the Applicants;
- (d) between March 8, 2015 and March 8, 2019 (inclusive of those dates), the claimant was diagnosed with:
 - (i) a primary lung cancer,
 - (ii) squamous cell carcinoma of the larynx, oropharynx or hypopharynx, or
 - (iii) chronic obstructive pulmonary disease (GOLD Grades III and IV); and
- (e) on the date of the diagnosis with a PCC Compensable Disease the claimant resided in a Province or Territory in Canada.

THE CY-PRÈS

The Cy-près will provide the consideration for the full and final settlement and release of all claims and potential claims of PCCs who do not qualify to receive compensation payments from the PCC Compensation Plan. The group of claimants who will be covered by the Cy-près includes the following Persons and any affected family members or estates:

- (a) Smokers suffering from lung or throat cancer or Emphysema/COPD Gold Grade III or IV who are outside the claims period or who smoked less than the requisite twelve pack years or, in the case of Emphysema/COPD, were not classified as Gold Grade III or IV or the equivalent;
- (b) Smokers who have tobacco-related harms other than lung or throat cancer and Emphysema/COPD Gold Grade III or IV or the equivalent; and
- (c) Persons who smoke or have smoked tobacco products who have not yet or may never contract a tobacco-related harm.