

May 14, 2019

Ari Kaplan
416 565.4656
ari@kaplanlaw.ca

To: All persons with an entitlement under the Genstar Corporation “deferred income plan”, “supplemental executive retirement plan” or “supplementary pension plan”, including survivors, beneficiaries and other persons claiming an interest on behalf of such persons.

Re: *In the Matter of Imperial Tobacco Canada Limited et. al. under the Companies’ Creditors Arrangement Act, R.S.C. 1985, c. C-36 as amended, Ontario Superior Court of Justice File No. CV-19-616077-00CL* (the “Canadian Court Proceeding”).

Dear Genstar U.S. Plan beneficiary:

I am writing to you pursuant to a Court order in my capacity as “representative counsel” to all persons affected by Imperial Tobacco Canada Limited’s decision to cease funding payments under three Genstar pension plans (the “Genstar U.S. Plans”). If you are receiving this letter, you are one of 59 “Affected Members” under the Genstar U.S. Plans identified by the company.

Accompanying this letter is the following documentation:

1. Settlement Allocation Statement (personalized, with your name and entitlements listed);
2. Notice of Settlement Approval Hearing;
3. Notice of Objection; and
4. Opt-Out Form.

The purpose of this letter, and the enclosed documents, is to:

- (a) notify you that the Canadian Court has appointed me as representative counsel, and three individuals as “Representatives”, to represent the interests of all Affected Members in the Canadian Court Proceeding;
- (b) advise that you have the right to “opt out” of being represented by myself and the Representatives by filling out and returning the enclosed Opt-Out Form by June 17;

- (c) notify you that, with my recommendation, the Representatives have entered into a proposed settlement with Imperial Tobacco, which is subject to Court approval on June 26. If the settlement is approved, you will be bound by the terms of the settlement and will be entitled to a lump sum payment equal to the amount stated in the enclosed Settlement Allocation Statement as your “Individual Settlement Share”; and
- (d) advise that you have the right to object to the proposed settlement by filling out and returning the enclosed Notice of Objection, no later than June 17.

Please read this letter and the accompanying documents carefully. There is a proposed settlement concerning your payments under the Genstar U.S. Plans. *The settlement is a compromise of your vested rights to future payments under the plans, in consideration for a lump sum payment to you of an Individual Settlement Share.* After the settlement, your rights in the Canadian Court Proceeding will be preserved as *general unsecured claimants*, in the event of a future successful restructuring of Imperial Tobacco.

If after reading this material, you agree with the settlement, *there is no further active step that you need to take at this time.* The court will be asked to approve the settlement on June 26 and you will be bound to the order approving it.

If you would like more information than what is contained in these documents, or have any questions, please write to me at info@kapanlaw.ca or call me at 416.565.4656.

Background

On March 29, 2019, I was retained by the Former Genstar U.S. Retiree Group Committee, comprised of former Genstar executives Angus A. MacNaughton, Ross J. Turner, Richard D. Paterson, and J. Ernest Hartz. Messrs. Paterson and Hartz have been my day-to-day contacts. Since its formation, the Committee’s mandate has been to protect the common interests of Affected Members, whose pension payments under the Genstar U.S. Plans ceased after Imperial Tobacco filed for insolvency protection in March, in Canada and the United States (Chapter 15).

In the days and weeks that followed, with instructions from the Committee, I did the following:

- on April 1, I filed an Objection with the Canadian Court, objecting to the cessation of payments under the Genstar U.S. Plans;
- on April 3, I filed a supplementary Objection with the Canadian Court;
- on April 4 and 5, I attended before the judge overseeing the Canadian Court Proceeding and obtained a date, April 25, to re-appear to argue for the reinstatement of your pensions;
- on April 9, I filed a Notice of Constitutional Question in which I asserted that your rights have been infringed under the *Canadian Charter of Rights and Freedoms*;

- on April 17, I filed a Motion Record consisting of four affidavits from Affected Members and dozens of evidentiary exhibits compiled to support a Representation Order and for the reinstatement of your pensions; and
- on April 23, I filed a Supplementary Motion Record consisting of additional documentation and evidence obtained from Imperial Tobacco. I also filed a “factum” (written legal submission) and books of case law and statutory authorities.

All of the material that we filed in the Canadian Court Proceeding can be viewed and downloaded from the “case website” maintained by the court-appointed Monitor, FTI Consulting, here:

<http://cfcanada.fticonsulting.com/imperialtobacco/motions.htm>

On April 25, I appeared before the judge and obtained a “Representation Order”. The Representation Order appoints me as representative counsel to represent the interests of all Affected Members in the Canadian Court Proceeding with respect to your entitlements under the Genstar U.S. Plans, except for persons who elect to “opt out” from representation (opting out is described below). The Court also appointed Messrs. Robert. M. Brown of Florida and George A. Foster of California as “Representatives” from amongst the Affected Members.

You can view and download a copy of the Representation Order here:

<http://cfcanada.fticonsulting.com/imperialtobacco/courtOrders.htm>

The judge also scheduled the hearing of our motion to reinstate your payments, for the next day, namely Friday, April 26.

At approximately 9:00 p.m. on April 25, I reached a proposed settlement with the company’s attorneys, with instructions from the Committee and the Representatives. The settlement provides that the company will pay out USD \$1.44 million, equal to approximately three months of payments under the Genstar U.S. Plans, in order to give a reasonable notice period of termination of payments under the plans. In addition, the company will pay \$160,000 on account of legal fees incurred by the Committee in Canada and the United States and to cover fees on a going forward basis. All payments mentioned herein are in United States Dollars. These payments are not an admission of liability on the part of the company.

On April 26, I re-appeared before the judge and we advised him of the proposed settlement and sought an approval process. The judge adjourned the motion to reinstate payments and agreed to schedule June 26 as a Settlement Approval Hearing date.

On May 14, the judge made an order prescribing a process leading up to the Settlement Approval Hearing and approved the form of documents enclosed with this letter (the Settlement Allocation Statement, Notice of Settlement Hearing and Notice of Objection). The judge also appointed Ms. Vivian Brennan-Dolezar of Arizona as a third Representative (with Messrs. Brown and Foster) on

behalf of the Affected Members. (You can view and download a copy of this May 14 order on the same web page as the Representation Order, above).

Settlement Distribution Formula

Over the past two weeks, I have worked with the Monitor to review and assess a number of “allocation scenarios” illustrating different methods of calculating and distributing individual settlement shares to each Affected Member. I also obtained input from the Committee and Representatives, and consulted with others.

In addition, pursuant to the Representation Order, I was provided with certain confidential documentation and information from the company, including a list of all 59 Affected Members and the amounts of your monthly and annual payments under the Genstar U.S. Plans. This list is redacted under seal in the Chapter 15 Proceeding.

I have settled on what I believe is a fair and equitable Distribution Formula and have secured unanimous consensus on this from the Committee and Representatives. Under the Distribution Formula, each Affected Member will receive a share of USD \$1.44 million (your “Individual Settlement Share” listed on the enclosed Settlement Allocation Statement), which is calculated *pro rata* (in proportion) to each Affected Member’s *Projected Total Future Payments* under the plans, with a minimum payment of \$5,000. Your Projected Total Future Payments is listed on the statement. It is calculated as the sum total of all future monthly payments you were expecting to receive under the plans were the payments not terminated starting with the missed payment in April. For most people, this is a straightforward calculation. For example, under the deferred income plan (the DIP), most people are entitled to receive the payment until they reach age 80. Where there is no terminal date for your payments, because you are entitled to lifetime payments (this is the case under the SERP, the supplementary plan and for some people, under the DIP), your Projected Total Future Payments is determined based on actuarial tables, which is the ordinary and accepted method used for calculating pension plan liabilities.

A different formula that I considered, and rejected, is one prorated to monthly payments. Under that method, each Affected Member would receive a lump sum payment equal to approximately three months payments under the plans. I considered that method less fair than the one prorated to Projected Total Future Payments. One reason is that each Affected Member has a different period length within which they are expecting to receive payments. I did not consider it fair, e.g., that two people, both entitled to \$2,000 per month under the plans, would receive the same Individual Settlement Share if the first person’s payments are expected to end in one year, whereas the other person, who is younger, will forego payments for another 10 years. Put another way, under the selected Distribution Formula, a person expecting \$2,000 per month under the plans for 10 more years will receive the same Individual Settlement Share as one who is expecting \$4,000 per month with five years remaining on their payments.

In addition to basing the Distribution Formula *pro rata* to Projected Total Future Payments, we have agreed to ensure a \$5,000 minimum share for each person. This is in recognition that, regardless of each person’s monthly payments, the immediate shock of terminating the plans is presumed to have a common baseline effect on each person’s well-being and ability to make

alternate financial arrangements to replace the loss of payments. The \$5,000 minimum will be received by approximately 17 out of the 59 Affected Members. The “top up” to those Individual Settlement Shares is correspondingly subsidized by the remaining 42 Affected Members whose entitlements are on the higher end of the spectrum. In the distribution analysis I received, I can advise that a total of approximately \$42,000 (out of \$1.44 million) is being reallocated to ensure that each Affected Member receives at least \$5,000.

Finally, each of the three Representatives will be receiving a \$2,000 stipend, from the settlement funds, on account of their labours and efforts over the past couple of months. The Representatives have worked closely with me and spent dozens of hours compiling exhibits and preparing their objections and affidavits.

The company has agreed that it will pay out all Individual Settlement Shares within 30 days of the Canadian Court approving the settlement. If the settlement is approved on June 26, the payments will be made by July 25. It is my understanding that the company will effect the settlement payments in the same manner that it had been making your monthly payments (e.g. by direct deposit). These payments will be subject to ordinary U.S. taxation rules. If you have any tax-related questions, I suggest you speak to a U.S.-based tax or financial advisor.

Other Settlement Features

In addition to receiving your Individual Settlement Share, each Affected Member,

- will continue to be a general unsecured creditor with a retained unsecured claim against Imperial Tobacco in the Canadian Court Proceeding for all remaining unpaid amounts under the Genstar U.S. Plans (less the amount of your Individual Settlement Share). For example, in the event the company successfully restructures and a “plan of compromise or arrangement” is approved, you will share *pro rata* in any distribution alongside all other unsecured creditors of the company; and
- is releasing Imperial Tobacco and its affiliates and subsidiaries from any further payments and liabilities in respect of the Genstar U.S. Plans (save and except as a general unsecured claimant, as noted above). You are also releasing the Committee, Representatives, and representative counsel in respect of the settlement.

Recommendation of Settlement

In my respectful opinion, this is a good settlement and, all things considered is a reasonable compensation for the disaster that occurred in March when your payments were cut off. In my opinion, the documentation you received in March concerning the company’s “cessation of funding” your pensions was not adequate. Also, it is plainly unfair that your pensions are being stopped at this time. It came as a surprise to many people that you did not receive your deposits on April 1. This settlement hopes to rectify, in part, the inadequate notice.

I have recommended this settlement to the Committee and the Representatives, which was reached literally “on the eve of trial”. In coming to my recommendation, I considered the following:

- the company filed insolvency protection proceedings in Canada and the United States because of a massive judgment against it in Quebec concerning its tobacco practices. The company states that “it is facing an estimated \$600 billion in alleged liabilities in pending litigation in Canada”. Because of this, the company obtained an “initial order” from the Canadian Court on March 12 that “stayed” (suspended) its obligation to pay amounts owing as of the filing date, including your pensions. In other words, the company was authorized by the initial order to cease funding your pensions;
- while other company pension plans are being continued at this time, those plans have different circumstances than the Genstar U.S. Plans, including the fact that the other plans either have an active workforce or are funded by way of a separate pension fund with assets available to cover most or all of the liabilities and, as such, are not (or are minimally) affected by the competing unsecured Tobacco litigation claims. In contrast, your pensions are unfunded “contractual” obligations that are paid month-to-month on a pay-as-you-go basis out of company revenues. They are “non-qualified” plans and thereby do not have pre-funding security pursuant to U.S. pension legislation;
- we are aware that Genstar and Imasco purchased single-premium life insurance policies intended to cover the cost of funding your Genstar pensions (on a cost/revenue neutral basis). We also now know that in 1992, those policies were redeemed by the company for their cash surrender value. I made arguments to the Canadian Court concerning the insurance policies and I asserted that the policies give rise to a “constructive trust” over your pension rights which, if successful, could give you an advantage in reclaiming your entitlements. However, there is litigation risk in this submission. The plan documents state that any “person entitled to payments stands in the same position as any general creditor of the Company.” The terms of the deferred income plan (the DIP) contract in which you participate state that “the parties do not intend that the amounts payable hereunder be held by the Employer in trust or as a segregated fund”, and, the

Employer's obligation under the Plan shall be merely that of an unfunded and unsecured promise ... payable solely from the general assets of the Employer, and [no] person entitled to payments hereunder shall have any interest in any assets of the Employer by virtue of this Agreement. The Agreement merely grants the Employee, the Beneficiary or other person entitled to payments hereunder the contractual right to receive future benefits.

- I also asserted that each Affected Member’s right to life, liberty and security of the person was infringed under section 7 of Canada’s constitutional bill of rights, the *Canadian Charter of Rights and Freedoms*. This is a novel argument that, while I believe ultimately is meritorious, nevertheless faces a number of challenges. To succeed on this argument, we would require expert evidence, which is very costly. We would also have to persuade the judge that the *Charter* protects U.S. residents in these circumstances and applies to private litigation under Canada’s commercial restructuring legislation;

To be successful in achieving more than the amount negotiated in this settlement from the Canadian Court, we have to persuade the judge that: first, there are meritorious equitable grounds to reinstate your pensions on an interim basis, and second, that the reinstatement should be for more than three months' time. In my opinion, there is litigation risk on the first ground justifying a settlement of *any* amount and, second, even if successful, the judge could exercise his discretion to award less than three months' payments. Third, even if successful on both grounds, there is a statutory mechanism available to the company to subsequently apply to "disclaim or resiliate" your plans, with court supervision, thereby further limiting the prospect of a lengthy reinstatement.

As a result of all of the foregoing, I have no hesitation in recommending this settlement. Your Individual Settlement Share is a proverbial "bird in the hand" early in the proceedings, your rights as unsecured claimants are preserved, your legal fees have been covered and you will continue to have representation available to you during the remainder of the proceedings. I believe that you have been heard and are receiving access to justice and a redress for an unfortunate event.

Objections

As stated, if you agree with this settlement, there are no active steps you need to take at this time. You will be advised if the settlement is approved, most notably, when you receive your Individual Settlement Share.

If you do not agree with this proposed settlement, you have the right to oppose it. One of the documents enclosed with this package is a Notice of Objection form. If you would like to oppose the settlement, you have the right to fill out this form and return it to FTI Consulting by June 17, as further described in the Notice of Settlement Approval Hearing.

Representation and Opting-Out

If you are agreeable to me continuing to represent you in the Canadian Court Proceeding together with the three Representatives, there is nothing further you need to do. Under my representation, I will continue to keep you informed of major steps in the proceeding affecting your interests. If a plan of compromise is reached or a claims process initiated, I may be able to participate on your behalf and file any required proofs of claim or other documentation.

If you wish to receive email updates from me about the status of the Canadian Court Proceeding, please send me an email to info@kaplanlaw.ca and I will include you on a group list.

If you do not want me and the Representatives to represent you in the Canadian Court Proceeding, you have the right to "opt out" of representation. Enclosed with this package is an "Opt-Out Form". If you wish to opt out, you will need to fill out this form and return it to FTI Consulting by June 17. If you opt out, you will be responsible for retaining your own attorney, if you choose to do so, and personally liable for the costs of your representation.

Settlement Will Be Binding

Please be aware that, if approved, the proposed settlement will be binding on you and you will receive your Individual Settlement Share. This applies even if you file a Notice of Objection or Opt-Out Form. To be clear, you may not opt out of the settlement.

If the Canadian Court does not approve the settlement, you will not receive your Individual Settlement Share, and the parties have agreed that our motion asking the judge to reinstate your pensions will be scheduled and returned to the court for a hearing and adjudication.

Further Questions and Next Steps

I have attempted in this letter to provide you with a comprehensive explanation of the status of your rights in the Canadian Court Proceeding. I appreciate that you, or a family member, or your personal attorney, may have further questions. You or they can contact me by phone at 416.565.4656 or by email at info@kaplanlaw.ca. I will try to return your message promptly. Further, as stated I am compiling a group email list of interested members to which I will send various updates from time to time concerning the status of the Canadian Court Proceeding. Please let me know by email if you wish you be part of this group list.

Please also keep an eye on the FTI case website. A few days before the June 26 Settlement Approval Hearing, the company will be serving and filing a motion for Settlement Approval. Those materials will include a draft Order that the judge will be asked to sign approving the Settlement.

Finally, I wish to acknowledge the considerable efforts of your Committee members and Representatives in getting us to the place we are at today with respect to your matter. We could not have achieved this settlement without their contributions.

Yours truly,

KAPLAN • LAW



Ari Kaplan
ANK:bh

/encl.

- Settlement Allocation Statement
- Notice of Settlement Approval Hearing
- Notice of Objection
- Opt-Out Form

SETTLEMENT ALLOCATION STATEMENT

TO: < **First Name** > < **Last Name** >

This Statement

This Settlement Allocation Statement (the “**Statement**”) provides the estimated amount payable to you under the settlement reached between Imperial Tobacco Canada Limited and Representatives of beneficiaries of certain non-registered pension plans established by Genstar Corporation (the “**Genstar Plans**”), as further described in the Notice of Settlement Hearing document that accompanies this Statement (the “**Settlement**”). You will receive the amount indicated on this Statement if the Ontario Court approves the Settlement at the hearing on June 26, 2019. If the Settlement is approved in its current form, it will bind all beneficiaries under the Genstar Plans, including any beneficiaries who opt-out of representation by Representative Counsel and the Representatives.

Allocation of Settlement Share

In accordance with the Settlement, each beneficiary of the Genstar Plans (collectively, the “**Settlement Class**”) will receive a share of USD \$1.44 million (your “**Individual Settlement Share**”), allocated amongst the Settlement Class in proportion to each beneficiary’s projected total future payments under the plans, with a minimum payment of USD \$5,000. If you are a beneficiary of more than one Genstar Plan (i.e., both the deferred income plan, and the supplemental executive retirement plan or supplementary pension plan), your Individual Settlement Share indicated below is inclusive of all entitlements.

Your Settlement Share

The following is your Settlement Share, in accordance with the terms of the Settlement, based on the information provided by the company:

Plan 1	< Plan 1 >
Plan 2 (if applicable)	< Plan 2 >
Monthly Payments (pre-April 2019)	< Monthly Payments >
Projected Total Future Payments	< PTFP >
Pro-Rated % Share (before Minimum, if applicable)	< Pro Rata % Share >
Your Individual Settlement Share	< Total Payout >

If you have any questions about anything in this Statement, please contact Representative Counsel, Ari Kaplan, at 416.565.4656 or at info@kaplanlaw.ca.

NOTICE OF SETTLEMENT APPROVAL HEARING

RE: Settlement between Imperial Tobacco Canada Limited and Representatives of beneficiaries of certain non-registered pension plans established by Genstar Corporation, as supported by the Former Genstar U.S. Retiree Group Committee

The Court-Appointed Representatives for beneficiaries of Genstar Corporation's ("Genstar") deferred income plan, supplemental executive retirement plan and supplementary pension plan (collectively, the "Genstar Plans") have reached a settlement with Imperial Tobacco Canada Limited ("ITCAN") relating to the Genstar Plans. This settlement is supported by the Former Genstar U.S. Retiree Group Committee. The Ontario Superior Court of Justice (the "Ontario Court") will be asked to grant an Order approving the settlement on June 26, 2019. If the settlement is approved in its current form, it will bind all beneficiaries of the Genstar Plans. If you wish to object to the settlement, you must send a Notice of Objection by 5:00 pm Eastern Time on June 17, 2019 as described below.

Background regarding Genstar Plans and CCAA Proceeding

Genstar established the following non-qualified deferred compensation plans for Genstar's former officers, executives and management employees and their survivors: a deferred income plan, a supplemental executive retirement plan, and a supplementary pension plan. These three plans are called the Genstar Plans in this Notice.

Under a 1986 agreement, ITCAN was a guarantor of Genstar's obligations under the Genstar Plans. Until March 2019, ITCAN made monthly capital contributions to Imasco Holdings Group, Inc. ("IHGI"), a U.S. subsidiary of ITCAN. These monthly contributions permitted IHGI to make the payments owing under the Genstar Plans.

On March 12, 2019, ITCAN was granted protection from its creditors by an initial order (the "Initial Order") of the Ontario Court in proceedings under Canada's *Companies' Creditors Arrangement Act* (the "CCAA Proceeding"). ITCAN applied for the Initial Order because it is facing an estimated \$600 billion in alleged liabilities in pending litigation in Canada.

After obtaining the Initial Order, ITCAN stopped funding the payments under the Genstar Plans.

Appointment of Representatives and Representative Counsel

A committee of beneficiaries of the Genstar Plans called the Former Genstar U.S. Retiree Group Committee (the "Committee") was created after the CCAA Proceeding began.

On April 25, 2019, the Committee obtained an order that, among other things, granted the following relief:

- (i) appointed Ari Kaplan of Kaplan Law as "Representative Counsel" to represent the interests of all persons in the CCAA Proceeding (the "Represented Parties") with respect to entitlements under the Genstar Plans, including survivors and beneficiaries of such persons and persons claiming an interest under or on behalf of a Represented Party (the "Purpose"); and

- (ii) appointed Robert M. Brown and George A. Foster as representatives of all Represented Parties (excluding individuals who opt-out of representation in the manner described below) to act in the overall best interests of the Represented Parties, and to advise and where appropriate instruct the Representative Counsel, in consultation with the Committee, in furtherance of the Purpose.

On May 14, 2019, Vivian Brennan-Dolezar was appointed as a third representative (with Mr. Brown and Mr. Foster, the “Representatives”).

Representative Counsel and the Representatives will represent your interests in the CCAA Proceeding in relation to entitlements under the Genstar Plans unless you send an Opt-Out Notice by 5:00 pm Eastern Time on June 17, 2019 in the manner described in the letter from Representative Counsel.

Settlement between ITCAN and the Representatives

The Committee filed a motion to challenge ITCAN’s decision to stop funding the payments under the Genstar Plans. On April 25, 2019, ITCAN and the beneficiary Representatives entered into a proposed settlement regarding the payments under the Genstar Plans (the “Settlement”).

The Settlement includes the following terms:

- (i) ITCAN will pay a share of USD \$1.44 million to each Genstar Plan beneficiary, allocated in proportion to each beneficiary’s projected total future payments under the plans, with a minimum payment of USD \$5,000 (the “Distribution Formula”).
- (ii) Under the Distribution Formula, each of the three Representatives will receive a USD \$2,000 stipend for their labours and efforts. These payments will be paid out of the USD \$1.44 million referred to in paragraph (i) above.
- (iii) ITCAN will pay USD \$160,000 to Representative Counsel, in trust, on account of legal fees.
- (iv) Genstar Plan beneficiaries will retain their rights to file an unsecured claim in respect of any unpaid amounts owing under the Genstar Plans in the event of a future plan of compromise or arrangement involving ITCAN (taking into account the payments contemplated by paragraph (i) above).

The Representatives and ITCAN will be asking the Ontario Court to approve the Settlement at a hearing on June 26, 2019. If the Settlement is approved in its current form it will bind all beneficiaries under the Genstar Plans, including any beneficiaries who opt-out of representation by Representative Counsel and the Representatives.

How to Object to the Settlement

If you wish to object to the Settlement, you must send a completed Notice of Objection by 5:00 pm Eastern Time on June 17, 2019 or such later date as the Monitor or the Court accepts, based on the circumstances (the “Objection Deadline”) by either mail, courier or email to the following address:

FTI CONSULTING CANADA INC.,
in its capacity as Court-Appointed Monitor of
Imperial Tobacco Canada Limited and
Imperial Tobacco Company Limited
79 Wellington Street West
Suite 2010, PO Box 104
Toronto ON, Canada M5K 1G8

Fax: 416-649-8101

Email: imperialtobacco@fticonsulting.com

Attention: Kamran Hamidi

A form of Notice of Objection is included with this Notice of Settlement Approval Hearing.

If the Notice of Objection is received by the Objection Deadline, it will be provided to the Ontario Court before the Settlement Approval Hearing. If the Notice of Objection is not received by the Objection Deadline, it will not be provided to the Ontario Court and your objection will not be considered. If you wish to appear in person or by counsel at the Settlement Approval Hearing in order to object, you must indicate as much in your Notice of Objection.

Chapter 15 Proceedings

FTI Consulting Canada Inc., in its capacity as the Court-Appointed Monitor in the CCAA Proceeding and Foreign Representative of ITCAN, commenced a Chapter 15 case in the United States Bankruptcy Court for the Southern District of New York in aid of the CCAA Proceeding. However, please note that the Ontario Court will be deciding whether to approve the Settlement. Accordingly, if you wish to make submissions in respect of the Settlement, you must do so in the context of the Settlement Approval Hearing in Toronto, Ontario.

Further Information

Additional information about the CCAA Proceeding, including all orders made by the Ontario Court, are posted on the Case Website maintained by the Monitor at the following address:
<http://cfcanada.fticonsulting.com/imperialtobacco/>

If you would like additional information, please contact Representative Counsel using the information below:

Ari Kaplan, Kaplan Law
393 University Avenue
Suite 2000
Toronto ON M5G 1E6
Canada

Phone: 416-565-4656

Email: info@kaplanlaw.ca

NOTICE OF OBJECTION

TO: FTI CONSULTING CANADA INC.,
in its capacity as Court-Appointed Monitor of
Imperial Tobacco Canada Limited and
Imperial Tobacco Company Limited
79 Wellington Street West
Suite 2010, PO Box 104
Toronto ON, Canada M5K 1G8

Fax: 416-649-8101

Email: imperialtobacco@fticonsulting.com

Attention: Kamran Hamidi

RE: Settlement between Imperial Tobacco Canada Limited and Representatives of beneficiaries of Genstar Plans, as supported by the Former Genstar U.S. Retiree Group Committee

FROM:

(Insert full legal name and address of person who is submitting this Objection)

ENTITLEMENTS UNDER GENSTAR PLANS:

(Provide details of your entitlements under the Genstar Plans, including the applicable plan(s), your monthly payments, etc.)

REASONS FOR OBJECTION:

(Describe your reasons for objecting to the settlement. Please attach extra pages if you need more space):

- I **do not** intend to appear at the Settlement Approval Hearing and understand that my objection will be filed with the Court prior to the Settlement Approval Hearing if it is received before 5:00 pm Eastern Time on June 17, 2019.

- I **do** intend to appear at the Settlement Approval Hearing, in person or by counsel, and to make submissions.

DATED this _____ day of _____, 2019.

(Print name of Objector)

(Signature of Objector)

OPT-OUT FORM

TO: FTI CONSULTING CANADA INC.,
in its capacity as Court-appointed
Monitor of the ITCAN Parties
79 Wellington Street West
Suite 2010, P.O. Box 104
Toronto ON CANADA M5K 1G8

Fax: 416-649-8101
Email: imperialtobacco@fticonsulting.com

Attention: Kamran Hamidi

I hereby provide written notice that I do not wish to be represented by Kaplan Law, representative counsel (the "Representative Counsel") with respect to my entitlements under the Genstar Corporation "deferred income plan", "supplemental executive retirement plan" or "supplementary pension plan", in the proceedings involving Imperial Tobacco Canada Limited and its affiliates and subsidiaries (the "ITCAN Parties") in their proceedings under the *Companies' Creditors Arrangement Act* (Court File No. CV-19-616077-00CL) (the "CCAA Proceedings"). I understand that by opting out of representation, if I wish to take part in the CCAA Proceedings, I would need to do so as an independent party. I am responsible for retaining my own legal counsel should I choose to do so, and that I would be personally liable for the costs of my own legal representation.

I understand that a copy of this Opt-Out Form will be provided to the Representative Counsel and to the ITCAN Parties.

Witness

Signature

Name [please print]: _____

Address: _____

Telephone: _____ Email: _____

Note: To opt out, this form must be completed and received at the above address on or before 5:00 p.m. Eastern Time on June 17, 2019.