

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE)	WEDNESDAY, THE 18TH
)	
CHIEF JUSTICE MORAWETZ)	DAY OF JUNE, 2025

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

AND IN THE MATTER OF A PROPOSED PLAN OF COMPROMISE OR ARRANGEMENT
OF **IMPERIAL TOBACCO CANADA LIMITED AND IMPERIAL TOBACCO**
COMPANY LIMITED

Applicants

ORDER
(Imperial Insurance Settlement and Bar Order)

THIS MOTION, made by Imperial Tobacco Canada Limited and Imperial Tobacco Company Limited (collectively, “**Imperial**” or the “**Applicants**”) pursuant to the *Companies’ Creditors Arrangement Act* (Canada), as amended, for an order approving the terms of settlements by and among: (i) the Applicants and Northumberland General Insurance Company, in liquidation by PricewaterhouseCoopers Inc., liquidator (“**Northumberland**”); (ii) the Applicants and Northbridge General Insurance Corporation, Northbridge Commercial Insurance Corporation and Northbridge Personne Insurance Corporation (collectively, “**Northbridge**”); (iii) the Applicants and Employers Insurance Company of Wausau, Employers Insurance of Wausau A Mutual Company, Nationwide Mutual Insurance Company and Nationwide Indemnity Company (collectively, “**Wausau**”); and (iv) the Applicants and Chubb Insurance Company of Canada (as successor in interest to ACE INA Insurance) (“**Chubb**” and together with Northumberland,

Northbridge and Wausau, the “**Insurers**” and each an “**Insurer**”) to finalize settlements set out in the following settlement agreements: (i) an agreement entitled “Settlement Agreement and Release” by and between the Applicants and Northumberland dated June 12, 2025 (the “**Northumberland Settlement Agreement**”), (ii) an agreement entitled “Settlement Agreement and Release” by and between the Applicants and Northbridge dated June 12, 2025 (the “**Northbridge Settlement Agreement**”), (iii) an agreement entitled “Settlement Agreement and Release” by and between the Applicants and Wausau dated June 12, 2025 (the “**Wausau Settlement Agreement**”) and (iv) an agreement entitled “Settlement Agreement and Release” by and between the Applicants and Chubb dated June 16, 2025 (together with the Northumberland Settlement Agreement, the Northbridge Settlement Agreement and the Wausau Settlement Agreement, the “**Insurance Settlement Agreements**”) in relation to the Imperial Policies (as defined below) and related relief, was heard this day by judicial videoconference via Zoom in Toronto, Ontario.

ON READING the Notice of Motion of the Applicants dated June 13, 2025, the Affidavit of Eric Thauvette sworn June 13, 2025, the Supplementary Affidavit of Eric Thauvette sworn June 16, 2025, and on hearing the submissions of counsel for the Applicants, FTI Consulting Canada Inc. in its capacity as court-appointed monitor of the Applicants (the “**Monitor**”), and such other counsel as were present as listed on the participant sheet, no one else appearing although duly served as appears from the affidavit of service, filed:

SERVICE AND INTERPRETATION

1. **THIS COURT ORDERS** that the time for service and filing of the Notice of Motion and the Motion Record of the Applicants herein is hereby abridged and validated such that this motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that all capitalized terms used but not defined herein shall have the meanings given to them in Appendix “A” hereto.

INSURANCE SETTLEMENT APPROVAL

3. **THIS COURT ORDERS** that the Insurance Settlement Agreements be and are hereby approved in their entirety, with such minor amendments as the parties to the Insurance Settlement Agreements may agree upon in writing, with the consent of the Monitor.
4. **THIS COURT ORDERS** that the Applicants are hereby authorized to enter into the Insurance Settlement Agreements and the Applicants and Monitor are hereby authorized to comply with all of their respective obligations under the Insurance Settlement Agreements, including the following:
 - (a) the Applicants are authorized and directed to provide a direction to the Monitor to hold the Settlement Payments (defined below) in trust in a non-interest-bearing account pending the Plan Implementation Date;
 - (b) effective on the Plan Implementation Date, the Settlement Payments held by the Monitor shall be released to and become property of the Applicants and the Applicants are authorized and directed to direct the Monitor to contribute the Settlement Payments to the Global Settlement Trust Account on behalf of the Applicants, with such amounts constituting a Contribution by the Applicants towards the Global Settlement Amount; and,
 - (c) the Monitor is authorized and directed to comply with the directions of the Applicants as described above and is authorized and directed to return the Settlement Payments to the applicable Insurer without delay if the Plan Implementation Date does not occur prior to June 30, 2026, without further order

of the Court or directions from the Applicants unless the Insurers and Applicants agree otherwise.

5. **THIS COURT ORDERS** that the Settlement Payments made pursuant to the Insurance Settlement Agreements shall consist of the following payments (each a “**Settlement Payment**” and, collectively, the “**Settlement Payments**”) to be delivered to the Monitor within 5 business days of this order becoming a final order (“**Payment Delivery**”) by the following Insurers:

- (a) \$500,000 to be paid by Northumberland;
- (b) \$2,000,000 to be paid by Northbridge;
- (c) \$250,000 to be paid by Wausau; and
- (d) \$495,000 to be paid by Chubb.

6. **THIS COURT ORDERS** that effective on the Plan Implementation Date, provided that Payment Delivery has occurred at that time, then:

- (a) the Settlement Payments shall be and shall be deemed to be (i) a full, complete and final satisfaction of each and every past, present and future obligation, if any, which might have been or might be owed by each of the Insurers under the Imperial Policies, (ii) a full, complete and final exhaustion of the Imperial Policies and (iii) a full, complete and final exhaustion of the Imperial Policies in relation to the Other Policies;
- (b) any and all Claims (collectively, a “**Released Insurance Claim**”) of any and all Claimants, Other Carriers, executors, administrators and personal representatives of deceased Claimants, including and without limiting the generality of the foregoing, pursuant to the direct action provisions of the Civil Code of Québec or any other statutory provisions granting direct rights of recovery, against any and all Imperial Policies be and are forever fully, finally and completely barred and released; and

- (c) all Persons shall be and shall be deemed to be permanently and forever barred, estopped, stayed and enjoined from: (i) commencing, conducting, continuing or making in any manner or forum, 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 Insurers with respect to any and all Released Insurance Claims; (ii) 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 Insurers or their property with respect to any and all Released Insurance Claims; (iii) commencing, conducting, continuing or making against any other Person in any manner or forum, 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 a Released Insurance Claim if such other Person commences, conducts, continues or makes a claim or might reasonably be expected to commence, conduct, continue or make, 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), including by way of contribution or indemnity or other relief, against one or more of the Insurers unless such claim of such other Person is itself a Released Insurance Claim; and (iv) creating, perfecting, asserting or otherwise enforcing, directly or indirectly, any encumbrance of any kind against any of the Insurers or their property or assets with respect to any and all Released Insurance Claims; and (v) any action, suit, claim, demand or other proceeding of any nature or kind whatsoever relating to the Released Insurance Claims is inadmissible and void.

7. **THIS COURT ORDERS** that the Monitor shall have all of the protections given to it by the CCAA, the Initial Order and any further order issued by the Court in the CCAA Proceedings, that the Monitor and its respective representatives shall not incur any liability or obligation as a result of carrying out their obligations under, or exercising any authority or discretion granted by, this Order, and that nothing in this Order or in the Insurance

Settlement Agreements shall limit or impair the releases or protections provided by the CCAA, the CCAA Plan or any further order issued in the CCAA Proceedings.

8. **THIS COURT ORDERS** that the contribution of the Settlement Payments to the Global Settlement Trust Account or returning of the Settlement Payments shall not constitute a “distribution” for the purposes of section 107 of the *Corporations Tax Act* (Ontario), section 22 of the *Retail Sales Tax Act* (Ontario), section 117 of the *Taxation Act*, 2007 (Ontario), section 14 of the *Tax Administration Act* (Québec), section 159 of the *Income Tax Act* (Canada), section 270 of the *Excise Tax Act* (Canada), section 86 of the *Employment Insurance Act* (Canada), or any other similar applicable federal, provincial or territorial tax legislation (collectively, the “**Tax Statutes**”), and the Monitor is merely a disbursing agent and is not exercising any discretion in connection with the Settlement Payments, and no Person is “distributing” such funds for the purpose of the Tax Statutes, and the Applicants and the Monitor shall not incur any liability under the Tax Statutes in respect of the Settlement Payments and the Monitor is hereby forever released, remised and discharged from any claims against it under or pursuant to the Tax Statutes or otherwise at law, arising in respect of or as a result of the Payments in accordance with this Order and any claims of this nature are hereby forever barred.

GENERAL

9. **THIS COURT ORDERS** that this Order is effective from the date that it is made and is enforceable without any need for entry and filing.
10. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada.
11. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Applicants and the Monitor, and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Monitor, as an officer of this Court, as may be

necessary or desirable to give effect to this Order or to assist the Applicants and the Monitor, and their respective agents, in carrying out the terms of this Order.

Chief Justice Geoffrey B. Morawetz

APPENDIX “A” – DEFINITIONS

“**Actions**” means any and all proceedings in which the Claimant seeks compensation, including but not limited to damages, for tobacco related health care costs or for tobacco-related injury (including bodily injury) or property damage arising out of, resulting from, with respect to, relating to or connected directly or indirectly with, the use of tobacco products, and/or the manufacture sale or distribution of tobacco products by Imperial, now existing or which may be brought at any time in the future against Imperial.

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

“**CCAA Plan**”, or “**Plan**”, means the Court-Appointed Mediator’s and Monitor’s plan of compromise or arrangement pursuant to the CCAA concerning, affecting and involving Imperial, including all schedules thereto, or any other plan of compromise or arrangement pursuant to the CCAA concerning, affecting, and including Imperial that is approved by the requisite majorities of Claimants and the court and is implemented.

“**CCAA Proceedings**” 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 Tobacco Canada Limited and Imperial Tobacco Company Limited, Application No. CV-19-616779-00CL in respect of Rothmans, Benson & Hedges Inc., and Application No. CV-19-615862-00CL in respect of JTI-Macdonald Corp., collectively the “**CCAA Proceedings**”.

“**Claimants**” means collectively: (i) the plaintiffs in the Actions; (ii) any Government of a Province or Territory of Canada and the Government of Canada insofar as they assert or may assert a Claim for, or in relation to, Tobacco Health Care Cost/Damage Recovery; and (iii) any other Person deemed to be a claimant in the Imperial Plan.

“**Claims**” means any and all Actions, allegations, disputes, demands, claims, causes of action, whether legal, statutory or equitable, damages, fines, penalties, civil, administrative or regulatory proceedings, actions of any kind, rights, injuries, liabilities, obligations, debts, accounts, covenants, contracts, complaints, charges, costs, expenses, fees, judgments, court orders, executions, suits or requests or claims for relief, action, indemnity, liabilities, monies, losses,

restitution, disgorgement, penalties, fines, costs, interest, legal fees or disbursements, expenses or forbearance of any kind or for damages whether compensatory, punitive, contractual, extra-contractual, liquidated, unliquidated, or otherwise, including without limitation, any and all known or unknown claims of personal, economic and non-economic injuries or loss and the consequences thereof, any and all claims seeking extra-contractual damages, covenants, contracts any and all claims for loss of service or earnings, unfair or deceptive trade practices, improper defence or settlement practices, violations of any insurance code or other statutory provision, bad faith, breach of fiduciary duty, fraud, malice, or oppression, and whether past, present or future, known or unknown, asserted or unasserted, suspected or unsuspected, disclosed or undisclosed, and any expenditure, costs, expenses, fees and/or any other monies howsoever paid or incurred in connection therewith whether relating to counsel, experts or otherwise.

“Contribution” means the contributions required to be made by Imperial pursuant to the CCAA Plan to fund, among other things, distributions to Claimants.

“Global Settlement Amount” means the global settlement amount contemplated by the CCAA Plan to be contributed by Imperial and the other tobacco companies pursuant to their respective plans of compromise or arrangement in the CCAA Proceedings.

“Global Settlement Trust Account” means the trust account established pursuant to the CCAA Plan to which contributions by Imperial will be made and from which distributions to Claimants will be made.

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

“Imperial Policies” means the following policies of insurance and without limitation any other policies of general liability insurance or form of general liability insurance coverage whatsoever but specifically excluding liability policies not listed below that exclude coverage for, or do not provide coverage for, loss or damages for property damage or bodily injury including but not limited to directors and officers insurance policies) whether primary, umbrella or excess issued at any time by or on the authority of Chubb, Wausau, Northumberland or Northbridge (and/or

predecessors, affiliates and/or subsidiaries, as applicable) to Imperial (and/or predecessors, affiliates and/or subsidiaries, as applicable):

- (a) The following Northumberland policies:

Policy Number	Type	Coverage Period
IVT-10451	Primary Insurance	1981-04-01 to 1982-04-01
IVX-2174	Excess Insurance	1981-04-01 to 1983-04-01

- (b) The following Northbridge policies:

Policy Number	Type	Coverage Period
MU200-117	Excess Insurance	1976-12-31 to 1979-03-31
CRX50622	Excess Insurance	1984-08-01 to 1985-12-01
CRX53580	Excess Insurance	1989-04-01 to 1995-04-01
LX3590382	Excess Insurance	1985-04-01 to 1991-04-01
HXL1640325	Excess Insurance	1985-04-22 to 1986-04-01

- (c) The following Wausau policy:

Policy Number	Type	Coverage Period
2726-00-570249	Excess Insurance	1985-05-01 to 1986-04-01

- (d) The following Chubb policies:

Policy Number	Type	Coverage Period
XCP6975	Excess Insurance	1984-04-01 to 1985-04-01 and

Policy Number	Type	Coverage Period
		1985-04-01 to 1986-04-01
XCP6982	Excess Insurance	1984-04-01 to 1985-04-01 and 1985-04-01 to 1986-04-01
XCP7072	Excess Insurance	1986-04-01 to 1987-04-01
AER1036	Excess Insurance	1986-04-01 to 1987-04-01
AER1036	Excess Insurance	1989-04-01 to 1990-04-01
XCP007153	Excess Insurance	1989-04-01 to 1990-04-01 and 1990-04-01 to 1991-04-01
XCB599502	Excess Insurance	1991-04-01 to 1992-04-01
XCB601520	Excess Insurance	1992-04-01 to 1993-04-01 and 1993-04-01 to 1994-04-01 and 1994-04-01 to 1995-04-01
XCB601520	Excess Insurance	1995-04-01 to 1998-04-01
XBC000707	Excess Insurance	1986-04-01 to 1987-04-01
XBC600642	Excess Insurance	1997-04-01 to 1998-04-01
XBC601250A	Excess Insurance	1995-04-01 to 1996-04-01 and 1996-04-01 to 1997-04-01 and 1997-04-01 to 1998-04-01

“Other Carriers” means collectively the following insurance companies as well as any and all other insurance companies that issued policies of general liability insurance or form of general

insurance whatsoever (but specifically excluding liability policies that exclude coverage for, or do not provide coverage for, loss or damages for property damage or bodily injury including but not limited to directors and officers insurance policies) whether primary, umbrella or excess to Imperial and its predecessors: Aetna Casualty Company of Canada, American Home Assurance Company, Commercial Union Assurance Company of Canada, Employer's, Guardian Insurance Company of Canada, HIH Cotesworth Canada Limited, Kansa General Insurance Company Ltd., Liberty International Canada, Liberty Mutual Insurance Company, Lloyd's of London, North British and Mercantile, Old Republic Insurance Company, Reliance Insurance Company, Royal Insurance Company of Canada, The Halifax Insurance Company, United States Fire Insurance Company, and Zurich Insurance Company, and each of their respective reinsurers and their retrocessionaires (both in their capacity as such), subsidiaries, divisions, branches, related, associated and affiliated companies, trusts, joint ventures, principals, partners, dealers, agents, brokers, officers, executives, directors, employees, and any and all predecessors, successors and/or assigns of each of them, including but not limited to any receivers, liquidators or trustees, in all capacities.

“Other Policies” means collectively the policies of insurance identified below and without limitation any and all other policies of general liability insurance or form of general liability insurance coverage whatsoever (but specifically excluding liability policies not listed below that exclude coverage for, or do not provide coverage for, loss or damages for property damage or bodily injury including but not limited to directors and officers insurance policies) whether primary, umbrella or excess issued at any time by or on the authority of any of the Other Carriers to Imperial (and/or predecessors, affiliates and/or subsidiaries, as applicable):

The following policies issued by the Other Carriers:

First Named Insured	Policy Number	Other Carrier
Not certain	267-66-95	American Home Assurance Company
Imasco Limited	273-48-25	American Home Assurance Company
Imasco Limited	BE7718596	American Home Assurance Company

First Named Insured	Policy Number	Other Carrier
Imasco Limited	633-02-11	American Home Assurance Company
Imasco Limited	633-02-81	American Home Assurance Company
Imasco Limited	633-12-57	American Home Assurance Company
Imasco Limited	CE6331366	American Home Assurance Company
Imasco Limited	633-17-26	American Home Assurance Company
Imasco Limited	BE1921463	American Home Assurance Company
Imasco Limited	CE6332836	American Home Assurance Company
ITCAN	BE7015234	American Home Assurance Company
ITCAN	CE6333233	American Home Assurance Company
ITCAN	BE7408611	American Home Assurance Company
ITCAN	BE7408663	American Home Assurance Company
ITCAN	BE1397069	American Home Assurance Company
ITCAN	BE1397162	American Home Assurance Company
ITCAN	BE2911442	American Home Assurance Company
Not certain	1040281	North British and Mercantile
Not certain	2430612	North British and Mercantile
Not certain	6-851-001	Employer's
Imasco Limited	6642356	Commercial Union Assurance Company of Canada
Imasco Limited	6643140	Commercial Union Assurance Company of Canada
Imasco Limited	5220433494	United States Fire Insurance Company
Not certain	CAA005907	United States Fire Insurance Company

First Named Insured	Policy Number	Other Carrier
Imasco Limited	XS8400896WCC	AEtna Casualty Company of Canada
Imasco Limited	XN8426497WCC	AEtna Casualty Company of Canada
Imasco Limited	2500906	Kansa General Insurance Company Ltd.
Imasco Limited	2501920	Kansa General Insurance Company Ltd.
Imasco Limited	2502857	Kansa General Insurance Company Ltd.
Imasco Limited	4049147	Guardian Insurance Company of Canada
Imasco Limited	4178547	Guardian Insurance Company of Canada
Imasco Limited	4300538	Guardian Insurance Company of Canada
Imasco Limited	12317	The Halifax Insurance Company
Imasco Limited	12317	The Halifax Insurance Company
Imasco Limited	KE1-B71-070286-015	Liberty Mutual Insurance Company
Imasco Limited	KE1-B71-070286-016	Liberty International Canada
Imasco Limited	KE1-B71-070286-017	Liberty Mutual Insurance Company
Imasco Limited	KE1-B71-070286-018	Liberty Mutual Insurance Company
Imasco Limited	KE1-B71-070286-019	Liberty Mutual Insurance Company
Imasco Limited	LQ1-B71-070286-056	Liberty Mutual Insurance Company
Imasco Limited	LQ1-B71-070286-057	Liberty Mutual Insurance Company
Imasco Limited	LQ1-B71-070286-058	Liberty Mutual Insurance Company
Imasco Limited	LQ1-B71-070286-059	Liberty Mutual Insurance Company
ITCAN	246-5154	Lloyd's of London
ITCAN	246-5351	Lloyd's of London
ITCAN	246-5351	Lloyd's of London

First Named Insured	Policy Number	Other Carrier
ITCAN	9900009C	HIH Cotesworth Canada Limited
ITCAN	B0716WCT112246875	Lloyd's of London
Hardee's Food Systems, Inc.	Z39410	Old Republic Insurance Company
Hardee's Food Systems, Inc.	Z39454	Old Republic Insurance Company
Imasco Limited	5916372	Royal Insurance Company of Canada
Imasco Limited	5915902	Royal Insurance Company of Canada
Imasco Retail inc.	5915901	Royal Insurance Company of Canada
Not certain	5916359	Royal Insurance Company of Canada
Imasco Limited	7001361	Reliance Insurance Company
Imasco Limited	7001645	Reliance Insurance Company
Imasco Limited	7001994	Reliance Insurance Company
Imasco Limited	7002396	Reliance Insurance Company
Imasco Limited	7002872	Reliance Insurance Company
Imasco Limited	TGL0000112	Reliance Insurance Company
Imasco Limited	TGL0000113	Reliance Insurance Company
Imasco Limited	TXL0000875	Reliance Insurance Company
Imasco Limited	TXL00002374	Reliance Insurance Company
Imasco Limited	8903039	Zurich Insurance Company
Imasco Limited	8177409	Zurich Insurance Company
Imasco Limited	8800250	Zurich Insurance Company

First Named Insured	Policy Number	Other Carrier
Imasco Limited	8802674	Zurich Insurance Company
Imasco Limited	8815236	Zurich Insurance Company

“Person” means any and all persons and entities, including without limitation natural persons, firms, corporations, limited liability companies, joint ventures, joint stock companies, unincorporated associations, agencies, bodies, associations, partnerships, trusts, Governments of Canadian Provinces and Territories and the Government of Canada and their predecessors, successors, administrators, executors, heirs and assigns.

“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 Imperial and filed with the CCAA Court (with capitalized terms as defined in the CCAA Plan).

“Tobacco Health Care Cost/Damage Recovery” means any claim for and/or recovery, either by judgment against or settlement with Imperial, of tobacco related health care costs made or obtained by the Government of a Canadian Province or Territory or by the Government of Canada.

IN THE MATTER OF the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF IMPERIAL TOBACCO CANADA LIMITED AND IMPERIAL TOBACCO
COMPANY LIMITED**

APPLICANTS

***Ontario*
SUPERIOR COURT OF JUSTICE
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Proceeding commenced at Toronto

ORDER
(Imperial Insurance Settlement and Bar Order)

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