

Court File No.: CV-19-616077-00CL

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 **IMPERIAL TOBACCO CANADA LIMITED**
AND IMPERIAL TOBACCO COMPANY LIMITED

APPLICANTS

~~FIRST~~SECOND 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

IMPERIAL TOBACCO CANADA LIMITED AND
IMPERIAL TOBACCO COMPANY LIMITED

~~DECEMBER 5~~JANUARY 27, 20242025

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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”)

~~FIRST~~SECOND AMENDED AND RESTATED
**COURT-APPOINTED MEDIATOR’S AND MONITOR’S
 CCAA PLAN OF COMPROMISE AND ARRANGEMENT
 CONCERNING, AFFECTING AND INVOLVING
 IMPERIAL TOBACCO CANADA LIMITED AND
 IMPERIAL TOBACCO COMPANY LIMITED**

WHEREAS Imperial Tobacco Canada Limited (“ITCAN”) and Imperial Tobacco Company Limited (“ITCO”) (collectively, “**Imperial**”) are insolvent;

AND WHEREAS Imperial was granted protection from its creditors under the CCAA pursuant to the initial Order of the Honourable Justice McEwen of the CCAA Court dated March 12, 2019 (“**Initial Order**”);

AND WHEREAS by the Initial Order the CCAA Court appointed FTI Consulting Canada Inc. (“FTI”) as an officer of the CCAA Court and the monitor of Imperial (“**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 Imperial;

NOW THEREFORE, set out herein is the ~~first~~second amended and restated plan of compromise and arrangement of Imperial 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 Imperial, 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

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

“CCAA Plan Administration 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 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 and in the CCAA Proceeding, including the fulfillment of its duties and responsibilities enumerated in Article 14, Section 14.4 herein; and
- (b) The Costs of the 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 FTI acting as either the Monitor or the CCAA Plan Administrator, or by the CCAA Court, and approved by the CCAA Court.

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

“CCAA Plan Administrators’ Order” means the order or orders of the CCAA Court appointing FTI to serve, as an officer of the CCAA Court, in the capacity of CCAA Plan Administrator of the CCAA Plan in respect of Imperial and, among other things, setting out the rights, powers and obligations of the CCAA Plan Administrator in connection with such appointment.

“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	Number of Votes for Voting Purposes	Value of Claim for Voting Purposes
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
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
Canada	1	\$333,535,110

“**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 Imperial have agreed to file a waiver, the extended period

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 "I". Dr. Jha's curriculum vitae is attached to the CCAA Plan as Schedule "J".

6.4 Consideration for Settlement of *Knight* Class Action

The consideration for the settlement of the *Knight* Class Action shall be the ~~notional~~ 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 Global Settlement Trust Account and Supplemental Trust Account, PCC Trust Account, QCAP Trust Account and Cy-près Trust Account, as well as the monies deposited into the Miscellaneous Claims Fund, CCAA Plan Administration Reserve Account and PCC Compensation Plan Reserve Account, shall be invested in accordance with approved investment guidelines, pending disbursement to the Claimants and any other applicable payees.

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 "K".

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 "L" 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.

The Court-Appointed Mediator and the Monitors recommend that Daniel Shapiro, K.C. be approved for appointment 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 "M".

7.3 Release of Cash Security Deposits

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 into the Global Settlement Trust Account.

7.4 QCAP Trust Account

The QCAP Settlement Amount, less the QCAP Cy-près Contribution, shall be paid from the Global Settlement Trust Account and deposited into the QCAP Trust Account for the benefit of the *Blais* Class Members.

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 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 deposited into the Cy-près Trust Account from the Global Settlement Trust Account for the benefit of the Cy-près Foundation.

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 “N”;
- (b) The Jha Report is attached to the CCAA Plan as Schedule “I”; and
- (c) The Analysis of Limitations Law applicable to Pan-Canadian Claimants dated September 2, 2020 is attached to the CCAA Plan as Schedule “O”.

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 “P”. 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.

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 Account

The PCC Compensation Plan Amount shall be paid from the Global Settlement Trust Account and deposited into a segregated interest-bearing trust account or trust accounts (“**PCC Trust Account**”) held in the Bank for the benefit of the Pan-Canadian Claimants.

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 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, their agent Epiq, 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

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 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 ~~Chair of the Cy-près Foundation~~ 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. ~~While undertaking this preliminary interim work, the Chair of the Cy-près Foundation shall keep the Court Appointed Mediator and the CCAA Plan Administrators~~

~~apprised of the steps taken and any developments relating to the establishment of the Cy-près Foundation.~~

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 ~~Chair of the Cy-près Foundation~~ 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 ~~Chair of the Cy-près Foundation and 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, including the Chair, to the Foundation Board 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;

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

- (iv) Assess whether Imperial is operating in accordance with the Definitive Documents.

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

- (c) Imperial 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 Imperial 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) Imperial 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) Imperial shall diligently pursue any Tax Matter raised by a Tax Authority to establish a positive outcome for Imperial, 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 Imperial 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 Imperial shall certify that the information provided to the CCAA Plan Administrator by Imperial 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 Imperial 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) Imperial 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

ARTICLE 15. CCAA PLAN ADMINISTRATION RESERVE AND PCC COMPENSATION PLAN RESERVE

15.1 CCAA Plan Administration Reserve

On the Plan Implementation Date, the 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 CCAA Plan Administration Reserve Costs.

The CCAA Plan Administrator will hold the CCAA Plan Administration Reserve in trust for those entitled to be paid CCAA Plan Administration Reserve Costs pursuant to the CCAA Plan. If the 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 CCAA Plan Administration Reserve shall be released by the CCAA Plan Administrator 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 PCC Compensation Plan Reserve

On the Plan Implementation Date, the PCC Compensation Plan Reserve in the amount of \$5.0 million, which sum shall be paid out of the Upfront Contributions, shall be established as security for the PCC Compensation Plan Reserve Costs.

The CCAA Plan Administrators will hold the PCC Compensation Plan Reserve in trust for those entitled to be paid PCC Compensation Plan Reserve Costs pursuant to the CCAA Plan. If the PCC Compensation Plan Reserve is no longer required as security after the administration of the CCAA Plan has been completed, any amount remaining in the PCC Compensation Plan Reserve shall be released by the CCAA Plan Administrators and paid to the Provinces and Territories in accordance with the percentages set out in the table in Article 16, Section 16.3.

~~[Remainder of page intentionally left blank]~~

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 Reserve	0.075
PCC Compensation Plan Reserve	0.005
Total:	32.500

[Remainder of page intentionally left blank]

Estimated Upfront Contributions Available: 12.456 See calculation below, 2

Upfront	Annual Contributions					Remainder to end of Contribution Period
	Year 1 (2025)	Year 2 ('26)	Year 3 ('27)	Year 4 ('28)	Year 5 ('29)	

of the Released Claims that any of the Releasers has ever had, now has, or may hereafter have against the Released Parties or any of them (either individually or with any other Person), whether or not based on conduct continuing after the Effective Time and whether or not presently known to any of the Releasers.

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 “T”, shall be executed and delivered by Imperial 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

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

Imperial 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 Imperial whenever or however conducted, and (iii) any matter or transaction involving Imperial 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 Imperial such Indemnified Party may resort to the Imperial CCAA Plan Administration Reserve for compensation.

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 Imperial 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 Imperial from performing their obligations thereunder and under the CCAA Plan or be a waiver of any defaults by Imperial under the CCAA Plan or the other Definitive Documents.

| **DATED** as of the ~~5th~~27th day of ~~December~~January, ~~2024~~2025.