

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

AFFIDAVIT OF MICHAEL J. PEERLESS

(Sworn February 5, 2025)

I, **MICHAEL J. PEERLESS**, of the City of London, in the Province of Ontario, **MAKE OATH AND SAY AS FOLLOWS:**

1. I am a partner with Peerless Law, a member of the Consortium Counsel group, and as such, have knowledge of the facts and matters hereinafter deposed. Where I make statements in this affidavit that are not within my personal knowledge, I have identified the source of that information and verily believe that all of the information set out in this affidavit is true.

2. The Retainer Agreements between Consortium Counsel and its clients (British Columbia, Saskatchewan, Manitoba, Nova Scotia, Prince Edward Island, Yukon, Northwest Territories and Nunavut) are privileged in their entirety.

3. However, for the limited purpose of clarifying certain public statements, our clients have instructed me to waive that privilege to the limited extent of disclosing the contingency fee structure of those Retainer Agreements and solely for disclosure of certain numerical data.

4. At paragraphs 23, 24 and 25 of the QCAP Fee Factum, there is a description of a 2007 retainer between Consortium Counsel and the Province of New Brunswick.

5. Since that time, however, Consortium Counsel were retained by other clients (the Provinces and Territories listed in paragraph 2 of this Affidavit).

6. Further to the current Retainer Agreements, Consortium Counsel are to be paid only in the event of success and the fees are calculated on a "declining sliding scale" percentage basis.

7. The declining sliding scale begins at 9% of the first \$1 billion of the collective recovery for the Consortium Provinces and Territories and that percentage declines as the recovery increases.

8. Ultimately, the percentage fee declines to 1% for all amounts over \$6 billion of the collective recovery for the Consortium Provinces and Territories.

9. When applied to the Plans of Compromise and Arrangement proposed by the Mediator and Monitors in these proceedings, the fee payable is approximately 3.6% of the recovery by the Consortium Provinces and Territories and the fee payments are to be made over time as the Provinces and Territories recover their payments from the Tobacco Companies.

10. These Provinces and Territories expressly and explicitly maintain privilege over the entirety of the remaining content in their Retainer Agreements with counsel.

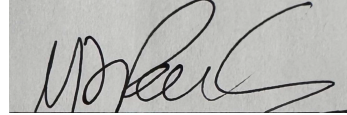
11. I make this affidavit in the context of this proceeding and for no other or improper purpose.

SWORN remotely by Michael J. Peerless at)
the City of Toronto, in the Province of)
Ontario before me on this 5th day of February,)
2025 in accordance with O.Reg. 431/20,)
Administering Oath or Declaration)
Remotely.)

skirkman

SHAWN KIRKMAN

A Commissioner for Oaths in and for the)
Province of Ontario, while a Student-at-)
Law. Expires April 27, 2026.)



MICHAEL J. PEERLESS

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.**

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN THE MATTER OF RELIANCE INSURANCE COMPANY
AND IN THE MATTER OF THE INSURANCE COMPANIES ACT, SC 1991, C.47, AS
AMENDED
AND IN THE MATTER OF THE WINDING-UP AND RESTRUCTURING ACT, RSC
1985, C.W-11, AS AMENDED

AFFIDAVIT OF MICHAEL J. PEERLESS
(Sworn February 5, 2025)

BENNETT JONES LLP

3400 One First Canadian Place
Toronto, ON M5X 1A4

Michael Eizenga (LSO# 31470T)

Email: eizengam@bennettjones.com

Preet K. Gill (LSO# 55526E)

Email: gillp@bennettjones.com

Jesse Mighton (LSO# 62291J)

Email: mightonj@bennettjones.com

Tel: 416.863.1200

Fax: 416.863.1716

SISKINDS

275 Dundas Street, Unit 1
London, ON N6B 3L1

Andre I.G. Michael (LSO#28976P)

Tel: 519-660-7860

Email: andre.michael@siskinds.com

PEERLESS LAW

1792 Upper West Avenue
London, ON N6K 0J2

Michael J. Peerless (LSO# 34127P)

Tel: 519-854-1406

Email: mike@peerlesslaw.com

JEFFREY LEON LAW FIRM

2A Tacoma Ave
Toronto, Ontario M4T 2B2

Jeffrey Leon (LSO#18855L)

Tel: 416-720-5076

Email: jsleon1591@gmail.com

Lawyers for the Provinces of British Columbia, Saskatchewan, Manitoba, New Brunswick, Nova Scotia, and Prince Edward Island, and the Territories of Yukon, Northwest Territories and Nunavut, in their capacities as plaintiffs in the HCCR Legislation Claims