

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

**Imperial Tobacco Canada Limited and  
Imperial Tobacco Company Limited**

**EIGHTEENTH REPORT OF THE MONITOR**

**September 28, 2024**

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

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

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

**EIGHTEENTH REPORT TO THE COURT  
SUBMITTED BY FTI CONSULTING CANADA INC.,  
IN ITS CAPACITY AS MONITOR**

**A. GENERAL**

1. This Report addresses the requested adjournment until October 31, 2024 of Imperial's Motion for an extension of the Stay of Proceedings, the extension of Imperial's Stay of Proceedings through October 31, 2024, and various other issues.
2. In this Report, unless otherwise defined, all capitalized terms shall have the respective meanings specified in the glossary attached to this Report as Appendix "A". The first instance of each capitalized term, if defined in the glossary, is bookmarked to the glossary.

**B. INTRODUCTION**

3. The principal purpose of these CCAA Proceedings and their related Chapter 15 Proceedings is to restructure and compromise Imperial's liabilities; specifically, the liabilities arising from the Tobacco Claims, including the Quebec Appeal Judgment.
4. The Initial Order in these CCAA Proceedings was issued by the Court on March 12, 2019, amended and restated on April 5, 2019, further amended and restated on April 25, 2019, and updated by written endorsement on March 6, 2020. On April 17, 2019, the U.S. Bankruptcy Court issued the Foreign Recognition Order recognizing the

CCAA Proceedings as the main proceedings and staying proceedings against ITCAN in the United States.

5. A list of the Orders issued by the Court and the U.S. Bankruptcy Court in these CCAA Proceedings can be found in Appendix “B” to this Report.

### **C. BACKGROUND**

6. Imperial is the largest distributor of Tobacco Products in Canada. It operates two businesses: tobacco and logistics. The tobacco business includes the marketing and sale of Tobacco Products and Vapour Products. The logistics business distributes Tobacco Products and Vapour Products for tobacco manufacturers along with certain non-tobacco products.
7. Imperial is highly integrated with BAT and its affiliates. It benefits from a wide range of services, licences, and rights that certain BAT affiliates provide. These services and functions have been and continue to be vital to Imperial’s business.
8. Further information regarding these CCAA Proceedings and a background on Imperial have been provided in previous Monitor’s Reports.
9. All Court materials filed and orders issued in these CCAA Proceedings and the related Chapter 15 Proceedings are available on the Monitor’s website at: <http://cfcanada.fticonsulting.com/imperialtobacco>.

### **D. TERMS OF REFERENCE AND DISCLAIMER**

10. In preparing this Report, the Monitor has relied upon certain financial information and forecasts prepared by Imperial as well as discussions and correspondence with senior management and advisors to Imperial, amongst others. The Monitor has not audited or otherwise attempted to verify the accuracy or completeness of this information. Accordingly, the Monitor expresses no opinion or other form of assurance respecting the information contained in this Report or relied on in its preparation. Forward-looking financial information reported or relied upon in preparing this Report is based on

Imperial management's assumptions regarding future events. Actual results may diverge from such forecasts, and these variations may be material.

11. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars.
12. This Report should be read in conjunction with the September 2024 Thauvette Affidavit, which can be found [here](#).

**E. PURPOSE OF THIS REPORT**

13. The purpose of this Report is to provide the Court with information regarding:
  - i. an update on the Mediation;
  - ii. Imperial's business activities, industry developments, and trends impacting Imperial's business;
  - iii. Imperial's budget to actual cash-flow results for the 27-week period ending September 6, 2024;
  - iv. the Cash Flow Forecast for the 8-week period commencing the week of September 9, 2024, through the week ending November 1, 2024;
  - v. the activities of the Monitor and its counsel since March 18, 2024, the date of the Seventeenth Report;
  - vi. the requested adjournment of Imperial's motion for an order extending the Stay of Proceedings, and the extension of the Stay of Proceedings up to and including October 31, 2024; and
  - vii. the Monitor's comments and recommendations in respect of the foregoing matters.

## **F. UPDATE ON COURT PROCEEDINGS**

14. On March 25, 2024, the Court heard a motion seeking the extension of the Stay of Proceedings and, on the same date, issued the September 2024 Stay Extension Order, which extended the Stay Period to September 30, 2024. A copy of the September 2024 Stay Extension Order can be found [here](#).
15. On August 26, 2024, the U.S. Bankruptcy Court granted a motion brought by the Monitor, via its U.S. Counsel, for an order recognising the Court's March 25, 2024 order approving the termination of the IHGI Plan. A copy of the motion record can be found [here](#). A copy of such order can be found [here](#).

## **G. UPDATE ON THE MEDIATION**

16. The Monitor continues to work with Imperial to update the Imperial Data Room with financial and other information relevant to these CCAA Proceedings and to respond to information requests. The Imperial Data Room is accessible only to those advisors of Mediation Participants who have executed NDAs.
17. Since the Seventeenth Report, the Court-Appointed Mediator, with the assistance of the Tobacco Monitors, has continued to conduct the Mediation, facilitate the exchange of information, and engage in meaningful discussions with the Mediation Participants. The Mediation negotiations are confidential. There has been significant progress made since the Seventeenth Report.

## **H. IMPERIAL'S BUSINESS ACTIVITIES, INDUSTRY DEVELOPMENTS AND TRENDS IMPACTING IMPERIAL'S BUSINESS**

### **(i) Federal "Proposed tobacco cost recovery framework"**

18. On August 1, 2024, in connection with Bill C-59-related amendments to the *Tobacco and Vaping Products Act*, the Canadian government opened a consultation process for a "tobacco cost recovery framework" that would introduce an annual charge applied to designated tobacco product manufacturers and importers. The annual charge is pursuant to Bill C-59's aim to recover costs incurred by the Canadian government in

relation to carrying out the purpose of the *Tobacco and Vaping Products Act*. The proposed annual charge would vary based on a manufacturer's "tobacco product domestic market share". The Canadian government has committed \$66 million in annual spending to fund tobacco-control activities supported through Canada's Tobacco Strategy. Fees or charges for vaping product manufacturers are not proposed to be included at this time.

**(ii) New Federal Packaging Regulations**

19. As discussed in the Sixteenth Report and Seventeenth Report, on August 1, 2023, the Canadian government promulgated the *Regulations Amending the Tobacco Products Regulations (Plain and Standardized Appearance)*, which, amongst other things, require health warnings to be labelled directly on individual cigarettes. The regulations will be implemented in phases and with different implementation timelines for manufacturers and retailers.
20. As discussed in the Seventeenth Report, all required packaging changes as well as the on-stick warnings for king-sized cigarettes that were mandated for "Phase 1" (with an effective date at manufacturing of January 31 and April 30, 2024) were implemented on time. Imperial has advised the Monitor that its preparation for "Phase 2", which contemplates on-stick warnings for regular cigarettes (with an effective date at manufacturing of January 31, 2025) is underway.

**(iii) Distribution-Center Relocation**

21. As noted in the Seventeenth Report, Imperial relocated operations from its distribution-center in Brampton, Ontario to its distribution-center facility in Vaughan, Ontario, in order to increase operational efficiencies. A full transition was completed in April 2024.
22. In addition, Imperial has relocated operations from its distribution-center in Montreal, Quebec to the same facility in Vaughan, Ontario. A full transition was completed in August 2024.

**(iv) New Intercompany Agreements**

23. ITCAN has entered into intercompany agreements with two BAT subsidiaries: BASS Americas S.A. and BAT DBS MEXICO SA de CV.
24. The Master Intragroup Services Agreement with BASS Americas S.A., provides for various back-office and administrative services, including accounting, accounts payable, and human resources, and replaces the current agreement that has been in effect since 2015. The new agreement contains the updated provisions of BAT's standard Master Services Agreement and reflects the most current description of services. The method for calculating the service fees is unchanged and is in line with BAT's transfer pricing policy.
25. The Master Intragroup Services Agreement with BAT DBS MEXICO SA de CV governs services provided by a shared service center based in Monterrey, Mexico. These services are related to Imperial's Revenue Growth Management program, which generates pricing recommendations on the portfolio of products that ITCAN may decide to adopt. These activities were previously conducted by ITCAN's marketing team. The method for calculating the service fees is consistent with other BAT intra-group arrangements and is line with the group's transfer pricing policy.

**(v) CBSA Assessment and Revenue Management ("CARM") System**

26. As mentioned in the Seventeenth Report, the Canada Border Services Agency (CBSA) has launched a CARM with a goal to align the importation reporting cycles and related federal excise tax payments to a calendar month, instead of the current cycles that overlap every two months. CARM will become the official system of record for the collection of duties and federal excise taxes. This will result in the federal excise tax reporting cycle being consistent with provincial tobacco-tax and sales-tax reporting cycles, which are based on calendar months.
27. It was reported in the Seventeenth Report that CARM would become official on May 13, 2024. Imperial has advised the Monitor that the CARM launch has been delayed



and it understands that this transition is now expected to be implemented in October 2024.

**(vi) Flooding at Imperial Third-Party Facility**

28. Imperial's machinery installed at the third-party manufacturing facility owned by Bastos du Canada Limitée was rendered inoperable by the widespread flooding which impacted Montreal in August 2024. Imperial is continuing its assessment of the timing and cost of repairs.
29. Imperial is engaged in discussions with contract manufacturers to secure its supply of certain tobacco products until operations are resumed at Bastos.

**I. AYLMEER PROPERTY**

30. As previously discussed in the Seventeenth Report, Imperial was considering donating a property located at Area 101, 259 Elm Street in Aylmer, Ontario, to the Town of Aylmer. Previous environmental remediation work was completed on the property in the fourth quarter of 2023.
31. The Town of Aylmer has indicated to Imperial that it is not interested in the Aylmer property. Imperial is therefore evaluating its alternatives at this time, including discussions with other parties that expressed an interest in acquiring the Aylmer property.

**J. RECEIPTS AND DISBURSEMENTS FOR THE 27-WEEK PERIOD ENDING SEPTEMBER 6, 2024**

32. Imperial's cash balance as of the week ended September 6, 2024 was \$4,455 million, as compared to the forecasted cash balance of \$4,573 million. Imperial's actual net cash flows were approximately \$417 million, as compared to the forecasted net cash inflow of \$542 million over the 27-week period resulting in a negative variance of \$125 million, as explained below:

<b>VARIANCE REPORT</b>	<b>Actuals</b>	<b>Forecast</b>	<b>Variance</b>
<i>(CAD\$ in thousands)</i>	<b>For the 27-week period ending Sep 06, 2024</b>		
<b>RECEIPTS</b>			
Trade Receipts	1,988,155	2,222,412	(234,258)
<b>DISBURSEMENTS</b>			
<i>Operating Disbursements</i>			
Taxes and Levies	(1,272,093)	(1,328,379)	56,286
Operations	(402,764)	(450,679)	47,915
<i>Total Operating Disbursements</i>	(1,674,857)	(1,779,058)	104,201
<b>OPERATING CASH FLOWS</b>	<b>313,298</b>	<b>443,355</b>	<b>(130,057)</b>
<i>Financing Disbursements</i>			
Interest and Related Fees on Existing Facilities	110,871	105,692	5,179
<i>Restructuring Disbursements</i>			
Professional Fees	(7,171)	(6,668)	(503)
<b>NET CASH FLOWS</b>	<b>416,997</b>	<b>542,379</b>	<b>(125,381)</b>
<b>CASH</b>			
Beginning Balance	4,030,977	4,030,977	-
Net Cash Inflows / (Outflows)	416,997	542,379	(125,381)
Foreign Exchange Gain / (Loss)	6,797	-	6,797
<b>ENDING CASH</b>	<b>4,454,772</b>	<b>4,573,356</b>	<b>(118,584)</b>

- i. *trade receipts*: negative variance of \$234 million, or -10.5% against the forecast, primarily driven by lower-than-forecast sales volumes and pricing for cigarettes and Vapour Products. Imperial experienced a volume shortfall of 8% for its cigarettes against the forecast during the reporting period. In addition, Imperial did not implement certain price increases contemplated in its cash flow forecast due to market conditions that resulted in lower-than-forecast trade receipts during the reporting period.
- ii. *taxes and levies*: positive variance of \$56 million, or 4.2% against the forecast, driven by lower-than-forecast Provincial Tobacco Tax payments as a result of the shortfall in sales volumes noted above.
- iii. *operating disbursements*: positive variance of \$48 million, primarily driven by a positive permanent variance of \$43 million due to lower than forecasted

purchases of cigarettes and Vapour Products and a positive timing variance of \$5 million that is expected to reverse in the next reporting period.

- iv. *interest income*: positive variance of \$5 million that is driven by the higher-than-forecasted interest rate earned on funds held by Imperial.

## **K. CASH FLOW FORECAST**

- 33. Imperial, with the assistance of the Monitor, has prepared a Cash Flow Forecast for the 8-week period through the week ending November 1, 2024. The Cash Flow Forecast is attached as Appendix “C” to this Report.
- 34. During the Forecast Period, total operating receipts are forecast to be approximately \$601 million and total operating disbursements are forecast to be approximately \$542 million, resulting in a net positive operating cash flow of approximately \$59 million. In addition, Imperial forecasts interest income of approximately \$46 million in respect of cash balances on deposit in Canada and professional fee disbursements of approximately \$6 million, such that net cash inflow is forecast to be approximately \$99 million.
- 35. Cash flows are forecast to be negative for 2 weeks within this period. These negative cash flows are driven by the timing of the payment of taxes and government levies based on monthly reporting periods. Cash flows in the weeks that fall on or around tax payment dates are forecast to be negative and then offset by the positive cash flows during the remainder of the month.
- 36. The Monitor has reviewed the Cash Flow Forecast to the standard required of a Court-appointed monitor by Section 23(1)(b) of the CCAA. Section 23(1)(b) requires a monitor to review the debtor’s cash flow statement as to its reasonableness and to file a report with the court on the monitor’s findings. The Canadian Association of Insolvency and Restructuring Professionals’ Standards of Professional Practice include a standard for a monitor fulfilling its statutory responsibilities under the CCAA in respect of its report on the Cash Flow Forecast.

37. In accordance with the above noted standard, the Monitor's review of the Cash Flow Forecast consisted of inquiries, analytical procedures and discussions related to the Cash Flow Forecast and its underlying assumptions. The Monitor's procedures with respect to the assumptions were limited to evaluating whether they were consistent with the purpose of the Cash Flow Forecast. The Monitor also reviewed the support provided by Imperial's management for the assumptions and the preparation and presentation of the Cash Flow Forecast.
38. Based on the Monitor's review, nothing has come to its attention that causes it to believe, in any material respect, that:
- i. the assumptions are not consistent with the purpose of the Cash Flow Forecast;
  - ii. as at the date of this Report, the assumptions are not suitably supported and consistent with the plans of Imperial or do not provide a reasonable basis for the Cash Flow Forecast; or
  - iii. the Cash Flow Forecast does not reflect the assumptions.
39. As described in the Terms of Reference above, since the Cash Flow Forecast is based on assumptions regarding future events, actual results will diverge from the information presented even if the assumptions occur, and the variations could be material. Accordingly, the Monitor expresses no assurances as to whether the Cash Flow Forecast will be achieved. In addition, the Monitor expresses no opinion or other form of assurance with respect to the accuracy of the financial information presented in the Cash Flow Forecast or relied upon by the Monitor in preparing this Report.
40. The Cash Flow Forecast has been prepared solely for the purposes described above and may not be suitable or appropriate for other purposes.

## **L. NEW TOBACCO AND VAPING REGULATIONS**

41. Tobacco Products and Vapour Products continue to come under increased scrutiny globally, resulting in stringent regulations and, in some cases, outright bans.

42. Appendix “D” to this Report summarizes the various regulatory changes related to Tobacco Products and Vapour Products that have been considered and/or implemented across Canada since the date of the Seventeenth Report.

**M. OVERVIEW OF THE MONITOR’S ACTIVITIES**

43. Since the date of the Seventeenth Report, the Monitor and its counsel have held numerous meetings and discussions with Imperial and its counsel to:
- i. monitor Imperial’s business activities;
  - ii. monitor Imperial’s receipts and disbursements;
  - iii. assist in the preparation of the Cash Flow Forecast;
  - iv. prepare monthly professional fee disclosures;
  - v. gather and review Information to be included in the Imperial Data Room;
  - vi. address vendor and stakeholder inquiries;
  - vii. evaluate a variety of legal and operational issues as they arise;
  - viii. attend monthly board meetings;
  - ix. review proposed capital expenditures; and
  - x. further their understanding of Imperial’s business environment and the factors expected to impact its future business prospects.
44. The Monitor has also regularly attended meetings with the Court-Appointed Mediator and the Mediation Participants and has provided the Court-Appointed Mediator with information necessary to advance the Mediation.

45. The Tobacco Monitors and their counsel have met regularly to discuss ongoing matters including the Mediation, reviewing Information to be included in the Applicants' Data Rooms, procedural aspects of these CCAA Proceedings and the relief sought herein.

**(i) Litigation Update**

46. The Monitor is aware of, and has been monitoring, various ancillary litigation matters and information requests involving or respecting Imperial which arose subsequent to the initiation of the CCAA Proceedings and the implementation of the Stay of Proceedings. The Monitor believes that Imperial has been acting in good faith with respect to such matters, addressing the litigation on a case-by-case basis and apprising the Monitor of the actions it intends to take ahead of time.

**(ii) Professional Fee Disclosure**

47. Pursuant to the Professional Fee Disclosure Order, the Monitor continues to provide to the Quebec Litigation Plaintiffs and other parties who requested such information a summary, broken down by firm, of the restructuring fees incurred on or after March 12, 2019, and paid to the CCAA Professionals each month.

**N. STAY OF PROCEEDINGS**

48. The Stay Period is set to expire on September 30, 2024. Imperial is seeking an extension of the Stay Period up to and including March 28, 2025. After discussions, the Monitor, Imperial and other stakeholders have agreed to extend the Stay Period until October 31, 2024. Imperial's motion to extend the Stay Period to March 28, 2025 will be adjourned to October 31, 2024.

49. It is the Monitor's view that Imperial has acted in accordance with the Second Amended and Restated Initial Order and is working diligently and in good faith. As described above, the Cash Flow Forecast projects that Imperial will have sufficient liquidity and generate positive cash flow during the Forecast Period. Accordingly, the Monitor supports an extension of the Stay Period up to and including October 31, 2024.

The Monitor respectfully submits this 18<sup>th</sup> Report.

Dated this 28th day of September 2024

*FTI Consulting Canada Inc.*

**FTI Consulting Canada Inc.**

in its capacity as Monitor of Imperial Tobacco Canada Limited and Imperial Tobacco Company Limited, and not in its personal capacity.

## APPENDIX “A” GLOSSARY

“**Applicants**” means, collectively, Imperial, JTIM and Rothmans.

“**BAT**” means British American Tobacco p.l.c., a public company listed on the London Stock Exchange.

“**BAT Group**” means, collectively, British American Tobacco p.l.c., B.A.T. International Finance p.l.c., B.A.T Industries p.l.c., British American Tobacco (Investments) Limited, Carreras Rothmans Limited or entities related to or affiliated with them other than Imperial and the ITCAN Subsidiaries.

“**BAT Mexico**” means British American Tobacco Mexico S.A. de C.V.

“**Bill C-59**” means *An Act to implement certain provisions of the fall economic statement tabled in Parliament on November 21, 2023 and certain provisions of the budget tabled in Parliament on March 28, 2023.*

“**Cash Flow Forecast**” means the cash flow forecast of Imperial’s receipts and disbursements for the 8-week period commencing the week of September 9, 2024, and continuing through the week ending November 1, 2024.

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

“**CCAA Proceedings**” means Court File No. CV-19-616077-00CL commenced by Imperial under the CCAA.

“**CCAA Professionals**” means the Monitor, counsel to the Monitor, counsel to Imperial, and any financial advisor Imperial has retained in connection with these CCAA Proceedings, except for any financial advisor in respect of whose work Imperial properly asserts solicitor-client, settlement, litigation or other privilege.

“**Chapter 15 Proceedings**” means the proceedings commenced by ITCAN on March 13, 2019, for relief under Chapter 15 of the U.S. Bankruptcy Code.

“**Comeback Motion**” means the Comeback Motion, as defined in the Initial Order, which was heard on April 4, 5, 25 and 26, 2019.

“**Consortium of Provinces**” means, collectively, the Province of British Columbia, the Province of Manitoba, the Province of New Brunswick, the Province of Nova Scotia, the Province of Prince Edward Island and the Province of Saskatchewan, in each province’s capacity as a plaintiff in the HCCR Claims.

“**Court**” means the Ontario Superior Court of Justice (Commercial List).



“**Court-Appointed Mediator**” means the Honourable Warren K. Winkler K.C., acting as an officer of the Court and as a neutral third party to mediate a pan-Canadian global settlement in the context of these Tobacco CCAA Proceedings.

“**COVID-19 Pandemic**” means the global pandemic caused by the novel coronavirus.

“**Data Rooms**” means data rooms containing Information in respect of the Applicants which are responsive to requests submitted by Mediation Participants, and as well as other information, which the Tobacco Monitors considered relevant.

“**Deloitte**” means Deloitte Restructuring Inc.

“**DSA**” means the Vype Product Distribution Agreement between ITCAN and Nicoventures Trading Limited, an affiliate of ITCAN.

“**Eighth Report**” means the eighth report of the Monitor filed on September 22, 2020.

“**Eleventh Report**” means the eleventh report of the Monitor filed on March 15, 2022.

“**Excluded Claims**” means the claims excluded from the definition of TRW Claimants as described in paragraph 26 of Appendix “C” to the Sixth Report.

“**EY**” means Ernst & Young Inc.

“**Fifth Report**” means the report filed by the Monitor on September 25, 2019.

“**First Report**” means the report filed by the Monitor on April 3, 2019 in connection with the relief sought at the Comeback Motion.

“**Flintkote**” means the Flintkote Company.

“**Flintkote Issue**” means the lawsuit brought against ITCAN in respect of certain distributions received by ITCAN from Flintkote (a previous indirect subsidiary of a predecessor of ITCAN) and legal expenses related to same, as more fully described in the Tenth Report.

“**Forecast Period**” means the 8-week period commencing the week of September 9, 2024 through the week ending November 1, 2024.

“**Fourth Report**” means the report filed by the Monitor on June 24, 2019.

“**Fourteenth Report**” means the report filed by the Monitor on March 14, 2023.

“**Fifteenth Report**” means the report filed by the Monitor on March 22, 2023.

“**FTI**” means FTI Consulting Canada Inc.

**“Future Tobacco Harm Stakeholders”** as defined in the HSF Representation Motion, means those individuals who will buy and use tobacco products (or be exposed to the use of tobacco products) subsequent to the commencement of the CCAA Proceedings.

**“Genstar”** means Genstar Corporation, a subsidiary of ITCAN.

**“HCCR Claims”** means the claims started by each of the Provinces under each Province’s health care cost recovery legislation, to recover health care costs associated with smoking and the use of Tobacco Products.

**“HSF”** means the Heart and Stroke Foundation of Canada.

**“HSF Leave Motion Endorsement”** means a judgment issued by the Court on June 26, 2023 denying the HSF Leave Motion seeking leave to bring the HSF Representation Motion.

**“HSF Leave Motion”** means a motion brought by HSF returnable April 14, 2023 for leave to bring the HSF Representation Motion.

**“HSF Representation Motion”** means a motion brought by HSF dated September 19, 2022, seeking the appointment of Tyr LLP as representative counsel for the Future Tobacco Harm Stakeholders.

**“HSF Representation Motion Leave Hearing Order and Endorsement”** means an order and endorsement issued by the Court on February 14, 2023, setting a hearing date of April 14, 2023 for the hearing respecting leave to bring the HSF Representation Motion.

**“IHGI”** means Imasco Holdings Group Inc.

**“IHGI Plan”** means the U.S. tax qualified, registered defined benefit pension plan covering approximately 935 former U.S. employees of certain of Imperial’s predecessor companies.

**“Imperial”** means, collectively, ITCAN and ITCO.

**“Imperial Data Room”** means a data room containing Information in respect of Imperial.

**“Information”** means common categories of information in respect of the Applicants which are responsive to requests submitted by Mediation Participants, as well as other information which the Tobacco Monitors considered relevant.

**“Initial Order”** means the initial order granted by the Court on March 12, 2019, as amended and restated as of April 5, 2019 and further amended and restated as of April 25, 2019 and updated by written endorsement on March 6, 2020, which authorized, among other things, the Stay of Proceedings and FTI’s appointment as Monitor of Imperial’s CCAA Proceedings.

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

“**ITCAN Subsidiaries**” means Imperial Tobacco Services Inc., Imperial Tobacco Products Limited, Marlboro Canada Limited, Cameo Inc., Medallion Inc., Allan Ramsay and Company Limited, John Player & Sons Ltd., Imperial Brands Ltd., 2004969 Ontario Inc., Construction Romir Inc., Genstar, Imasco Holdings Group, Inc., ITL (USA) limited, Genstar Pacific Corporation, Imasco Holdings Inc., Southward Insurance Ltd., Liggett & Myers Tobacco Company of Canada Limited or entities related to or affiliated with them other than Imperial and the BAT Group.

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

“**JTIM**” means JTI-Macdonald Corp.

“**JTIM Group**” means the entities currently or formerly related to or affiliated with JTIM.

“**March 2020 Stay Extension Order**” means an Order of the Court, dated October 8, 2019, extending the length of the Stay of Proceedings to March 12, 2020.

“**March 2021 Stay Extension Order**” means an Order of the Court, dated September 29, 2020, extending the length of the Stay of Proceedings to March 31, 2021.

“**March 2022 Stay Extension Order**” means an Order of the Court, dated September 27, 2021, extending the length of the Stay of Proceedings to March 31, 2022.

“**March 2023 Stay Extension Order**” means an Order of this Court, dated September 29, 2022, extending the length of the Stay of Proceedings to March 31, 2023.

“**March 2024 Stay Extension Order**” means an order of the Court, dated October 5, 2023, extending the length of the Stay of Proceedings to March 29, 2024.

“**March 2024 Thauvette Affidavit**” means the Affidavit of Eric Thauvette, Vice President and Chief Financial Officer of ITCAN, sworn March 11, 2024.

“**Mediation**” means the mediation process conducted by the Court-Appointed Mediator.

“**Mediation Participants**” means the Applicants, the Consortium of Provinces, the Provinces of Alberta, Newfoundland and Labrador, Ontario, and Quebec, the Quebec Litigation Plaintiffs, the TRW Claimants represented by Wagners, the “tobacco light class action plaintiffs”, and the Tobacco Growers’ Marketing Board.

“**Monitor**” means FTI Consulting Canada Inc.

“**Monitor’s Reports**” means collectively, the Pre-Filing Report, the First Report, the Second Report, the Third Report, the Fourth Report, the Fifth Report, the Sixth Report, the Seventh Report, the Eighth Report, the Ninth Report, the Tenth Report, the Eleventh Report, the Twelfth Report, the Thirteenth Report, the Fourteenth Report, the Fifteenth Report, the Sixteenth Report, the Seventeenth Report, and this Report.

“**MSA**” means the Supply of Marketing Services Agreement between ITCAN and Nicoventures Trading Limited, an affiliate of ITCAN.

“**New Excise Act Security**” means security of up to \$5 million to be posted with the CRA as required by recent amendments to the Excise Act concerning, among other things, the import of vaping products into Canada.

“**New Excise Act Security Order**” means the order issued on July 11, 2022, authorizing ITCAN to post security as required by certain amendments to the Excise Act and to take any steps necessary to otherwise comply with the requirements of such security.

“**NDA**” means a non-disclosure agreement for the purposes of gaining access to the Data Rooms.

“**Ninth Report**” means the report filed by the Monitor on March 19, 2021.

“**October Endorsement**” means an Endorsement of the Court, dated October 18, 2019, providing reasons for the March 2020 Stay Extension Order and the deferment of the issue of certain payments to BAT Mexico.

“**PMI Group**” means Philip Morris International Inc. and all entities related to or affiliated with it, other than Rothmans.

“**Pre-Filing Report**” means the report filed by the Monitor on March 12, 2019, in its capacity as proposed Monitor of Imperial, in connection with Imperial’s initial application for relief under the CCAA.

“**Professional Fee Disclosure Order**” means an order of the Court which authorized, among other things, the disclosure of the professional restructuring fees in these CCAA Proceedings by the Monitor on or before the 15<sup>th</sup> of every month, beginning with June 2019.

“**Provinces**” means all of the provinces of Canada.

“**Quebec Appeal Judgment**” means the Court of Appeal of Quebec’s decision on the appeal of the Quebec Judgment issued March 1, 2019.

“**Quebec Judgment**” means the Quebec Superior Court’s judgment on the “Letourneau action” and the “Blais action” released on May 27, 2015 and corrected on June 9, 2015.

“**Quebec Litigation Plaintiffs**” means, collectively, the representative plaintiffs and the certified class members in each of the “Letourneau action” and the “Blais action”, as described in the March 12, 2019 Thauvette Affidavit.

“**Quebec Tobacco Tax**” means the new tax on the purchase and sale of tobacco products introduced in the Province of Quebec, which came into effect on February 9, 2023.

“**Report**” means this Eighteenth Report of the Monitor dated September 28, 2024.

“**Representative Counsel Order**” means the order by the Court on December 9, 2019, appointing Wagners as representative counsel to the TRW Claimants.

“**Rothmans**” means Rothmans Benson & Hedges Inc.

“**Second Amended and Restated Initial Order**” means the Initial Order, as amended and restated as of April 25, 2019.

“**Second Report**” means the report filed by the Monitor on April 24, 2019.

“**September 2021 Stay Extension Order**” means an order of the Court, dated March 30, 2021, extending the length of the Stay of Proceedings to September 30, 2021.

“**September 2022 Stay Extension Order**” means an order of the Court, dated September 29, 2022, extending the length of the Stay of Proceedings to March 31, 2023.

“**September 2023 Stay Extension Order**” means an order of the Court, dated March 30, 2023, extending the length of the Stay of Proceedings to September 29, 2023.

“**September 2024 Stay Extension Order**” means an order of the Court, dated March 25, 2024, extending the length of the Stay of Proceedings to September 30, 2024.

“**September 2024 Thauvette Affidavit**” means the Affidavit of Eric Thauvette, Vice President and Chief Financial Officer of ITCAN, sworn September 16, 2024.

“**Seventh Report**” means the report filed by the Monitor on February 13, 2020.

“**Seventeenth Report**” means the report filed by the Monitor on March 18, 2024.

“**Shapiro**” means Daniel Shapiro Legal Professional Corporation.

“**Sixth Report**” means the report filed by the Monitor on November 26, 2019.

“**Sixteenth Report**” means the report filed by the Monitor on September 20, 2023.

“**Stay of Proceedings**” means the stay of proceedings during the Stay Period in favour of Imperial and their non-applicant subsidiaries, including Liggett & Meyers Tobacco Company of Canada Limited, as well as a limited stay in favour of BAT and certain BAT affiliates.

“**Stay Period**” means the term of the Stay of Proceedings.

“**Tenth Report**” means the report filed by the Monitor on September 20, 2021.

“**Third Report**” means the report filed by the Monitor on May 13, 2019.

“**Thirteenth Report**” means the report filed by the Monitor on September 23, 2022.

**“Tobacco CCAA Proceedings”** means these CCAA Proceedings, Court File No. 19-CV-615862-00CL commenced by JTIM under the CCAA and Court File No. CV-19-616779-00CL commenced by Rothmans under the CCAA.

**“Tobacco Claims”** means all claims brought or that could be brought under applicable law against the Applicants in relation to the development, manufacturing, production, marketing, advertising of, any representations made in respect of, the purchase, sale, and use of, or exposure to, the Tobacco Products.

**“Tobacco Monitors”** means, collectively, the Monitor, EY in its capacity as monitor for Rothmans, and Deloitte in its capacity as monitor for JTIM.

**“Tobacco Products”** means tobacco or any product made or derived from tobacco or containing nicotine that is intended for human consumption, including any component, part, or accessory of or used in connection with a tobacco product, including cigarettes, cigarette tobacco, roll your own tobacco, smokeless tobacco, and any other tobacco or nicotine delivery systems and shall include materials, products and by-products derived from or resulting from the use of any tobacco products, but does not include heat-not-burn tobacco products or Vapour Products.

**“Tobacco-Related Wrongs”** means all claims or causes of action in respect of: (i) the development, manufacture, production, importation, marketing, advertising, distribution, purchase or sale of Tobacco Products; (ii) the historical or ongoing use of or exposure to Tobacco Products; or (iii) any representation in respect of Tobacco Products, including, without limitation, claims for contribution or indemnity, personal injury or tort damages, restitutionary recovery, non-pecuniary damages or claims for recovery grounded in provincial consumer protection legislation, but does not include the Excluded Claims.

**“TRW Claimants”** means all individuals (including their respective successors, heirs, assigns, litigation guardians and designated representatives under applicable provincial family law legislation) who assert or may be entitled to assert a claim or cause of action as against one or more of the Applicants, the ITCAN subsidiaries, the BAT Group, the JTIM Group or the PMI Group, or persons indemnified by such entities, in respect of Tobacco-Related Wrongs in Canada, or in the case of the Applicants, anywhere else in the world.

**“Twelfth Report”** means the twelfth report of the Monitor filed on July 8, 2022.

**“U.S.”** means the United States of America.

**“U.S. Bankruptcy Code”** means title 11 of the United States Code.

**“U.S. Bankruptcy Court”** means the United States Bankruptcy Court for the Southern District of New York.

**“U.S. Counsel”** means Morgan, Lewis & Bockius LLP, U.S. counsel to the Monitor.

“**Vapour Products**” means potential reduced risk, rechargeable, battery-powered devices that heat liquid formulations – e-liquids – to create a vapour which is inhaled, and which are sold under the tradename of Vype/Vuse.

“**Wagners**” means The Law Practice of Wagner & Associates, Inc.

## **APPENDIX “B” ORDERS**

Please see below for a description of the orders issued by the Court and the U.S. Bankruptcy Court in these CCAA Proceedings.

### **1. Initial Order:**

The Initial Order of the Ontario Superior Court of Justice (Commercial List) made on March 12, 2019, as amended and restated as of April 5, 2019 and further amended and restated as of April 25, 2019, pursuant to which:

- (a) Imperial was granted an initial stay of proceedings under the CCAA until April 11, 2019; and
- (b) FTI was appointed as the Monitor.

A copy of the Initial Order can be found [here](#).

### **2. Comeback Motion:**

The Comeback Motion was heard on April 4 and 5, 2019. Following the Comeback Motion:

- (a) the Court issued an order dated April 5, 2019 extending the Stay of Proceedings to June 28, 2019, a copy of which can be found [here](#);
- (b) the Court issued the Insurance Lift-Stay Order dated April 5, 2019, partially lifting the Stay of Proceedings to allow the Quebec Litigation Plaintiffs to seek the approval of certain insurance settlements, a copy of which can be found [here](#); and
- (c) the Court issued an order dated April 5, 2019 amending and restating the Initial Order and appointing Hon. Warren K. Winkler, Q.C. as the Court-Appointed Mediator, a copy of which can be found [here](#).

### **3. Foreign Recognition Order:**

On April 17, 2019, the U.S. Bankruptcy Court issued the Foreign Recognition Order recognizing the CCAA Proceedings as the main proceedings and staying proceedings against ITCAN in the United States. The Foreign Recognition Order can be found [here](#).

### **4. Second Amended and Restated Initial Order:**

The Second Amended and Restated Initial Order was issued following the continuation of the Comeback Motion on April 25 and 26, 2019, a copy of which can be found [here](#).



**5. Representation Order:**

On April 25, 2019, the Court issued the Representation Order appointing Ari Kaplan of Kaplan Law as representative counsel to Robert M. Brown and George A. Foster, the court-appointed representatives of all persons with entitlements under certain retirements plans, including survivors and beneficiaries of such persons and any other person under the Representation Order. A copy of the Representation Order can be found [here](#).

**6. Order to Amend the Ontario Claim:**

On April 29, 2019, the Court issued the Order to Amend the Ontario Claim, partially lifting the Stay of Proceedings to permit the Province of Ontario to seek leave to amend its Amended Fresh as Amended Statement of Claim in the proceedings related to Ontario's HCCR Claims. A copy of the Order to Amend the Ontario Claim can be found [here](#).

**7. Notice Procedure Order:**

On May 14, 2019, the Court issued the Notice Procedure Order, which among other things, appointed Vivian Bennan-Dolezar as an additional representative to the represented parties under the Representation Order and approved the form and manner of notice of the Settlement Approval Hearing to such represented parties. A copy of the Notice Procedure Order can be found [here](#).

**8. Professional Fee Disclosure Order:**

The Professional Fee Disclosure Order was issued on May 14, 2019 and can be found [here](#).

**9. Communication and Confidentiality Protocol Endorsement:**

On May 24, 2019, the Court issued the Communication and Confidentiality Protocol Endorsement, pursuant to which the Court approved the communication and confidentiality protocol as between the Court and the Court-Appointed Mediator. A copy of the Communication and Confidentiality Protocol Endorsement can be found [here](#).

**10. Clarification of Insurance Lift-Stay Order:**

On May 31, 2019, the Court issued the Clarification of Insurance Lift-Stay Order which clarified the scope of the Insurance Lift-Stay Order. A copy of the Clarification of Insurance Lift-Stay Order can be found [here](#).

**11. October Stay Extension Order:**

The October Stay Extension Order was issued on June 26, 2019 and extended the Stay of Proceedings to October 4, 2019. A copy of the October Stay Extension Order can be found [here](#).

**12. Genstar Settlement Approval Order:**

The Genstar Settlement Approval Order was issued on June 26, 2019, approving, among other things (i) the settlement entered into on April 25, 2019 between ITCAN and Robert M. Brown and George A. Foster, as representatives in respect of those certain retirement plans; and (ii) the distribution of the proceeds of such settlement among all persons with entitlements under certain retirements plans, including survivors and beneficiaries of such persons and any other person under the Representation Order. A copy of the Genstar Settlement Approval Order can be found [here](#).

**13. Order Appointing a Financial Advisor to the Court-Appointed Mediator:**

The Order Appointing a Financial Advisor to the Court-Appointed Mediator was issued on June 27, 2019, which appointed Alvarez & Marsal Canada Inc. as the financial advisor to the Court-Appointed Mediator. A copy of the Order Appointed a Financial Advisor to the Court-Appointed Mediator can be found [here](#).

**14. Court-to-Court Communications Order:**

On July 9, 2019, the Court issued the Court-to-Court Communications Order, approving court-to-court communications between the Court, the U.S. Bankruptcy Court and any other court in any province or territory of Canada. A copy of the Court-to-Court Communications Order can be found [here](#).

**15. Order Recognizing the Genstar Settlement Approval Order:**

The U.S. Bankruptcy Court granted an order recognizing the Genstar Settlement Approval Order on July 18, 2019. A copy of which can be found [here](#).

**16. Order Recognizing the Court-to-Court Communications Order:**

The U.S. Bankruptcy Court granted an order recognizing the Court-to-Court Communications Order on September 5, 2019. A copy of which can be found [here](#).

**17. March 2020 Stay Extension Order and October Endorsement:**

The March 2020 Stay Extension Order was issued on October 2, 2019 and extended the Stay of Proceedings to March 12, 2020. A copy of the March 2020 Stay Extension Order can be found [here](#). Justice McEwen released the October Endorsement on October 18, 2019 providing reasons for the March 2020 Stay Extension Order and the deferment of the issue of certain payments to BAT Mexico. A copy of the October Endorsement can be found [here](#).

**18. Representative Counsel Order:**

The Representative Counsel Order was issued on December 9, 2019 and appointed Wagners as representative counsel to the TRW Claimants. A copy of the Representative Counsel Order can be found [here](#).

**19. September Stay Extension Order:**

The September Stay Extension Order was issued on February 20, 2020 and extended the Stay of Proceedings to September 30, 2020. A copy of the September Stay Extension Order can be found [here](#).

**20. Notice Protocol Endorsement:**

The Notice Protocol Endorsement was issued on March 6, 2020 and further amended the Second Amended and Restated Initial Order by adding paragraphs to govern the notice protocol for moving and responding parties in the CCAA Proceedings. A copy of the Notice Protocol Endorsement can be found [here](#).

**21. Limited Lift of Stay Order:**

The Limited Lift of Stay Order was issued on March 16, 2020 and partially lifted the Stay of Proceedings to allow ITCAN to be added as a respondent to the application brought by the City of Ottawa bearing Court File No. 19-81809. A copy of the Limited Lift of Stay Order can be found [here](#).

**22. Consultant Order:**

The Consultant Order was issued on September 15, 2020 and appointed Shapiro as consultant to the Court-Appointed Mediator. A copy of the Consultant Order can be found [here](#).

**23. March 2021 Stay Extension Order:**

The March 2021 Stay Extension Order was issued on September 29, 2020, extending the Stay of Proceedings to March 31, 2021. A copy of the March 2021 Stay Extension Order can be found [here](#).

**24. September 2021 Stay Extension Order:**

The September 2021 Stay Extension Order was issued on March 30, 2021, extending the Stay of Proceedings to September 30, 2021. A copy of the September 2021 Stay Extension Order can be found [here](#).

**25. March 2022 Stay Extension Order:**

The March 2022 Stay Extension Order was issued on September 27, 2021, extending the Stay of Proceedings to March 31, 2022. A copy of the March 2022 Stay Extension Order can be found [here](#).

**26. September 2022 Stay Extension Order:**

The September 2022 Stay Extension Order was issued on March 22, 2022, extending the Stay of Proceedings to September 30, 2022. A copy of the September 2022 Stay Extension Order can be found [here](#).

**27. New Excise Act Security Order:**

The New Excise Act Security Order was issued on July 11, 2022, authorizing ITCAN to post security as required by certain amendments to the Excise Act in an aggregate amount not exceeding \$5 million, and to take any steps necessary to otherwise comply with the requirements of such security. A copy of the New Excise Act Security Order can be found [here](#).

**28. March 2023 Stay Extension Order:**

The March 2023 Stay Extension Order was issued on September 29, 2022, extending the Stay of Proceedings to March 31, 2023. A copy of the March 2023 Stay Extension Order can be found [here](#).

**29. HSF Representation Motion Leave Hearing Order and Endorsement:**

The HSF Representation Motion Leave Hearing Order and Endorsement was issued by the Court on February 14, 2023, setting a hearing date of April 14, 2023 for the hearing on whether to grant the HSF Leave Motion, by which HSF seeks leave to bring the HSF Representation Motion. A copy of the endorsement in respect of the HSF Representation Motion Leave Hearing Order and Endorsement can be found [here](#). A copy of the HSF Representation Motion can be found [here](#).

**30. September 2023 Stay Extension Order:**

The September 2023 Stay Extension Order was issued on March 30, 2022, extending the Stay of Proceedings to September 29, 2023. A copy of the September 2023 Stay Extension Order can be found [here](#).

**31. HSF Leave Motion Endorsement:**

The HSF Leave Motion Endorsement was issued on June 26, 2023 denying the HSF Leave Motion, which sought leave to bring the HSF Representation Motion. A copy of the HSF Leave Motion Endorsement can be found [here](#).

**32. March 2024 Stay Extension Order**

The March 2024 Stay Extension Order was issued on October 5, 2023, extending the length of the Stay of Proceedings to March 29, 2024. A copy of the March 2024 Stay Extension Order can be found [here](#).

**33. September 2024 Stay Extension Order**

The September 2024 Stay Extension Order was issued on March 25, 2024, extending the length of the Stay of Proceedings to September 30, 2024. A copy of the September 2024 Stay Extension Order can be found [here](#).

**34. Order Recognising the IHGI Pension Wind-Up Order**

On August 26, 2024, the U.S. Bankruptcy Court granted an order recognising the Court's March 25, 2024 order approving the termination of the IHGI Plan. A copy of the order can be found [here](#).

## APPENDIX "C" CASH FLOW FORECAST

### Imperial Tobacco Canada Limited

CCAA Cash Flow Forecast

(CAD\$ in thousands)

Week Beginning (Monday)	9-Sep-24	16-Sep-24	23-Sep-24	30-Sep-24	7-Oct-24	14-Oct-24	21-Oct-24	28-Oct-24	8-Week Total	
Forecast Week	1	2	3	4	5	6	7	8		
<b>RECEIPTS</b>										
Trade Receipts	[2]	59,190	70,148	72,160	76,691	84,987	78,412	80,358	79,312	601,257
<b>DISBURSEMENTS</b>										
<i>Operating Disbursements</i>										
Taxes and Levies	[3]	(0)	(37,369)	(2,200)	(195,125)	-	(26,206)	(20,026)	(123,240)	(404,166)
Operations	[4]	(8,106)	(12,583)	(54,779)	(7,188)	(6,898)	(6,909)	(24,036)	(17,817)	(138,316)
<i>Total Operating Disbursements</i>		(8,106)	(49,953)	(56,979)	(202,313)	(6,898)	(33,116)	(44,062)	(141,057)	(542,482)
<b>OPERATING CASH FLOWS</b>										
		51,084	20,195	15,181	(125,622)	78,089	45,297	36,296	(61,745)	58,775
<i>Financing Income</i>										
Interest and Related Fees	[5]	5,699	-	2,615	17,981	2,582	-	-	16,635	45,511
<i>Restructuring Disbursements</i>										
Professional Fees	[6]	(2,135)	(482)	(482)	(482)	(482)	(482)	(482)	(482)	(5,506)
<b>NET CASH FLOWS</b>										
		54,648	19,713	17,314	(108,123)	80,189	44,815	35,814	(45,592)	98,779
<b>CASH</b>										
Beginning Balance		4,454,772	4,509,420	4,529,133	4,546,447	4,438,324	4,518,513	4,563,328	4,599,143	4,454,772
Net Cash Inflows / (Outflows)		54,648	19,713	17,314	(108,123)	80,189	44,815	35,814	(45,592)	98,779
<b>ENDING CASH</b>										
		4,509,420	4,529,133	4,546,447	4,438,324	4,518,513	4,563,328	4,599,143	4,553,551	4,553,551

**Notes to the CCAA Forecast:**

- [1] The purpose of this cash flow forecast is to estimate the liquidity requirements of the Company during the forecast period.
- [2] Forecast Trade Receipts include collections from the sale of tobacco-related products and other categories, net of returns, and inclusive of sales taxes. The sales forecast is based on historical sales patterns, seasonality, and current management's expectations.
- [3] Forecast Taxes and Levies disbursements reflect the remittance of the federal excise tax, provincial tobacco taxes, sales taxes, and the Company's corporate income taxes.
- [4] Forecast Operations disbursements include employee-related costs, selling, general, administrative costs and intercompany costs. Intercompany costs include costs relating to the purchase of tobacco-related products and other categories, and services including: innovation fees, consulting and advisory fees, IT-related costs, product development and testing, accounting and human resources.
- [5] Forecast Interest and Related Fees reflect interest income earned net of any sundry payments relating to existing facilities.
- [6] Forecast Professional Fees include fees for the Company's Counsel, the Monitor, the Monitor's Counsel, the Company's US Counsel, the Monitor's US Counsel, the US Noticing Agent, the Court-Appointed Mediator, the Court-Appointed Mediator's Counsel and the Representative Counsel for the TRW Claimants.

**APPENDIX “D”**  
**REGULATION OF TOBACCO AND VAPOUR PRODUCTS**

Please see below for a summary of the tobacco and vaping regulations that are being considered and implemented across Canada since the date of the Seventeenth Report.

**Tobacco**

1. **Federal:** on June 17, 2024, the Canadian government published the *Regulations Amending the Tobacco Products Appearance, Packaging and Labelling Regulations* amending packaging requirements under the *Tobacco Products Appearance, Packaging and Labelling Regulations* to clarify requirements related to the placement of health-related messages on a secondary package that is a carton.

**Vaping**

1. **Federal:** On May 8, 2024, the Canadian Government published the *Excise Duties on Vaping Products Regulations* pursuant to the *Excise Act, 2001*. Coming into force on July 1, 2024, these Regulations introduced a harmonized vaping product excise for products for sale in Ontario, Quebec, Northwest Territories and Nunavut. Effective October 1, 2024, all vaping substances sold at retail in those four jurisdictions must carry a province/territory specific “DUTY PAID” excise stamp. The excise rate payable for such products includes an additional amount equal to the existing federal excise rate (i.e. \$1.12 per 2 mL of substance in each container up to 10 mL, plus \$1.12 per 10 mL of liquid above that). The Canadian government has also announced draft regulations extending this harmonized vaping excise to five additional jurisdictions (Alberta, Manitoba, New Brunswick, Prince Edward Island and Yukon) with the intention of having products sold in those jurisdictions bear a similar stamp and duty by April, 2025.
2. **New Brunswick:** On June 7, 2024, Royal Assent was granted to an *Act to Amend the Tobacco and Electronic Cigarettes Sales Act* of New Brunswick. This Act came into force on September 1, 2024 and amongst other things requires all retailers selling vaping products in New Brunswick to hold a license to do so, restricts the sale of flavouring additives used for the purpose of adding flavours to a tobacco or vaping product, and increases the powers of inspectors to inspect and seize products believed to be non-compliant.

**IN THE MATTER OF *THE COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C.1985, c. C-36, AS AMENDED AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF IMPERIAL TOBACCO CANADA LIMITED AND IMPERIAL TOBACCO COMPANY LIMITED**

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

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

Proceeding commenced at Toronto

**EIGHTEENTH REPORT OF THE MONITOR**  
**SEPTEMBER 28, 2024**

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