

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

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

APPLICANTS

MOTION RECORD OF THE APPLICANTS

June 13, 2025

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TAB 1

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

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

APPLICANTS

**NOTICE OF MOTION
(Motion to Approve CRA/RQ Settlement, Genstar Settlement and Insurance Settlement
Payments, returnable June 18, 2025)**

The Applicants will make a motion before the Honourable Chief Justice Morawetz of the Ontario Superior Court of Justice (Commercial List) on June 18, 2025 at 9:00 am ET, or as soon after that time as the Motion can be heard.

PROPOSED METHOD OF HEARING: The Motion is to be heard

- In writing under subrule 37.12.1(1);
- In writing as an opposed motion under subrule 37.12.1(4);
- In person;
- By telephone conference;
- By video conference

at the following location:

Zoom link to be circulated.

THE MOTION IS FOR

1. An order substantially in the form of the draft order included at Tab 4 of the Motion Record (the “**CRA/RQ Settlement Approval Order**”) giving effect to the terms of the settlement agreement between the Canada Revenue Agency (“**CRA**”), Revenu Quebec (“**RQ**”) and Imperial Tobacco Canada Limited (“**ITCAN**”) dated as of January 15, 2025 (the “**CRA/RQ Settlement Agreement**”) and the underlying settlement, the “**CRA/RQ Settlement**”);
2. An order substantially in the form of the draft order included at Tab 5 of the Motion Record (the “**Genstar Settlement Approval Order**”) giving effect to the terms of the settlement agreement between ITCAN, Imperial Tobacco Company Limited (“**ITCO**”, and collectively with ITCAN, the “**Applicants**”) and representatives of the Genstar Plans (as defined below), dated as of January 17, 2025, and amended on May 8, 2025 (the “**Genstar Settlement Agreement**”) and the underlying settlement, the “**Genstar Settlement**”);
3. An order substantially in the form of the draft order included at Tab 6 of the Motion Record (the “**Insurance Settlement Approval Order**”) giving effect to the terms of the Insurance Settlement Agreements (as defined below) and the corresponding payments to be made by the Participating Insurers (as defined below) (the “**Insurance Settlement Payments**”), as well as certain related relief; and
4. Such further and other relief as this Court may deem just.

THE GROUNDS FOR THE MOTION ARE

Status of the CCAA Proceedings

1. The Applicants were granted CCAA protection by an order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated March 12, 2019 (as amended from time to time, the “**Initial Order**”). The Initial Order appointed FTI Consulting Canada Inc. as the Monitor and granted a stay of proceedings (the “**Stay**”) in favour of the Applicants and certain related parties until and including April 11, 2019 or such later date as the Court may order (as extended by further court orders, the “**Stay Period**”);
2. On March 6, 2025, the Court granted the Sanction Order, among other things, approving and sanctioning the third amended and restated Court-Appointed Mediator’s and Monitor’s CCAA Plan of Compromise and Arrangement in respect of the Applicants dated February 27, 2025 in these CCAA proceedings (the “**Plan**”);
3. Among other things, the Plan contemplates the ability of certain of the Applicants’ creditors to file “Miscellaneous Claims” or retain certain rights as “Unaffected Claimants” (both as defined in the Plan);
4. Pursuant to the Plan, all distributions to Miscellaneous Claimants with proven Miscellaneous Claims will be made from a segregated interest-bearing trust account containing an aggregate sum of \$25 million transferred from the Global Settlement Trust Account (as defined in the Plan) (the “**Miscellaneous Claims Fund**”) for a period of three years from the Effective Time (as defined in the Plan), or for such other period of time as is necessary and appropriate to permit the completion of the adjudication of any Miscellaneous Claims (“**Miscellaneous Claims Fund**”);

Period”). Following the expiry of the Miscellaneous Claims Fund Period, to the extent that there remain any residual funds in the Miscellaneous Claims Fund after the payment of all judgments, awards and any other amounts ordered to be paid in regard to proven Miscellaneous Claims, any such residual funds will be apportioned among the Provinces and Territories (as defined in the Plan);

5. During the course of these CCAA proceedings, including during the most recent Stay Period, the Applicants have engaged with various third parties in an effort to resolve outstanding issues within the framework of the CCAA process (including certain parties who have filed Miscellaneous Claims), certain of which have culminated in executed settlement agreements for which the Applicants seek approval on this motion;

CRA/RQ Settlement

6. The CRA issued notices of reassessment for ITCAN’s 2011 and 2014 taxation years on June 10, 2019. The 2014 reassessment made three adjustments. Two adjustments related to the settlement of civil litigation relating to dividends paid in 1986 and 1987 by the Flintkote Company (a previous indirect subsidiary of a predecessor of ITCAN). The CRA took the position that the settlement payment itself and the related legal fees were not deductible for Canadian income tax purposes. The third adjustment denied the deduction of a fee paid by ITCAN to a Mexican affiliate that related to the affiliate writing off certain fixed assets as a result of Canadian regulatory changes. The reassessment of the 2011 taxation year denied the carry-back of losses arising in 2014. ITCAN objected to the 2011 and 2014 reassessments on September 5, 2019;

7. The CRA reassessed ITCAN's 2014 taxation year for a second time on February 19, 2020 to implement certain unrelated adjustments that ITCAN did not dispute. The reassessment dated February 19, 2020 otherwise maintained the adjustments made in the June 10, 2019 reassessment. ITCAN objected to the new reassessment on August 11, 2020;¹

8. The CRA also issued notices of reassessment for ITCAN's 2015-2018 taxation years on September 9, 2020 (for the 2015 taxation year) and on October 13, 2020 and November 24, 2020 (for the 2016-2018 taxation years). The notice of reassessment for the 2015 taxation year denied the deduction of \$6,544,795 of interest on a loan entered into by ITCAN to satisfy the settlement payment in respect of the Flintkote litigation. The notices of reassessment for the 2015-2018 taxation years denied the deduction of various legal fees, some of which relate to the Flintkote litigation and bankruptcy, others of which relate to other business operations of ITCAN. ITCAN objected to the 2015 reassessment on December 4, 2020. ITCAN objected to the 2016-2018 reassessments dated October 13, 2020 on December 22, 2020, and to the 2016-2018 reassessments dated November 24, 2020 on February 5, 2021;

9. On January 15, 2025, the CRA, RQ, and ITCAN agreed to settle the tax dispute relating to the Flintkote litigation, as well as certain other federal and Quebec tax issues (including those related to the reassessments issued by RQ under the *Taxation Act* in Quebec to ITCAN for its taxation years ended December 31, 2018, December 31, 2017, December 31, 2016, December 31, 2015, December 31, 2014, and December 31, 2011 that ITCAN disputes, as well as the Mexican

¹ CRA Appeals subsequently reviewed the objections for 2011 and 2014 and indicated its intention to confirm the reassessments in respect of the Flintkote settlement and legal fees, but to allow the objection in respect of the Mexican affiliate fixed assets write-off issue (\$6,055,038 income adjustment). In light of these ongoing CCAA proceedings, CRA Appeals has held the objections in abeyance.

affiliate fixed assets write-off issue) for an aggregate payment by ITCAN of \$1.5 million and the exchange of full and final mutual releases;

10. Among other things, the CRA/RQ Settlement Agreement also provides that the CRA and RQ shall withdraw their Miscellaneous Claims that were filed with the Monitor and undertake not to file or refile any additional Proof of Claim (as defined in the Plan) in these CCAA proceedings;

Genstar Settlement

11. Pursuant to an agreement dated April 2, 1986 among Genstar Corporation, Imasco Limited and Imasco Enterprises Inc., Imasco Limited became a guarantor of the obligations of Genstar Corporation under a “Deferred Income Plan”, “Supplemental Executive Retirement Plan” and “Supplementary Pension Plan” (collectively, the “**Genstar Plans**”). ITCAN (as corporate successor to Imasco Limited) historically made monthly capital contributions to fund the Genstar Plans, but terminated such payments as at the date of its CCAA filing pursuant to the Initial Order;

12. Certain Genstar retirees (the “**Committee**”) brought a motion within the context of these CCAA proceedings seeking a Representation Order (which was granted on April 25, 2019), which, among other things, appointed Ari Kaplan as Representative Counsel (“**Representative Counsel**”) and certain representatives (the “**Representatives**”). None of the Genstar beneficiaries (the “**Affected Members**”) opted out of representation under the Representation Order;

13. The Applicants and the Representatives, supported by the Committee, subsequently negotiated a settlement in relation to ITCAN’s payment obligations – and the plan members’ entitlements – under the Genstar Plans. This settlement, as set out in a settlement agreement between the parties dated as of May 10, 2019, was approved by the Court on June 26, 2019. The

settlement contemplated a release of claims against the Applicants in respect of the Genstar Plans, subject only to the Affected Members retaining an “unsecured claim” in these CCAA proceedings for all remaining unpaid amounts under the Genstar Plans (less the payment contemplated by the 2019 settlement) in the event of a plan of compromise or arrangement;

14. The Affected Members subsequently filed a Miscellaneous Claim and asserted ongoing rights as Unaffected Claimants;

15. In order to address these outstanding unsecured claims, the Applicants entered into a settlement agreement with the Affected Members as of January 17, 2025, as amended on May 8, 2025, whereby the Applicants agreed to a payment of USD \$850,000 by ITCAN payable on or prior to the Plan Implementation Date (as defined in the Plan);

16. Once the amounts in the Genstar Settlement Agreement are paid, the Applicants shall have no obligations in respect of the Genstar Plans. In exchange, Representative Counsel agreed to withdraw the Miscellaneous Claim filed on behalf of the Affected Members and provide written confirmation to the Monitor for these CCAA proceedings that the Affected Members do not assert any claims or rights in respect of the Genstar Plans, and have agreed to release the Applicants from any and all claims;

Insurance Settlement Agreements

17. From 2014 to 2017, the Applicants entered into settlement agreements with certain insurers, including: (i) Northbridge General Insurance Corporation, Northbridge Commercial Insurance Corporation and Northbridge Personal Insurance Corporation (collectively, “**Northbridge**”), and (ii) Northumberland General Insurance Company (“**Northumberland**”),

and continued to engage in discussions with certain insurers that had provided insurance policies to ITCAN and/or predecessor corporations over the years;

18. On December 17, 2024, Rothmans, Benson & Hedges Inc. (“**RBH**”) filed a motion before the Court for an order, among other things, approving the terms of settlement agreements and certain settlement payments to be made by three participating insurers to contribute to RBH’s global settlement trust account on behalf of RBH, and containing a bar of claims against these three participating insurers releasing them in relation to the policies they had issued affording insurance coverage to RBH (and any and all predecessors, successors and/or assigns), effective on RBH’s plan implementation date (the “**RBH Insurance Settlement and Bar Order**”). On December 23, 2024, the Court issued the RBH Insurance Settlement and Bar Order;

19. Following the issuance of the RBH Insurance Settlement and Bar Order, the Applicants continued their ongoing dialogue with various insurers and ultimately entered into three settlement agreements with Northumberland, Northbridge and Employers Insurance Company of Wausau, respectively (collectively, the “**Participating Insurers**” and the agreements, the “**Insurance Settlement Agreements**”);

20. The proposed resolution under the Insurance Settlement Agreements will provide for the Insurance Settlement Payments, totaling \$2,750,000, to be held in trust by the Monitor. It further provides that effective on the Plan Implementation Date, the Applicants will direct the Monitor to contribute such amounts to the Global Settlement Trust Account on behalf of the Applicants, for distribution in accordance with the Plan;

21. The respective Insurance Settlement Agreements also include, among other things, a broad release of each of the Participating Insurers, to take effect on the Plan Implementation Date;

22. The terms of the Insurance Settlement Agreements are consistent with the settlement agreements that were approved pursuant to the RBH Insurance Settlement and Bar Order;

Approval of the Settlement Agreements

23. The Applicants request that the Court grant the CRA/RQ Settlement Approval Order, the Genstar Settlement Approval Order and the Insurance Settlement Approval Order, approving the terms of the CRA/RQ Settlement Agreement, the Genstar Settlement Agreement and the Insurance Settlement Agreements, respectively (collectively, the “**Settlement Agreements**”);

24. Each of the Settlement Agreements is fair and reasonable, beneficial to the Applicants and their stakeholders generally, and consistent with the purpose and spirit of the CCAA;

25. The Settlement Agreements are the result of good-faith, arms-length negotiations between all parties;

26. In the case of the Genstar Settlement Agreement and the CRA/RQ Settlement Agreement, the underlying claims are removed from the Claims Procedure (as defined in the Plan) at a material discount to the notional claim value, in a manner that assists with streamlining Plan implementation and avoids future litigation;

27. Conversely, the unsecured claims in respect of the Genstar Plans claims may have been entirely frustrated had such claims been allocated to the Miscellaneous Claims process under the Plan. Among other things, the Affected Members would have had to participate in a protracted

claims procedure, the outcome and timing of which would have been subject to significant uncertainty;

28. The payments contemplated by the respective settlements are to be paid on or before the Effective Time, such that the creditors will receive the payments contemplated by the Plan without the need to account for either of these potential liabilities;

29. The Insurance Settlement Agreements will provide for the Insurance Settlement Payments, to be paid to the Global Settlement Trust Account on the Plan Implementation Date. This payment will increase the Applicants' upfront contribution amounts and will benefit eligible claimants by providing additional funding at the time of Plan implementation;

30. Each of the releases are fair and reasonable and were necessary to achieving the underlying settlements, and there is a reasonable connection between the claims being released and the objectives of each of the Settlement Agreements;

31. The Monitor has advised that it supports the approval of the Settlement Agreements. Representative Counsel has also advised that it supports the approval of the Genstar Settlement Agreement;

32. The Applicants are not aware of any objections to the relief sought on this motion;

33. As the Genstar Settlement Approval Order would bind all Affected Members, the proposed Order provides that the Applicants will provide notice to each Affected Member in accordance with the terms of the Order;

General

34. Section 11 of the CCAA and the statutory, inherent and equitable jurisdiction of this Court;
35. Rules 1.04, 1.05, 2.03, 3.02, 16 and 37 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended; and
36. Such further and other grounds as counsel may advise and this Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the Motion:

1. The Affidavit of Eric Thauvette, sworn June 13, 2025;
2. The Affidavit of Vivian Brennan-Dolezar sworn June 11, 2025; and
3. Such further and other evidence as counsel may advise and this Court may permit.

June 13, 2025

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

APPLICANTS

ONTARIO
SUPERIOR COURT OF JUSTICE

Proceeding Commenced at Toronto

NOTICE OF MOTION
(Motion to Approve CRA/RQ Settlement, Genstar
Settlement and Insurance Settlement Payments,
returnable June 18, 2025)

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Limited and Imperial Tobacco Company Limited

TAB 2

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

B E T W E E N:

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

APPLICANTS

AFFIDAVIT OF ERIC THAUVETTE
(sworn June 13, 2025)

I, Eric Thauvette, of the City of Montreal, in the Province of Quebec, the Vice President and Chief Financial Officer of Imperial Tobacco Canada Limited (“**ITCAN**”), MAKE OATH AND SAY:

1. I am the Chief Financial Officer of ITCAN and, in that role, I am responsible for all financial-related aspects of ITCAN’s business operations. I am also an officer and director of ITCAN’s subsidiary and the other applicant, Imperial Tobacco Company Limited (“**ITCO**”, and collectively with ITCAN, the “**Applicants**”). As such, I have personal knowledge of the matters deposed to herein. Where I have relied on other sources for information, I have stated the sources of my information and believe them to be true.

2. In preparing this affidavit, I have consulted with other members of the Applicants’ senior management team, legal, financial and other advisors of the Applicants, and representatives of FTI Consulting Canada Inc. (“**FTI**” or the “**Monitor**”). In addition, I receive frequent updates from the Applicants’ counsel regarding these proceedings.

3. This affidavit is made in support of the Applicants' motion for approval of:
- (a) an order (the "**CRA/RQ Settlement Approval Order**") giving effect to the terms of the settlement agreement between the Canada Revenue Agency ("**CRA**"), Revenu Quebec ("**RQ**") and ITCAN dated as of January 15, 2025 (the "**CRA/RQ Settlement Agreement**") and the underlying settlement, the "**CRA/RQ Settlement**"),
 - (b) an order (the "**Genstar Settlement Approval Order**") giving effect to the terms of the settlement agreement between the Applicants and the Representatives (defined below) dated as of January 17, 2025, and amended on May 8, 2025, in respect of the Genstar Plans (defined below) (the "**Genstar Settlement Agreement**") and the underlying settlement, the "**Genstar Settlement**"), and
 - (c) an order (the "**Insurance Settlement Approval Order**") giving effect to the terms of the Insurance Settlement Agreements (defined below) and the corresponding payments to be made by the Participating Insurers (defined below), as well as certain related relief.
4. All currency references in this affidavit are in Canadian dollars, unless otherwise specified.

PART I - THE CURRENT STATUS OF THE CCAA PROCEEDINGS

5. The Applicants were granted CCAA protection by an order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated March 12, 2019 (as amended from time to time, the "**Initial Order**"). The Initial Order appointed FTI as the Monitor and granted a stay of proceedings (the "**Stay**") in favour of the Applicants and certain related parties until and including

April 11, 2019 or such later date as the Court may order (as extended by further court orders, the “**Stay Period**”).

6. On March 6, 2025, the Court granted an order (the “**Sanction Order**”), among other things, approving and sanctioning the third amended and restated Court-Appointed Mediator’s and Monitor’s CCAA Plan of Compromise and Arrangement in respect of the Applicants dated February 27, 2025 in these CCAA proceedings (the “**Plan**”).

7. Among other things, the Plan contemplates the ability of certain of the Applicants’ creditors to file “Miscellaneous Claims” or retain certain rights as “Unaffected Claimants” (both as defined in the Plan).

8. Pursuant to the Sanction Order, the Stay Period has been extended to the Effective Time, meaning such time on the Plan Implementation Date (as defined in the Plan) as the Court-Appointed Mediator and the Monitor may determine and designate.

9. The Applicants have continued to engage with the parties to the Court-ordered mediation, including with respect to implementing the Plan.

10. During the course of these CCAA proceedings, including during the most recent Stay Period, the Applicants have also engaged with various third parties in an effort to resolve outstanding issues within the framework of the CCAA process, certain of which have culminated in executed settlement agreements for which the Applicants seek approval on this motion, as described in more detail below.

PART II - THE SETTLEMENTS

A. CRA/RQ Settlement

11. The CRA issued notices of reassessment for ITCAN's 2011 and 2014 taxation years on June 10, 2019. The 2014 reassessment made three adjustments. Two adjustments related to the settlement of civil litigation relating to dividends paid in 1986 and 1987 by the Flintkote Company (a previous indirect subsidiary of a predecessor of ITCAN). The CRA took the position that the settlement payment itself and the related legal fees were not deductible for Canadian income tax purposes. The third adjustment denied the deduction of a fee paid by ITCAN to a Mexican affiliate that related to the affiliate writing off certain fixed assets as a result of Canadian regulatory changes. The reassessment of the 2011 taxation year denied the carry-back of losses arising in 2014. The consequences of the 2011 and 2014 reassessments are summarized below:

- (a) The 2011 reassessment increased ITCAN's Part I tax payable for the 2011 taxation year by \$42,295,500 and increased ITCAN's net provincial and territorial tax payable by \$6,480,487. Together with adjustments to arrears and refund interest, the total amount of tax and interest payable as a result of the 2011 reassessment is \$59,039,887.94, plus additional arrears interest that has continued to accrue.
- (b) The 2014 reassessment increased ITCAN's Part I tax payable for the 2014 taxation year by \$64,280,097 and increased ITCAN's net provincial and territorial tax payable by \$10,296,688. Together with adjustments to instalment, arrears and refund interest, the total amount of tax and interest payable as a result of the 2014 reassessment is \$91,204,909.52, plus additional arrears interest that has continued to accrue.

12. ITCAN objected to the 2011 and 2014 reassessments on September 5, 2019.
13. The CRA reassessed ITCAN's 2014 taxation year for a second time on February 19, 2020 to implement certain unrelated adjustments that ITCAN did not dispute. The reassessment dated February 19, 2020 otherwise maintained the adjustments made in the June 10, 2019 reassessment. ITCAN objected to the new reassessment on August 11, 2020.
14. CRA Appeals subsequently reviewed the objections for 2011 and 2014 and indicated its intention to confirm the reassessments in respect of the Flintkote settlement and legal fees, but to allow the objection in respect of the Mexican affiliate fixed assets write-off issue (\$6,055,038 income adjustment). In light of these ongoing CCAA proceedings, CRA Appeals has held the objections in abeyance.
15. The CRA also issued notices of reassessment for ITCAN's 2015-2018 taxation years on September 9, 2020 (for the 2015 taxation year) and on October 13, 2020 and November 24, 2020 (for the 2016-2018 taxation years). The notice of reassessment for the 2015 taxation year denied the deduction of \$6,544,795 of interest on a loan entered into by ITCAN to satisfy the settlement payment in respect of the Flintkote litigation. The notices of reassessment for the 2015-2018 taxation years denied the deduction of various legal fees, some of which relate to the Flintkote litigation and bankruptcy, others of which relate to other business operations of ITCAN. The consequences of the 2015-2018 reassessments are summarized below:
 - (a) The 2015 reassessment increased ITCAN's Part I tax payable for the 2015 taxation year by \$1,370,121 and increased ITCAN's net provincial and territorial tax payable by \$4,715,607 (such adjustment reflecting an unrelated and undisputed

change to the provincial allocation factor). Together with adjustments to instalment and arrears interest and an instalment penalty, the total amount of tax, interest and penalties payable as a result of the 2015 reassessment is \$7,461,562.49.

- (b) The 2016 reassessment increased ITCAN's Part I tax payable for the 2016 taxation year by \$35,613 and increased ITCAN's net provincial and territorial tax payable by \$6,228. Together with the adjustment to arrears interest, the total amount of tax and interest payable as a result of the 2016 reassessment is \$46,758.29.
- (c) The 2017 reassessment increased ITCAN's Part I tax payable for the 2017 taxation year by \$35,666 and reduced ITCAN's net provincial and territorial tax payable by \$12,736,573 (such adjustment reflecting an unrelated and undisputed change to the provincial allocation factor). The large reduction to the net provincial and territorial tax payable resulted in no additional interest or penalties being payable.
- (d) The 2018 reassessment increased ITCAN's Part I tax payable for the 2018 taxation year by \$79,084 and reduced ITCAN's net provincial and territorial tax payable by \$16,396,890 (such adjustment reflecting an unrelated and undisputed change to the provincial allocation factor). The large reduction to the net provincial and territorial tax payable resulted in no additional interest or penalties being payable.

16. ITCAN objected to the 2015 reassessment on December 4, 2020. ITCAN objected to the 2016-2018 reassessments dated October 13, 2020 on December 22, 2020, and to the 2016-2018 reassessments dated November 24, 2020 on February 5, 2021.

17. On January 15, 2025, the CRA, RQ, and ITCAN agreed to settle the tax dispute relating to the Flintkote litigation, as well as certain other federal and Quebec tax issues (including those related to the reassessments issued by RQ under the *Taxation Act* in Quebec to ITCAN for its taxation years ended December 31, 2018, December 31, 2017, December 31, 2016, December 31, 2015, December 31, 2014, and December 31, 2011 that ITCAN disputes, as well as the Mexican affiliate fixed assets write-off issue) for an aggregate payment by ITCAN of \$1.5 million and the exchange of full and final mutual releases. The releases in the CRA/RQ Settlement Agreement are fair and reasonable in the circumstances and were necessary to achieve the underlying settlement.

18. Among other things, the CRA/RQ Settlement Agreement also provides that the CRA and RQ shall withdraw their Miscellaneous Claims that were filed with the Monitor and undertake not to file or refile any additional Proof of Claim (as defined in the Plan) in these CCAA proceedings.

19. A copy of the CRA/RQ Settlement Agreement is attached hereto as **Exhibit “A”**.

B. Genstar Settlement

20. Pursuant to an agreement dated April 2, 1986 among Genstar Corporation, Imasco Limited and Imasco Enterprises Inc., Imasco Limited became a guarantor of the obligations of Genstar Corporation under a “Deferred Income Plan”, “Supplemental Executive Retirement Plan” and “Supplementary Pension Plan” (collectively, the “**Genstar Plans**”). ITCAN (as corporate successor to Imasco Limited) historically made monthly capital contributions to fund the Genstar Plans, but terminated such payments as at the date of its CCAA filing pursuant to the Initial Order.

21. Certain Genstar retirees (the “**Committee**”) brought a motion within the context of these CCAA proceedings seeking a Representation Order (which was granted on April 25, 2019), which,

among other things, appointed Ari Kaplan as Representative Counsel (“**Representative Counsel**”) and certain representatives (the “**Representatives**”).¹ None of the Genstar beneficiaries (the “**Affected Members**”) opted out of representation under the Representation Order.

22. The Applicants and the Representatives, supported by the Committee, subsequently negotiated a settlement in relation to ITCAN’s payment obligations – and the plan members’ entitlements – under the Genstar Plans. This settlement, as set out in a settlement agreement between the parties dated as of May 10, 2019, was approved by the Court on June 26, 2019. Among other things, the settlement contemplated a release of claims against the Applicants in respect of the Genstar Plans, subject only to the Affected Members retaining an “unsecured claim” in these CCAA proceedings for all remaining unpaid amounts under the Genstar Plans (less the payment contemplated by the 2019 settlement) in the event of a plan of compromise or arrangement. Aside from that residual right, the Applicants ceased to have any ongoing or future liabilities in respect of the Genstar Plans. Copies of the 2019 settlement agreement and approval order dated June 26, 2019 are attached hereto as **Exhibits “B”** and **“C”**, respectively.

23. As noted above, the Plan contemplates, among other things, the ability of certain creditors to file “Miscellaneous Claims” and the right of other creditors to retain certain rights as “Unaffected Claimants”. The Affected Members filed a Miscellaneous Claim and asserted ongoing rights as Unaffected Claimants.

¹ In addition to the Representatives appointed by the Representation Order, Vivian Brennan-Dolezar was later appointed as an additional Representative by the Court.

24. While ITCAN disputed the Affected Members' assertion of rights as Unaffected Claimants, it nonetheless wanted to avoid any disruption of the Plan (as well as the costs associated with future litigation). Accordingly, in order to address these outstanding unsecured claims, the Applicants entered into a settlement agreement with the Affected Members as of January 17, 2025, as amended on May 8, 2025, whereby the Applicants agreed to a payment of USD \$850,000 by ITCAN payable on or prior to the Plan Implementation Date as follows:

- (a) USD \$700,000 shall be allocated and paid to each Affected Member as a lump sum payment according to a fair and equitable distribution formula, as determined by Representative Counsel and as instructed by the Representatives in consultation with the Committee, on a proportional basis to the amount which each Affected Member received under the 2019 settlement (which allocation was based on the Affected Members' historical pension entitlements). Such distribution will include a payment of USD \$1,000 to each of the three Representatives as a stipend for their labours and efforts (which will be paid out of the USD \$700,000 referred to above);
and
- (b) USD \$150,000 to Kaplan Law in Trust, on account of legal fees.

25. Once the amounts in the Genstar Settlement Agreement are paid, the Applicants shall have no obligations whatsoever to the Affected Members or Representative Counsel (or any other party) in respect of the Genstar Plans, including (without limitation) in relation to their unsecured claims. In exchange, Representative Counsel shall provide written confirmation to the Monitor for these CCAA proceedings that the Affected Members do not assert any claims or rights in respect of the Genstar Plans, and have agreed to release the Applicants from any and all claims. Pursuant to the

Genstar Settlement Agreement, the parties also agreed to jointly seek the proposed Genstar Settlement Approval Order which would, among other things, release and discharge the Representatives, Representative Counsel and the members of the Committee in respect of the unsecured claim of the Affected Members, these CCAA proceedings, and the Genstar Settlement, including the manner or method of determining or making any distributions in accordance with the Genstar Settlement Agreement. These releases are fair and reasonable in the circumstances and were necessary to achieve the underlying settlement.

26. A copy of the Genstar Settlement Agreement is attached hereto as **Exhibit “D”**.

C. The Insurance Settlements

27. Over the years, the Applicants obtained various primary and excess insurance policies. These policies typically provided indemnity for tort-based damages. Each policy was subject to its own terms, conditions and exclusions.

28. From 2014 to 2017, the Applicants entered into settlement agreements with certain insurers, including: (i) Northbridge General Insurance Corporation, Northbridge Commercial Insurance Corporation and Northbridge Personal Insurance Corporation (collectively, “**Northbridge**”), and (ii) Northumberland General Insurance Company (“**Northumberland**”), granting broad releases to such insurers.

29. The Applicants also continued to engage in discussions with certain insurers that had provided insurance policies to ITCAN and/or predecessor corporations over the years. Insurers asserted and continue to assert that they have valid coverage defences with respect to insurance of ITCAN and the insurance policies they issued are not responsive to the claims made against

ITCAN (as a result of the tobacco products exclusion contained in these policies, among other things).

30. Concerning Northumberland, it issued policies of insurance to a predecessor of ITCAN with terms covering the period of April 1, 1981 to April 1, 1983.

31. By Orders of this Court made in July 1985, Northumberland was ordered wound-up pursuant to what is now the *Winding-up and Restructuring Act*, R.S.C. 1985, c. W-11. In May 2010, PricewaterhouseCoopers Inc. was appointed permanent liquidator of Northumberland.

32. I am advised by Bob Chapman, representative of the Liquidator of Northumberland, that in June 2017, Northumberland and the representative plaintiffs in two Quebec class actions (“**QCAPs**”) against ITCAN entered into a settlement agreement. These representatives, the classes they represent and their legal counsel undertook not to assert or file any proof of claim in the Northumberland liquidation with respect to the relevant Northumberland insurance policies and certain related matters. The Superior Court of Quebec approved this settlement in May 2019, after this Court lifted the CCAA stay of proceedings to the extent required to allow the settling parties to seek such court approval.

33. On December 17, 2024, Rothmans, Benson & Hedges Inc. (“**RBH**”) filed a motion before the Court for an order, among other things, approving the terms of settlement agreements and certain settlement payments to be made by three participating insurers, including Northumberland, to contribute to RBH’s global settlement trust account on behalf of RBH, and containing a bar of claims against these three participating insurers releasing them in relation to the policies they had issued affording insurance coverage to RBH (and any and all predecessors, successors and/or

assigns), effective on RBH's plan implementation date (the "**RBH Insurance Settlement and Bar Order**").

34. On December 23, 2024, the Court issued the RBH Insurance Settlement and Bar Order, thereby granting the relief sought by RBH. I am advised by counsel to ITCAN that the relief sought by RBH was unopposed.

35. Following the issuance of the RBH Insurance Settlement and Bar Order, the Applicants continued their ongoing dialogue with various insurers and ultimately entered into the following three settlement agreements (collectively, the "**Insurance Settlement Agreements**"):

- (a) a settlement agreement dated June 12, 2025 with Northumberland, a copy of which is attached hereto as **Exhibit "E"**;
- (b) a settlement agreement dated June 12, 2025 with Northbridge, a copy of which is attached hereto as **Exhibit "F"**; and
- (c) a settlement agreement dated June 12, 2025 with Employers Insurance Company of Wausau ("**Wausau**", and together with Northumberland and Northbridge, the "**Participating Insurers**"), a copy of which is attached hereto as **Exhibit "G"**.

36. The Insurance Settlement Agreements contemplate an aggregate settlement amount of \$2,750,000, with each of the three Participating Insurers contributing the following amounts (the "**Insurance Settlement Payments**"):

- (a) Northbridge - \$2,000,000;

- (b) Northumberland - \$500,000; and
- (c) Wausau - \$250,000.

37. In summary, the respective Insurance Settlement Agreements include the following terms and conditions:

- (a) a broad release of each of the Participating Insurers, to take effect on the Plan Implementation Date;
- (b) the stipulation that the Monitor will hold the Insurance Settlement Payments in a non-interest-bearing trust account pending the Plan Implementation Date;
- (c) a direction that, effective on the Plan Implementation Date, the Monitor will contribute the Insurance Settlement Payments to the Global Settlement Trust Account on behalf of the Applicants, at its direction;
- (d) in the event the Plan Implementation Date does not occur by June 30, 2026, the Monitor is authorized to return the Insurance Settlement Payments to the applicable Participating Insurer (unless the parties agree otherwise); and,
- (e) contemplation of a court order that, among other things: (i) approves the Insurance Settlement Agreements, (ii) establishes a bar of claims against the Participating Insurers, and (iii) releases the Participating Insurers in relation to the Imperial Policies (as defined in the Insurance Settlement Agreements) effective on the Plan Implementation Date, provided that the Insurance Settlement Payments are paid in full.

38. The Insurance Settlement Agreements are entered into without admission of liability by the Participating Insurers. In the particular case of Northumberland which is in liquidation, I am advised by Mr. Chapman that Northumberland is of the view that, given the earlier settlements with ITCAN and the QCAPs, it has little or no risk of liability to persons not covered by these settlements, but in order to avoid any potential for further expense, uncertainty and risk of litigation that might delay the completion of Northumberland's liquidation, it is willing to enter into its Insurance Settlement Agreement.

39. I am advised by Julien Morissette of Osler, and believe, that these terms are consistent with the settlement agreements that were entered into by RBH and approved pursuant to the RBH Insurance Settlement and Bar Order.

40. I believe that the Insurance Settlement Agreements and the Insurance Settlement Payments contemplated therein are appropriate and in the best interests of all stakeholders. The proposed resolution will provide for the Insurance Settlement Payments, totaling \$2,750,000, to be held in trust by the Monitor. It further provides that effective on the Plan Implementation Date, the Applicants will direct the Monitor to contribute such amounts to the Global Settlement Trust Account on behalf of the Applicants, for distribution in accordance with the Plan.

41. While this will not increase the total Global Settlement Trust Account in aggregate, it will allow for a larger upfront contribution by the Applicants upon the Plan Implementation Date towards its share of the Global Settlement Amount. This will, in turn, benefit eligible claimants by providing available funding at the time of Plan implementation.

42. In addition, the releases contemplated by the Insurance Settlement Agreements, as well as the corresponding claims bar provisions contemplated by the proposed Insurance Settlement Approval Order, are fair and reasonable in the circumstances and were necessary to achieve the underlying settlements. As at the Plan Implementation Date, the claimants in the Pending Litigation (as defined in the Plan) will have already provided broad releases in respect of their claims. As such, the proposed relief will not reduce any potential recoveries for claimants. To the contrary, it will result in an earlier contribution by the Applicants of a portion of their share of the “Global Settlement Amount”.

PART III - APPROVAL OF THE SETTLEMENT AGREEMENTS

43. The Applicants request that the Court grant the CRA/RQ Settlement Approval Order, the Genstar Settlement Approval Order and the Insurance Settlement Approval Order, approving the terms of the CRA/RQ Settlement Agreement, the Genstar Settlement Agreement and the Insurance Settlement Agreements, respectively (collectively, the “**Settlement Agreements**”).

44. I believe that each of the Settlement Agreements is fair and reasonable, and each is beneficial to the Applicants and their stakeholders generally. The Settlement Agreements are the result of good-faith, arms-length negotiations between all parties.

45. In the case of the Genstar Settlement Agreement and the CRA/RQ Settlement Agreement, the underlying claims are removed from the Claims Procedure (as defined in the Plan) at a material discount to the notional claim value, in a manner that assists with streamlining Plan implementation and avoids future litigation. In particular, the notional value of each of the CRA/RQ and Genstar claims would have greatly exceeded the Miscellaneous Claims Fund

contemplated by the Plan, such that their inclusion as “Miscellaneous Claims” had the potential to frustrate the very purpose of the Miscellaneous Claims Fund.

46. Conversely, the unsecured claims in respect of the Genstar Plans claims may have been entirely frustrated had such claims been allocated to the Miscellaneous Claims process under the Plan. Among other things, the Affected Members would have had to participate in a protracted claims procedure, the outcome and timing of which would have been subject to significant uncertainty. The Genstar Settlement provides the Affected Members with certainty of payment and timing, and offers them additional recovery over and above the settlement funds that were previously distributed to them in 2019.

47. Both the Genstar Settlement and the CRA/RQ Settlement similarly offer the Applicants and their various creditors certainty as to total exposure in relation to the Genstar Plans and the CRA/RQ claims, respectively, and eliminate any potential distraction that might otherwise have arisen by virtue of future litigation relating to these claims (as against either the Applicants or the funds paid under the terms of the Plan).

48. The payments contemplated by the respective settlements are to be paid on or before the Effective Time, such that the creditors will receive the payments contemplated by the Plan without the need to account for either of these potential liabilities. None of the CRA, RQ or the Affected Members will be entitled to assert any claims in respect of any of the payments distributed under the Plan to any of the creditors or the funds contemplated by the Plan.

49. Similarly, as described above, the Insurance Settlement Agreements will provide for the Insurance Settlement Payments, to be paid to the Global Settlement Trust Account on the Plan

Implementation Date. This payment will increase the Applicants’ upfront contribution amounts and will benefit eligible claimants by providing additional funding at the time of Plan implementation.

50. The Monitor has advised that it supports the approval of the Settlement Agreements. Representative Counsel has also advised that it supports the approval of the Genstar Settlement Agreement. The Applicants are not aware of any objections to the relief sought on this motion.

51. As the Genstar Settlement Approval Order would bind all Affected Members, the proposed Order provides that the Applicants shall transmit, or cause to be communicated, to each Affected Member: (a) a copy of the Genstar Settlement Approval Order, and (b) the letter from Representative Counsel, attached as Exhibit “D” to the Affidavit of Vivian Brennan-Dolezar sworn June 11, 2025.

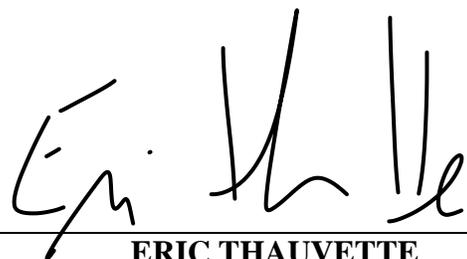
SWORN BEFORE ME over videoconference this 13th day of June, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely. The affiant is located in the City of Montreal, in the Province of Quebec and the commissioner is located in the City of Toronto, in the Province of Ontario.



Commissioner for Taking Affidavits
(or as may be)

MARLEIGH DICK (LSO# 79390S)

}



ERIC THAUVETTE

This is Exhibit "A" referred to in the Affidavit of Eric Thauvette sworn by Eric Thauvette of the City of Montreal, in the Province of Québec, before me at the City of Toronto, in the Province of Ontario, on June 13, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

MINUTES OF SETTLEMENT AND MUTUAL RELEASE

Dated as of January 15, 2025

BETWEEN:

IMPERIAL TOBACCO CANADA LIMITED

and

CANADA REVENUE AGENCY

and

REVENU QUÉBEC

WHEREAS reference is made to the First Amended and Restated Court-Appointed Mediator’s and Monitor’s CCAA Plan of Compromise and Arrangement concerning, affecting and involving Imperial Tobacco Canada Limited (“**ITCAN**”) and Imperial Tobacco Company Limited (“**ITCO**”) and together with ITCAN, “**Imperial**”) dated December 5, 2024 (the “**Imperial Plan**”), filed in ITCAN’s proceedings under the *Companies’ Creditors Arrangement Act* (the “**Proceeding**”). Capitalized terms used and not otherwise defined herein shall have the meanings given to them in the Imperial Plan.

WHEREAS set out below are the terms of the settlement as between ITCAN and the Canada Revenue Agency (the “**CRA**”) in connection with the Claim under the Negative Notice attached as Schedule “A”. The Negative Notice relates to the reassessments issued by the CRA under the *Income Tax Act*, R.S.C. 1985, c.1 (5th Supp.) (the “**ITA**”) to ITCAN that form certain of the subject

matter of the notices of objection in Schedule “B” , relating to, among other things, settlement payments made by ITCAN in 2014 to resolve a 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 (the “**CRA Flintkote Claim**”). The settlement also applies in respect of any related Claim of Revenu Québec (“**RQ**”) in respect of the reassessments issued by RQ under the *Taxation Act*, CQLR c I-3 to ITCAN for its taxation years ended December 31, 2018, December 31, 2017, December 31, 2016, December 31, 2015, December 31, 2014, and December 31, 2011 (the “**RQ Flintkote Claim**”, and collectively with the CRA Flintkote Claim, the “**Flintkote Claims**”). Finally, the settlement also resolves certain other matters as between Imperial, the CRA and RQ relating to the pre-Filing Date period, as further set forth herein.

NOW THEREFORE IN CONSIDERATION of the mutual covenants and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, ITCAN, CRA and RQ (collectively, the “**Parties**”) agree as follows:

1. The terms of this Minutes of Settlement and Mutual Release are subject to the approval of the Court on the sanctioning of the Imperial Plan.
2. On or prior to the Plan Implementation Date, ITCAN will pay the aggregate amount of \$1.5 million to the CRA and RQ in full and final satisfaction of the Flintkote Claims to be distributed as follow: (a) \$750,000 to the CRA; and (b) \$750,000 to RQ.
3. ITCAN will not object to any proposed setoff by: (a) the CRA of any Claim held by the CRA against ITCAN relating to any period prior to the Filing Date against any refunds payable by the CRA to ITCAN relating to any period prior to the Filing Date; and (b) RQ

of any Claim held by RQ against ITCAN relating to any period prior to the Filing Date against any refunds payable by RQ to ITCAN relating to any period prior to the Filing Date. The CRA and RQ agree to reverse any reallocation or set-off (past or future) to the extent that any tax payments made by ITCAN, or any amounts payable by the CRA or RQ to ITCAN, relating to any period after the Filing Date have been applied against any affected Claim that is subject to release under paragraph 7 herein.

4. ITCAN does not object to the allocation of those certain credits as set forth in Schedule “C” (the “**Schedule C Allocations**”). RQ agrees that it shall not assert any claims against ITCAN in connection with any amounts owing in Quebec with respect to or as a result of any action in connection with the allocation of ITCAN provincial income giving rise to the credits included in the Schedule C Allocations or any action related thereto.
5. ITCAN shall fully, finally and irrevocably withdraw the notices of objection in Schedule “B” and waives the right to file a Notice of Appeal to the Tax Court of Canada pursuant to section 169 of the ITA with respect to reassessments that form the subject matter of the notices of objection in Schedule “B” (the “**Schedule B Matters**”).
6. The CRA and RQ shall fully, finally and irrevocably withdraw the Miscellaneous Claims that were filed with the Monitor and undertake not to file or refile any additional Proof of Claim.
7. Subject to paragraph 3, upon full performance under paragraphs 2, 5 and 6 herein, ITCAN, CRA and RQ agree that there will be automatic full and final mutual releases as amongst the Parties and each of their respective directors, officers, employees, servants, agents, shareholders, counsel, and representatives, of any and all claims relating to and any

assessment of corporate income taxes (including interest, penalties and additions to tax applicable thereto) payable by ITCAN relating to the taxation year ended December 31, 2018 and any and all preceding taxation years (including the Flintkote Claims and the Schedule B Matters).

8. Nothing in this Minutes of Settlement and Mutual Release affects any Claim against ITCO.
9. Imperial may disclose to the Court-Appointed Mediator and Monitor in the Proceeding, and the Monitor or Imperial may disclose in the Proceeding, that settlement and resolution between the parties on the matters outlined in this Minutes of Settlement and Mutual Release, schedules and their contents has been reached, including the impact of same to claims and recoveries in the Proceeding.
10. The undersigned signing on behalf of the CRA and RQ has all necessary power, authority and capacity to enter into this Minutes of Settlement and Mutual Release on behalf of the CRA and RQ, respectively, and this Minutes of Settlement and Mutual Release constitutes a valid and binding obligation enforceable against the CRA and the RQ, respectively, in accordance with its terms.
11. The undersigned signing on behalf of ITCAN has all necessary power, authority and capacity to enter into this Minutes of Settlement and Mutual Release on behalf of ITCAN, and this Minutes of Settlement and Mutual Release constitutes a valid and binding obligation of such person enforceable against it in accordance with its terms.
12. This Minutes of Settlement and Mutual Release may be signed in counterparts and exchanged by email.

13. The foregoing is subject to the Monitor not opposing the terms contained herein.

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IMPERIAL TOBACCO CANADA LIMITED



Name: Eric Thauvette – CFO & Vice-President Finance
Date: January 15, 2025

I have authority to bind the corporation

CANADA REVENUE AGENCY

Name:
Date:

I have authority to bind the Canada Revenue Agency

REVENU QUÉBEC

Name:
Date:

I have authority to bind Revenu Québec

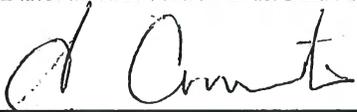
IMPERIAL TOBACCO CANADA LIMITED

Name:

Date:

I have authority to bind the corporation

CANADA REVENUE AGENCY



Name: *EMILY ARMIENDO*
Date: *January 15, 2025.*

I have authority to bind the Canada Revenue Agency

REVENU QUÉBEC



Name: *Mr. Daniel Cantin*
Date: *January 15, 2025*

I have authority to bind Revenu Québec

SCHEDULE "A"

SCHEDULE “B”
NEGATIVE NOTICE CLAIMS PACKAGE

B-1 - STATEMENT OF NEGATIVE NOTICE CLAIM

For Negative Notice Claims against Imperial Tobacco Canada Limited and Imperial Tobacco Company Limited (collectively, “Imperial”)

Issuance Date: November 1, 2024

In accordance with the Claims Procedure Order,¹ the present Statement sets forth the value and number of votes associated with the Claimant’s Affected Claim, for the sole purpose of establishing the Claimant’s right to vote at the Meeting of Affected Creditors (the “**Meeting**”), the whole as set forth in the CCAA Plan:²

Name of Claimant:	His Majesty in right of Canada
Number of Votes:	1
Value of Claim:	\$333,535,110

The above determinations do not affect any other right or entitlement accruing to the Claimant in respect of the CCAA Plan.

In accordance with the Claims Procedure Order, the Claimant shall have twenty-one (21) days from the Issuance Date hereof (referenced above) to file a Notice of Dispute of Negative Notice Claim, failing which the Claimant shall be conclusively and irrevocably deemed to have accepted, solely for voting purposes at the Meeting, the value and number of votes associated with its Affected Claim.

UNLESS THE MONITOR RECEIVES A NOTICE OF DISPUTE OF NEGATIVE NOTICE CLAIM WITHIN THE PRESCRIBED TIME-PERIOD, THE CLAIMANT WILL HAVE NO FURTHER RIGHT TO DISPUTE THE DETERMINATIONS MADE HEREIN FOR VOTING PURPOSES.

FTI Consulting Canada Inc., in its capacity as
 Monitor to Imperial

¹ Capitalized terms used but not defined in this Statement of Negative Notice Claim (the “**Statement**”) shall have the meanings ascribed to them in the Order of the Ontario Superior Court of Justice (Commercial List) in the CCAA proceedings of Imperial dated October 31, 2024 (the “**Claims Procedure Order**”).

² The Court-Appointed Mediator and Monitor’s Plan of Compromise and Arrangement in respect of Imperial dated October 17, 2024.

SCHEDULE "B"

Imperial Tobacco Canada Ltd
10245 7090 RC 0003
Amounts in Appeals

		2011	2014	2015	2016	2017	2018	Totals
Globus number		GB192540940364	GB202370840140	GB203490850136	GB210531425091	GB210531425151	GB210531425215	
1 Disallowed Loss carried back from 2014	111	254,129,466	-	-	-	-	-	254,129,466
2 Settlement Payment	18(1)a	-	667,311,075	-	-	-	-	667,311,075
3 Legal Fees Flintkote	18(1)a	-	11,504,228	2,114,128	111,162	21,258	1,643	13,752,419
4 Legal Fees cross border reorganization	18(1)a	-	-	475,217	126,266	216,511	525,582	1,343,576
5 Disputed Fee (Mexican asset)	18(1)a	-	6,055,038	-	-	-	-	6,055,038
6 Interest on credit line re: Flintkote	20(1)c(i)	-	-	6,544,795	-	-	-	6,544,795
		-	-	-	-	-	-	-
Total contested amounts		254,129,466	684,870,341	9,134,140	237,428	237,769	527,225	949,136,369

SCHEDULE "C"

Pre-Filing Credit	Pre-Filing Allocation	Date
\$12,742,730.97 Fiscal Year Ending December 31, 2017	\$12,742,730.97 → December 31, 2011	October 7, 2020
\$16,363,975.95 Fiscal Year Ending December 31, 2018	\$444,201.79 → December 31, 2018 \$15,337,125.74 → December 31, 2014 \$582,648.42 → December 31, 2013	October 7, 2020
\$7,468,694.34 GST/HST period ending February 28, 2019	\$7,468,694.34 → December 31, 2014	August 18, 2023

Canada Revenue
AgencyAgence du revenu
du Canada

Page 1 of 5

Summerside PE C1N 6A2

0000511

Notice details**Business number** 10245 7090 RC0003**Date issued** Oct 13, 2020IMPERIAL TOBACCO CANADA
LTD-IMPERIAL TOBACCO CANADA LT
3711, RUE SAINT-ANTOINE O
MONTREAL QC H4C 3P6**Corporation income tax assessment**

These notice(s) explain the results of our assessment of your T2 Corporation Income Tax Return(s). We assessed your T2 Corporation Income Tax Return(s) and calculated your balance.

The amount you need to pay is **\$56,748,563.35**.

To avoid additional interest charges, please pay by **November 2, 2020**.

Thank you,

Bob Hamilton
Commissioner of Revenue

Account summary

Previous payments may not appear if they have not been processed. If you have already paid the balance owing, please ignore this request.

Total balance: \$56,748,563.35
Pay by: November 2, 2020

Go paperless!

Get your mail online through My Business Account.

1. Log in at canada.ca/my-cra-business-account
2. Select "Notification preferences"

T2 CORP 001 E X



Summerside PE C1N 6A2

 IMPERIAL TOBACCO CANADA
 LTD-IMPERIAL TOBACCO CANADA LT
 3711, RUE SAINT-ANTOINE O
 MONTREAL QC H4C 3P6

Notice details

Business number	10245 7090 RC0003
Tax year-end	Dec 31, 2017
Date issued	Oct 13, 2020

Corporation notice of reassessment

Results

This notice explains the result of our reassessment of your T2 Corporation Income Tax Return. It also explains any changes we may have made. For more information, please see the summary section of this notice.

Description	\$ Amount	CR
Result of this Reassessment	12,742,730.97	CR
Previous balance	69,491,294.32	
Total balance	56,748,563.35	

If you pay the full amount by **November 2, 2020**, we will not charge more interest. If a credit becomes available on the same or a related business account, we will apply that credit to any amount you owe.

For more information, please see the summary and explanation of changes and other important information sections of this notice.

Thank you,

Bob Hamilton
 Commissioner of Revenue

IMPERIAL TOBACCO CANADA
LTD-IMPERIAL TOBACCO CANADA LTEE

Notice details

Business number	10245 7090 RC0003
Tax year-end	Dec 31, 2017
Date issued	Oct 13, 2020

Summary

Description	\$ Previous CR	\$ Reassessed CR	\$ Adjustment CR
Federal tax			
Part I	86,707,004.00	86,742,670.00	35,666.00
Part I.3	0.00	0.00	0.00
Part IV	0.00	0.00	0.00
Total federal tax adjustment			35,666.00
Net provincial and territorial tax/credit			
Ontario	27,768,212.00	15,031,639.00	12,736,573.00 CR
Total net provincial and territorial tax/credit adjustment			12,736,573.00 CR
Net balance			12,700,907.00 CR
Interest			
Refund interest			41,823.97 CR
Result of this reassessment			12,742,730.97 CR
Total balance for this tax year-end			56,748,563.35

Explanation of changes and other important information

The T2 return has been changed as a result of an audit.

We gave more explanations of this reassessment in our letter, which we sent separately.

We changed the total gross revenue attributable to jurisdictions on Schedule 5, Tax Calculation Supplementary - Corporations, to **\$1,161,021,306.00**, to match the calculated amount.

IMPERIAL TOBACCO CANADA
LTD-IMPERIAL TOBACCO CANADA LTEE

Notice details

Business number	10245 7090 RC0003
Tax year-end	Dec 31, 2017
Date issued	Oct 13, 2020

Net Ontario tax/credit consists of the following:

Description	\$ Amount
Ontario basic income tax	15,031,639.00
Ontario corporate income tax payable	15,031,639.00
Total Ontario tax payable before refundable tax credits	15,031,639.00

The refund interest is taxable in the reporting period you receive it.

More information

If you need more information, go to canada.ca/en/services/taxes.

To see your latest account information, including payment transactions, go to canada.ca/my-cra-business-account.

If you have new or additional information and want to change your return, go to canada.ca/t2-return and select the topic "After you file your corporation income tax return." For faster service, submit your request electronically.

If you disagree with this assessment, go to canada.ca/t2-return and select the topic "After you file your corporation income tax return," and then "Resolving disputes." You have 90 days from the date of this notice to register your dispute.

Definitions

CR (credit) is the amount we owe you.

Help for persons with visual impairments

You can get this notice in braille, large print, or audio format. For more information about other formats, go to canada.ca/cra-multiple-formats.

My Business Account

Use **My Business Account** to see and manage your tax information online. Check your return balances, manage direct deposit and addresses, submit an enquiry, set up online mail, and more. To register for **My Business Account**, go to canada.ca/my-cra-business-account.



Canada Revenue
AgencyAgence du revenu
du Canada

Page 1 of 5

Summerside PE C1N 6A2

000015

Notice details

Business number	10245 7090 RC0003
Date issued	Oct 13, 2020

IMPERIAL TOBACCO CANADA
LTD-IMPERIAL TOBACCO CANADA LT
3711, RUE SAINT-ANTOINE O
MONTREAL QC H4C 3P6

Corporation income tax assessment

These notice(s) explain the results of our assessment of your T2 Corporation Income Tax Return(s). We assessed your T2 Corporation Income Tax Return(s) and calculated your balance.

The amount you need to pay is **\$38,426,040.34**.

To avoid additional interest charges, please pay by **November 2, 2020**.

Thank you,

Bob Hamilton
Commissioner of Revenue

Account summary

Previous payments may not appear if they have not been processed. If you have already paid the balance owing, please ignore this request.

Total balance: **\$38,426,040.34**
Pay by: **November 2, 2020**

Go paperless!

Get your mail online through My Business Account.

1. Log in at canada.ca/my-cra-business-account
2. Select "Notification preferences"

T2 CORP 001 E X

Canada



Summerside PE C1N 6A2

 IMPERIAL TOBACCO CANADA
 LTD-IMPERIAL TOBACCO CANADA LT
 3711, RUE SAINT-ANTOINE O
 MONTREAL QC H4C 3P6

Notice details

Business number	10245 7090 RC0003
Tax year-end	Dec 31, 2018
Date issued	Oct 13, 2020

Corporation notice of reassessment

Results

This notice explains the result of our reassessment of your T2 Corporation Income Tax Return. It also explains any changes we may have made. For more information, please see the summary section of this notice.

Description	\$ Amount	CR
Result of this Reassessment	16,363,975.95	CR
Previous balance	54,790,016.29	
Total balance	38,426,040.34	

If you pay the full amount by **November 2, 2020**, we will not charge more interest. If a credit becomes available on the same or a related business account, we will apply that credit to any amount you owe.

For more information, please see the summary and explanation of changes and other important information sections of this notice.

Thank you,

Bob Hamilton
 Commissioner of Revenue

IMPERIAL TOBACCO CANADA
LTD-IMPERIAL TOBACCO CANADA LTEE

Notice details

Business number	10245 7090 RC0003
Tax year-end	Dec 31, 2018
Date issued	Oct 13, 2020

Summary

Description	\$ Previous	CR	\$ Reassessed	CR	\$ Adjustment	CR
Federal tax						
Part I	103,415,953.00		103,495,037.00		79,084.00	
Part I.3	0.00		0.00		0.00	
Part IV	0.00		0.00		0.00	
Total federal tax adjustment					79,084.00	
Net provincial and territorial tax/credit						
Ontario	34,202,433.00		17,805,543.00		16,396,890.00	CR
Total net provincial and territorial tax/credit adjustment					16,396,890.00	CR
Net balance					16,317,806.00	CR
Interest						
Arrears interest					875.30	CR
Refund interest					45,294.65	CR
Result of this reassessment					16,363,975.95	CR
Total balance for this tax year-end					38,426,040.34	

Explanation of changes and other important information

The T2 return has been changed as a result of an audit.

We gave more explanations of this reassessment in our letter, which we sent separately.

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IMPERIAL TOBACCO CANADA
LTD-IMPERIAL TOBACCO CANADA LTEE

Notice details

Business number	10245 7090 RC0003
Tax year-end	Dec 31, 2018
Date issued	Oct 13, 2020

Net Ontario tax/credit consists of the following:

Description	\$ Amount
Ontario basic income tax	17,805,543.00
Ontario corporate income tax payable	17,805,543.00
Total Ontario tax payable before refundable tax credits	17,805,543.00

The refund interest is taxable in the reporting period you receive it.

More information

If you need more information, go to canada.ca/en/services/taxes.

To see your latest account information, including payment transactions, go to canada.ca/my-cra-business-account.

If you have new or additional information and want to change your return, go to canada.ca/t2-return and select the topic "After you file your corporation income tax return." For faster service, submit your request electronically.

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This is Exhibit "B" referred to in the Affidavit of Eric Thauvette sworn by Eric Thauvette of the City of Montreal, in the Province of Québec, before me at the City of Toronto, in the Province of Ontario, on June 13, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

**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

APPLICANTS

SETTLEMENT AGREEMENT

WHEREAS on March 12, 2019, Imperial Tobacco Canada Limited (“ITCAN”) and its subsidiary Imperial Tobacco Company Limited (together, the “Applicants”) initiated proceedings (the “CCAA Proceedings”) and obtained an order (the “Initial Order”) under the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, as amended (the “CCAA”);

AND WHEREAS the relief under the Initial Order included, *inter alia*, a stay of proceedings against the Applicants, as well as a stay of the Applicants’ obligations to make payments of pre-filing amounts owing as of the filing date (the “CCAA Stay”);

AND WHEREAS pursuant to an agreement dated April 2, 1986 among Genstar Corporation, Imasco Limited and Imasco Enterprises Inc., Imasco Limited became a guarantor of the obligations of Genstar Corporation under a “Deferred Income Plan”, “Supplemental Executive Retirement Plan” and “Supplementary Pension Plan” (collectively, the “Genstar US Plans”);

AND WHEREAS ITCAN (as corporate successor to Imasco Limited) historically made monthly capital contributions to fund the Genstar US Plans, but terminated such payments as at the date of its CCAA filing pursuant to the Initial Order;

AND WHEREAS the Former Genstar U.S. Retiree Group Committee (the “Committee”) brought a motion to appoint Robert M. Brown and George A. Foster (the “Representatives”) to

represent the interests of the beneficiaries of the Genstar US Plans (the “Affected Members”) in the CCAA Proceedings;

AND WHEREAS pursuant to an order dated April 25, 2019 (the “Representation Order”), the Representatives were appointed as representatives and Ari Kaplan of Kaplan Law was appointed as representative counsel (the “Representative Counsel”) to represent the interests of the Affected Members in the CCAA Proceedings;

AND WHEREAS pursuant to the Representation Order, the Applicants provided Representative Counsel with certain Information in their possession relevant to the Affected Members’ interests in the CCAA Proceedings;

AND WHEREAS the Representatives, as supported by the Committee, contested ITCAN’s decision to cease funding the Genstar US Plans and brought a motion seeking a reinstatement of payments under the Genstar US Plans (the “Reinstatement Motion”);

AND WHEREAS the Applicants and the Representatives (on behalf of the Affected Members) wish to compromise and settle between themselves all matters related to the Applicants’ payment obligations – and the Affected Members’ entitlements – under the Genstar US Plans, on the terms herein (the “Settlement”);

NOW THEREFORE in consideration of the payments, undertakings and covenants set forth herein, the sufficiency of which consideration is hereby irrevocably acknowledged by each of the parties hereto, the parties covenant and agree as follows:

1. ITCAN shall pay, or cause to be paid, USD \$1.6 million within 30 days of court approval of this Settlement as follows:

- (a) USD \$1.44 million on account of three months’ notice of ITCAN’s termination of payments under the Genstar US Plans, which amounts are to be allocated and paid to each Affected Member as a lump sum payment according to a fair and equitable distribution formula (the “Distribution Formula”), as determined by Representative Counsel and as instructed by the Representatives in consultation with the Committee; and

- (b) USD \$160,000 to Kaplan Law in Trust, on account of legal fees.
2. All Affected Members shall retain an unsecured claim in the CCAA Proceedings for all remaining unpaid amounts under the Genstar US Plans (less the USD \$1.44 million payment contemplated by this Agreement) in the event of a plan of compromise or arrangement (the “Unsecured Claim”).
3. The Applicants and the Representatives shall jointly seek an Order from the Court on May 14, 2019 (or as soon thereafter as the Court can accommodate) prescribing the manner and content of the notice to the Affected Members with respect to this Settlement.
4. The Applicants and the Representatives shall thereafter jointly seek an Order from the Court on June 26, 2019 (or as soon thereafter as the Court can accommodate) approving the Settlement (the “Settlement Approval Order”).
5. The Applicants and the Representatives hereby agree that the Settlement Approval Order shall include the following relief (*inter alia*), an order:
- (a) binding all Affected Members to the Settlement (including any Affected Members who have opted out of the Representation Order and/or who have filed a Notice of Objection in respect of the Settlement);
 - (b) releasing the Applicants from any further liabilities in respect of the Genstar US Plans (save and except for the Unsecured Claim); and
 - (c) releasing and discharging the Representatives, Representative Counsel and the members of the Committee in respect of the Settlement.
6. The Representatives agree to fully support and recommend the within Settlement in their communications with the Affected Members, and to take all reasonable steps that may be required to effect the Settlement (including the Court approval thereof).
7. The parties agree that if and to the extent that the material terms of the Settlement are not approved by the Court, the Settlement shall be deemed null and void, the parties’ shall be

relieved of their respective obligations under this Agreement and the Reinstatement Motion shall forthwith be returned to the Court for hearing and determination.

8. The Applicants hereby represent and warrant that, to the best of their knowledge, all Information provided to Representative Counsel pursuant to paragraph 5 of the Representation Order accurately reflects the historical, current and future entitlements of the Affected Members under the Genstar US Plans, which Information has been relied upon by the Representatives and Representative Counsel in compromising Affected Members' interests in the CCAA Proceedings and used to determine the Distribution Formula and composition of the class of persons comprising the Affected Member group. In the absence of proof satisfactory to the Applicants to the contrary, the Applicants may rely on the most recent records in their possession for purposes of calculating entitlements and making the payments to Affected Members required under this Agreement.

9. The Representatives hereby forever release and discharge the Applicants and their respective affiliates (including their respective officers, directors, successors and assigns) from any and all actions, causes of action, claims, complaints or demands for payment, and potential actions, causes of action, claims, complaints or demands for payment, whether at law or in equity, in relation to the Genstar US Plans (save and except for the Unsecured Claim).

10. The Representatives agree not to make any claims or take any proceedings against any other corporation or person who might claim over against the opposite party to this release, or who might claim contribution or indemnity under any statutory provision or otherwise from the parties discharged by this release, or who might seek declaratory relief in a third party proceeding against the parties discharged by this release, in connection with the matters which are released and discharged above.

11. The Representatives hereby represent and warrant that they have not assigned to any person or corporation any of their actions, causes of action, claims, complaints or demands for payment, or their potential actions, causes of action, claims, complaints or demands for payment, whether at law or in equity, as released above.

12. The undersigned hereby warrant that the terms of this Agreement are fully understood by them and that this Agreement is made and the releases herein are given voluntarily, after receiving independent legal advice, for the purpose of making a full and final compromise, adjustment and settlement of all claims and issues as aforesaid.

13. This Agreement constitutes the entire Agreement between the parties in respect of the subject matter hereof and supersedes all prior negotiations and understandings in respect of the subject matter hereof. Each of the parties hereto agrees and confirms that it has not been induced to enter into this Agreement by reason of any representation or warranty of any nature or kind whatsoever and that there is no condition or agreement expressed, implied or collateral affecting this agreement or which will amend or alter this Agreement.

14. This Agreement may be executed by the parties in separate counterparts each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument.

15. This Agreement shall be governed by the laws of Ontario and the laws of Canada applicable therein, without reference to conflict of laws rules.

ALL OF THE FOREGOING shall enure to the benefit of the parties hereto and their respective successors, assigns and representatives and be binding upon the parties hereto and their respective successors, assigns and representatives.

NOTHING HEREIN shall be deemed to be an admission of liability on the part the Applicants.

IN WITNESS WHEREOF the undersigned have executed this Agreement under seal by proper signing officers.

DATED as May 10, 2019.

EXECUTED at ESTERO, FLORIDA, this 13th day of May, 2019

Robert M Brown

Robert M. Brown (*personally and as Court-Appointed Representative of the Affected Members*)

EXECUTED at _____, this _____ day of May, 2019

George A. Foster (*personally and as Court-Appointed Representative of the Affected Members*)

EXECUTED at _____, this _____ day of May, 2019

Vivian Brennan-Dolezar (*personally and as proposed Court-Appointed Representative of the Affected Members*)

EXECUTED at _____, this _____ day of May, 2019

IMPERIAL TOBACCO CANADA LIMITED

Per: _____ l/s

Print Name:

Title:

I have authority to bind the corporation.

EXECUTED at _____, this _____ day of May, 2019

Robert M. Brown (*personally and as Court-Appointed Representative of the Affected Members*)

EXECUTED at Alamo, Ca., this 13th day of May, 2019

George A. Foster

George A. Foster (*personally and as Court-Appointed Representative of the Affected Members*)

EXECUTED at _____, this _____ day of May, 2019

Vivian Brennan-Dolezar (*personally and as proposed Court-Appointed Representative of the Affected Members*)

EXECUTED at _____, this _____ day of May, 2019

IMPERIAL TOBACCO CANADA LIMITED

Per: _____ /s

Print Name:

Title:

I have authority to bind the corporation.

EXECUTED at _____, this _____ day of May, 2019

Robert M. Brown (*personally and as Court-Appointed Representative of the Affected Members*)

EXECUTED at _____, this _____ day of May, 2019

George A. Foster (*personally and as Court-Appointed Representative of the Affected Members*)

EXECUTED at MESA, AZ, this 13th day of May, 2019

Vivian Brennan-Dolezar

Vivian Brennan-Dolezar (*personally and as proposed Court-Appointed Representative of the Affected Members*)

EXECUTED at _____, this _____ day of May, 2019

IMPERIAL TOBACCO CANADA LIMITED

Per: _____ /s

Print Name:

Title:

I have authority to bind the corporation.

EXECUTED at _____, this _____ day of May, 2019

Robert M. Brown (*personally and as Court-Appointed Representative of the Affected Members*)

EXECUTED at _____, this _____ day of May, 2019

George A. Foster (*personally and as Court-Appointed Representative of the Affected Members*)

EXECUTED at _____, this _____ day of May, 2019

Vivian Brennan-Dolezar (*personally and as proposed Court-Appointed Representative of the Affected Members*)

EXECUTED at Marked, this 13 day of May, 2019

IMPERIAL TOBACCO CANADA LIMITED

Per: Eric Thauvette /s

Print Name: Eric Thauvette

Title: VP & CFO

I have authority to bind the corporation.

EXECUTED at Montreal, this 13 day of May, 2019

IMPERIAL TOBACCO COMPANY LIMITED

Per:  _____ l/s

Print Name: Tamara Gitto

Title: Vice President, Legal & External Affairs

I have authority to bind the corporation.

This is Exhibit "C" referred to in the Affidavit of Eric Thauvette sworn by Eric Thauvette of the City of Montreal, in the Province of Québec, before me at the City of Toronto, in the Province of Ontario, on June 13, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.	)	WEDNESDAY, THE 26 TH
)	
JUSTICE MCEWEN	)	DAY OF JUNE, 2019



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

APPLICANTS

**ORDER
(Genstar Settlement Approval)**

THIS MOTION, made by the Applicants for an order giving effect to the terms of the Settlement Agreement, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion and the supporting Affidavits of Eric Thauvette sworn June 18, 2019 and Vivian Brennan-Dolezar sworn June 13, 2019, and on hearing the submissions of respective counsel for the Applicants and the Monitor, Representative Counsel, and such other counsel as were present, no one else appearing although duly served as appears from the Affidavit of Service of Waleed Malik affirmed June 18, 2019, filed:

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record herein is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

DEFINITIONS

2. **THIS COURT ORDERS** that for purposes of this Order:

- (a) “**Applicants**” means Imperial Tobacco Canada Limited and Imperial Tobacco Company Limited;
- (b) “**Committee**” means the Former Genstar U.S. Retiree Group Committee, the members of which are Angus A. MacNaughton, Ross J. Turner, Richard D. Paterson, and J. Ernest Hartz;
- (c) “**Distribution Formula**” has the meaning ascribed in paragraph 3(a);
- (d) “**Genstar Beneficiaries**” means all persons with entitlements under the Genstar Plans, including survivors and beneficiaries of such persons and any other person claiming an interest under or on behalf of a Genstar Beneficiary;
- (e) “**Genstar Plans**” means the Genstar Corporation deferred income plan, supplemental executive retirement plan, and supplementary pension plan;
- (f) “**Individual Settlement Share**” has the meaning ascribed in paragraph 3(a);
- (g) “**ITCAN Subsidiaries**” means the direct and indirect subsidiaries of the Applicants listed in Schedule “B” of the Second Amended and Restated Initial Order dated March 12, 2019;
- (h) “**Monitor**” means FTI Consulting Canada Inc. in its capacity as the court-appointed Monitor in these CCAA proceedings;
- (i) “**Representative Counsel**” means Ari Kaplan in his capacity as representative counsel under the Representation Order;
- (j) “**Representation Order**” means the Representation Order made by this Court on April 25, 2019;

- (k) “**Representatives**” means Robert M. Brown, George A. Foster, and Vivian Brennan-Dolezar in their capacity as representatives under the Representation Order;
- (l) “**Settlement Agreement**” means the Settlement Agreement between the Applicants and the Representatives, dated as of May 10, 2019 and executed by all parties on May 13, 2019; and
- (m) “**Unsecured Claim**” has the meaning ascribed in paragraph 5.

SETTLEMENT

3. **THIS COURT ORDERS** that the Applicants shall pay, or cause to be paid, USD \$1.6 million within 30 days of the date of this Order as follows:

- (a) USD \$1.44 million on account of three months’ notice of the Applicants’ termination of payments under the Genstar Plans, which amounts are to be allocated and paid to each Genstar Beneficiary as a lump sum payment (an “**Individual Settlement Share**”), allocated in proportion to each Genstar Beneficiary’s projected total future payments under the Genstar Plans, with a minimum payment of USD \$5,000 (the “**Distribution Formula**”);
- (b) USD \$2,000 to each of the three Representatives as a stipend for their labours and efforts, which payments will be paid out of the USD \$1.44 million referred to in subparagraph (a) above; and
- (c) USD \$160,000 to Kaplan Law in Trust, on account of legal fees and disbursements.

4. **THIS COURT ORDERS** the motion of the Committee for the reinstatement of benefits under the Genstar Plans, originally returnable April 25, 2019, is hereby dismissed, in accordance with the terms set out herein.

CLAIMS AND RELEASE

5. **THIS COURT ORDERS** that, notwithstanding anything to the contrary in this Order, each Genstar Beneficiary will retain an unsecured claim for purposes of these CCAA Proceedings

for all remaining unpaid amounts under the Genstar Plans owing to that Genstar Beneficiary less the payment received by that Genstar Beneficiary pursuant to paragraph 3 of this Order (“**Unsecured Claims**”). Representative Counsel may, at the appropriate time, prove such Unsecured Claims on behalf of all Genstar Beneficiaries, no one having opted out of representation under the Representation Order in the context of the CCAA Proceedings.

6. **THIS COURT ORDERS** that, in the absence of proof satisfactory to the Applicants to the contrary, the Applicants may rely on the most recent records in their possession for purposes of determining the composition of the class of persons comprising the Genstar Beneficiary group, as well as calculating the projected future entitlements of the Genstar Beneficiaries. Representative Counsel shall also be entitled, without independent investigation, to rely on the books and records of the Applicants and any information provided by the Applicants for the purposes of determining the Distribution Formula and each Individual Settlement Share, and shall not be liable for any claims or damages resulting from any errors or omissions in the Applicants’ books, records or information.

7. **THIS COURT ORDERS** that, except as provided in paragraph 5 of this Order, no person or entity, including without limitation, the Representatives, the Committee, and the Genstar Beneficiaries, shall directly or indirectly assert, advance, re-assert or re-file any claim or initiate any legal proceedings or actions of any nature or kind in these proceedings or in any subsequent receivership or bankruptcy proceedings, or in any other proceedings, or in any other forum whatsoever concerning their entitlements under the Genstar Plans (including any motion or other proceeding seeking to recommence payments under the Genstar Plans), and shall not assert or advance any claim, directly or indirectly, that their entitlements related to the Genstar Plans, or any part thereof, are secured or rank as a priority or preferential claim over the claims of ordinary unsecured creditors, including, without limitation, that it is the subject of a trust (whether deemed or otherwise) or a lien or charge, or under other legal or equitable theory, and all such secured, priority, trust, lien or charge claims are hereby forever barred, enjoined, released and extinguished as against the Applicants, the ITCAN subsidiaries, and their respective officers, directors, subsidiaries and affiliates, as well as the employees, agents, members, legal counsel, financial advisors, administrators, legal representatives, successors and assigns of each of the foregoing.

8. **THIS COURT ORDERS** that, except as provided in paragraph 5 of this Order, the Monitor, the Monitor's counsel, the Applicants, the ITCAN Subsidiaries, and their respective officers, directors, subsidiaries and affiliates, as well as the employees, agents, members, legal counsel, financial advisors, administrators, legal representatives, successors and assigns of each of the foregoing, are hereby released, discharged and remised from any and all direct and indirect claims (contingent, liquidated or unliquidated, proven or unproven, known or unknown, in the nature of damages or otherwise, whether or not asserted and whether arising by contract, agreement (whether written or oral), under statute, civil law, common law, or in equity, or otherwise in any jurisdiction) related to the Genstar Plans or the Settlement Agreement.

9. **THIS COURT DECLARES AND ORDERS** that the Settlement Agreement is fair, reasonable and in the overall best interests of the Genstar Beneficiaries, and the Representatives, Representative Counsel, and the members of the Committee are hereby released, discharged and remised from any and all direct and indirect claims in respect of the Settlement and shall have no liability as a result of entering into the Settlement Agreement, performing any of their obligations set forth in the Settlement Agreement or taking any actions contemplated by the Settlement Agreement, except for any claims, demands, or proceedings due to wilful misconduct, gross negligence or fraud arising from any act or omission in the performance of such obligations or in the taking of any such action.

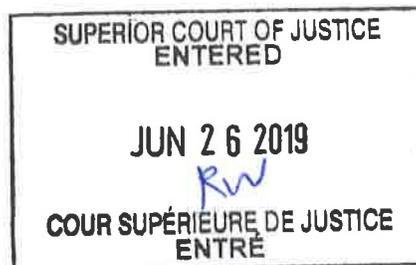
10. **THIS COURT ORDERS** that no person or entity, including without limitation, the Representatives, the Committee, and the Genstar Beneficiaries, shall assert, advance or make any claims of any nature whatsoever against any person or entity whatsoever that could reasonably be expected to result in a claim over (including, without limitation, a claim for contribution or indemnity) being made against any of the Applicants or the ITCAN Subsidiaries with respect to the subject matter of the release provisions hereof.

GENERAL

11. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada.

12. **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 of America, to give effect to this Order and to assist the Applicants, 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, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.





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

**ORDER
(Genstar Settlement Approval)**

OSLER, HOSKIN & HARCOURT LLP
Box 50, 1 First Canadian Place
Toronto ON M5X 1B8

Deborah Glendinning (LSO# 31070N)
Marc Wasserman (LSO# 44066M)
John A. MacDonald (LSO# 25884R)
Craig Lockwood (LSO# 46668M)

Tel: 416.362.2111
Fax: 416.862.6666

Lawyers for the Applicants, Imperial Tobacco Canada
Limited and Imperial Tobacco Company Limited

This is Exhibit “D” referred to in the Affidavit of Eric Thauvette sworn by Eric Thauvette of the City of Montreal, in the Province of Québec, before me at the City of Toronto, in the Province of Ontario, on June 13, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

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

APPLICANTS

SETTLEMENT AGREEMENT

WHEREAS on March 12, 2019, Imperial Tobacco Canada Limited (“**ITCAN**”) and its subsidiary Imperial Tobacco Company Limited (together, the “**Applicants**”) initiated proceedings (the “**CCAA Proceedings**”) and obtained an order (the “**Initial Order**”) under the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, as amended (the “**CCAA**”);

AND WHEREAS the relief under the Initial Order included, *inter alia*, a stay of proceedings against the Applicants, as well as a stay of the Applicants' obligations to make payments of pre-filing amounts owing as of the filing date (the “**CCAA Stay**”);

AND WHEREAS pursuant to an agreement dated April 2, 1986 among Genstar Corporation, Imasco Limited and Imasco Enterprises Inc., Imasco Limited became a guarantor of the obligations of Genstar Corporation under a “Deferred Income Plan”, “Supplemental Executive Retirement Plan” and “Supplementary Pension Plan” (collectively, the “**Genstar Plans**”);

AND WHEREAS ITCAN (as corporate successor to Imasco Limited) historically made monthly capital contributions to fund the Genstar US Plans, but terminated such payments as at the date of its CCAA filing pursuant to the Initial Order;

AND WHEREAS the Former Genstar U.S. Retiree Group Committee (the “**Committee**”) brought a motion to appoint Robert M. Brown and George A. Foster (the “**Representatives**”) to

represent the interests of the beneficiaries of the Genstar Plans (the “**Affected Members**”) in the CCAA Proceedings;

AND WHEREAS pursuant to an order dated April 25, 2019 (the “**Representation Order**”), the Representatives were appointed as representatives and Ari Kaplan of Kaplan Law was appointed as representative counsel (the “**Representative Counsel**”) to represent the interests of the Affected Members in the CCAA Proceedings;

AND WHEREAS the Applicants and the Representatives and proposed representative Vivian Brennan-Dolezar who was later appointed a Representative by the Court (on behalf of the Affected Members) entered into a settlement in respect of the Applicants’ payment obligations – and the Affected Members’ entitlements – under the Genstar Plans, on the terms set out in the Settlement Agreement dated May 10, 2019 (the “**2019 Settlement**”);

AND WHEREAS pursuant to an order dated June 26, 2019 (the “**2019 Approval Order**”), the Court declared the 2019 Settlement as fair, reasonable and in the overall best interests of the Affected Members (who are described in the 2019 Approval Order as the “**Genstar Beneficiaries**”) and the Court ordered various payments to be made to the Genstar Beneficiaries pursuant to the 2019 Settlement, which were made or caused to be made by the Applicants in accordance with the 2019 Approval Order;

AND WHEREAS the 2019 Settlement and 2019 Approval Order contemplated a release of claims against the Applicants in respect of the Genstar Plans, subject only to the Affected Members’ retaining an unsecured claim in the CCAA Proceedings for all remaining unpaid amounts under the Genstar Plans (less the payment contemplated by the 2019 Settlement and made pursuant to the 2019 Approval Order) in the event of a plan of compromise or arrangement (the “**Unsecured Claim**”) and authorizing Representative Counsel to, at the appropriate time, prove such Unsecured Claims on behalf of all Genstar Beneficiaries, no one having opted out of representation under the Representation Order;

AND WHEREAS the Applicants assert that they ceased to have any ongoing or future liabilities in respect of the Genstar US Plans as at the date of the 2019 Settlement (subject to any

liabilities that might arise within the context of the CCAA Proceedings in relation to the Unsecured Claim);

AND WHEREAS a plan of compromise has been or will be presented to the Court in the context of the CCAA Proceedings (the “**CCAA Plan**”) which contemplates, among other things, the ability of certain creditors to file “Miscellaneous Claims” or retain certain rights as “Unaffected Claimants” (as defined in the CCAA Plan);

AND WHEREAS Representative Counsel has asserted, on behalf of the Affected Members, both or either that they are “Unaffected Claimants” and an entitlement to file – and have filed – a Miscellaneous Claim in the context of the CCAA Proceedings with respect to the Unsecured Claim (the “**Affected Members’ Positions**”);

AND WHEREAS the Applicants fundamentally disagree with any characterization of the Affected Members as “Unaffected Claimants” under the CCAA Plan, and contest the Affected Members’ Positions in this regard;

AND WHEREAS the parties wish to resolve all outstanding matters between them in respect of the Genstar Plans and the Unsecured Claim, including with respect to any future involvement in or opposition to the CCAA Plan by the Affected Members;

NOW THEREFORE in consideration of the payments, undertakings and covenants set forth herein, the sufficiency of which consideration is hereby irrevocably acknowledged by each of the parties hereto, the parties covenant and agree to a settlement as follows (the “**Settlement**”):

1. ITCAN shall pay, or cause to be paid, USD \$850,000 to Representative Counsel (in trust) on or prior to the CCAA Plan Implementation Date. Any subsequent distributions to Affected Members and/or to Representative Counsel on account of fees and disbursements shall be determined and directed by Representative Counsel, without any obligation on the part of the Applicants. For greater certainty, the Applicants shall have no obligations whatsoever to the Affected Members, Representative Counsel or any other party in respect of the Genstar Plans, including (without limitation) in relation to the Unsecured Claim.

2. Prior to the sanction order hearing scheduled for January 29, 2025 (the “**Sanction Order Hearing**”), Representative Counsel shall conditionally, subject to obtaining the order described in paragraph 3, withdraw the Miscellaneous Claim filed on behalf of the Affected Members and shall provide written confirmation to the court-appointed Monitor for the CCAA Proceedings that the Affected Members do not assert any claims or rights in respect of the CCAA Proceedings in respect of the Genstar Plans.

3. The Applicants and the Representatives shall jointly seek an Order from the Court at the Sanction Order Hearing (or as soon thereafter as the Court can accommodate) approving of the within settlement (the “**Settlement Approval Order**”), which shall include terms satisfactory to the Applicants and Representatives including but not limited to the following relief (*inter alia*):

- (a) An order binding all Affected Members to the Settlement;
- (b) A release of the Applicants and the Monitor from any further liabilities in respect of the Genstar Plans (including in respect of the Unsecured Claim); and
- (c) A release and discharge of the Representatives, Representative Counsel and the members of the Committee in respect of the Unsecured Claim, the CCAA Proceeding, and this Settlement including the manner or method of determining or making any distributions pursuant to paragraph 1.

4. The Representatives agree to fully support and recommend the within Settlement in their communications with the Affected Members, and to take all reasonable steps that may be required to effect the Settlement (including the Court approval thereof).

5. The parties agree that if and to the extent that the material terms of the Settlement are not approved by the Court to the parties’ satisfaction, the Settlement shall be deemed null and void, the parties’ shall be relieved of their respective obligations under this Agreement and the Affected Members’ Positions shall be retained for hearing and determination.

6. The Representatives agree that, subject to paragraph 5, they shall not take any position that is adverse to the Applicants in respect of the CCAA Proceedings.

7. Within 30 days of Settlement Approval Order, the Applicants shall provide the current contact information for all Affected Members, to the extent known, and shall use best efforts to supplement and/or clarify such information in response to reasonable information requests from Representative Counsel. The Applicants hereby represent and warrant that, to the best of their knowledge, all information provided to Representative Counsel is accurate, which information will be relied upon by Representative Counsel in making any distributions pursuant to this Settlement.

8. The Representatives hereby forever release and discharge the Applicants and their respective affiliates (including their respective officers, directors, successors and assigns) from any and all actions, causes of action, claims, complaints or demands for payment, and potential actions, causes of action, claims, complaints or demands for payment, whether at law or in equity, in relation to the Genstar Plans and the Unsecured Claim.

9. The Representatives agree not to make any claims or take any proceedings against any other corporation or person who might claim over against the opposite party to this release, or who might claim contribution or indemnity under any statutory provision or otherwise from the parties discharged by this release, or who might seek declaratory relief in a third party proceeding against the parties discharged by this release, in connection with the matters which are released and discharged above.

10. The Representatives hereby represent and warrant that they have not assigned to any person or corporation any of their actions, causes of action, claims, complaints or demands for payment, or their potential actions, causes of action, claims, complaints or demands for payment, whether at law or in equity, as released above.

11. The undersigned hereby warrant that the terms of this Agreement are fully understood by them and that this Agreement is made and the releases herein are given voluntarily, after receiving independent legal advice, for the purpose of making a full and final compromise, adjustment and settlement of all claims and issues as aforesaid.

12. This Agreement constitutes the entire Agreement between the parties in respect of the subject matter hereof and supersedes all prior negotiations and understandings in respect of the subject matter hereof. Each of the parties hereto agrees and confirms that it has not been induced

to enter into this Agreement by reason of any representation or warranty of any nature or kind whatsoever and that there is no condition or agreement expressed, implied or collateral affecting this agreement or which will amend or alter this Agreement.

13. This Agreement may be executed by the parties in separate counterparts each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument.

14. This Agreement shall be governed by the laws of Ontario and the laws of Canada applicable therein, without reference to conflict of laws rules.

ALL OF THE FOREGOING shall enure to the benefit of the parties hereto and their respective successors, assigns and representatives and be binding upon the parties hereto and their respective successors, assigns and representatives.

NOTHING HEREIN shall be deemed to be an admission of liability on the part of the Applicants.

IN WITNESS WHEREOF the undersigned have executed this Agreement under seal by proper signing officers.

DATED as January 17, 2025.

ESTERO, LEE
EXECUTED at GUNTY, FLORIDA, this 21st day of January, 2025

Robert M Brown

Robert M. Brown (personally and as Court-Appointed Representative of the Affected Members)

Alamo, California, USA - Contra Costa County
EXECUTED at _____, this 21st day of January, 2025

George A Foster

George A. Foster (personally and as Court-Appointed Representative of the Affected Members)

EXECUTED at HAMILTON COUNTY, this 21 day of January, 2025
INDIANA

Vivian Brennan Dolezar

Vivian Brennan-Dolezar (personally and as proposed Court-Appointed Representative of the Affected Members)

EXECUTED at _____, this _____ day of January, 2025

IMPERIAL TOBACCO CANADA LIMITED

Per: _____ /s

Print Name:

Title:

I have authority to bind the corporation.

EXECUTED at _____, this _____ day of January, 2025

Robert M. Brown (*personally and as Court-Appointed Representative of the Affected Members*)

EXECUTED at _____, this _____ day of January, 2025

George A. Foster (*personally and as Court-Appointed Representative of the Affected Members*)

EXECUTED at _____, this _____ day of January, 2025

Vivian Brennan-Dolezar (*personally and as proposed Court-Appointed Representative of the Affected Members*)

Montreal, Quebec,
EXECUTED at Canada, this 22 day of January, 2025

IMPERIAL TOBACCO CANADA LIMITED

Per:  /s

Print Name: Eric Thauvette

Title: Vice-President and Chief Financial Officer

I have authority to bind the corporation.

Montreal, Quebec,
EXECUTED at Canada, this 22 day of January, 2025

IMPERIAL TOBACCO COMPANY LIMITED

Per:  _____ /s

Print Name: Eric Thauvette

Title: Vice-President and Chief Financial Officer

I have authority to bind the corporation.

**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

APPLICANTS

SETTLEMENT AMENDMENT AGREEMENT

WHEREAS on March 12, 2019, Imperial Tobacco Canada Limited (“**ITCAN**”) and its subsidiary Imperial Tobacco Company Limited (together, the “**Applicants**”) initiated proceedings (the “**CCAA Proceedings**”) and obtained an order (the “**Initial Order**”) under the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, as amended (the “**CCAA**”);

AND WHEREAS the relief under the Initial Order included, *inter alia*, a stay of proceedings against the Applicants, as well as a stay of the Applicants' obligations to make payments of pre-filing amounts owing as of the filing date (the “**CCAA Stay**”);

AND WHEREAS pursuant to an agreement dated April 2, 1986 among Genstar Corporation, Imasco Limited and Imasco Enterprises Inc., Imasco Limited became a guarantor of the obligations of Genstar Corporation under a “Deferred Income Plan”, “Supplemental Executive Retirement Plan” and “Supplementary Pension Plan” (collectively, the “**Genstar Plans**”);

AND WHEREAS the Former Genstar U.S. Retiree Group Committee (the “**Committee**”) brought a motion to appoint Robert M. Brown and George A. Foster (the “**Representatives**”) to represent the interests of the beneficiaries of the Genstar Plans (the “**Affected Members**”) in the CCAA Proceedings;

AND WHEREAS pursuant to an order dated April 25, 2019 (the “**Representation Order**”), the Representatives were appointed as representatives and Ari Kaplan of Kaplan Law

was appointed as representative counsel (the “**Representative Counsel**”) to represent the interests of the Affected Members in the CCAA Proceedings;

AND WHEREAS the Applicants and the Representatives and proposed representative Vivian Brennan-Dolezar who was later appointed a Representative by the Court (on behalf of the Affected Members) entered into a settlement in respect of the Applicants’ payment obligations – and the Affected Members’ entitlements – under the Genstar Plans, on the terms set out in the Settlement Agreement dated May 10, 2019 (the “**2019 Settlement**”);

AND WHEREAS the Applicants and the Representatives subsequently entered into a further Settlement Agreement dated January 17, 2025 (the “**2025 Settlement**”);

AND WHEREAS the parties wish to amend certain aspects of the 2025 Settlement, on the terms set forth herein, for the purposes of facilitating settlement distributions;

NOW THEREFORE in consideration of the payments, undertakings and covenants set forth herein, the sufficiency of which consideration is hereby irrevocably acknowledged by each of the parties hereto, the parties covenant and agree to amend the 2025 Settlement as follows (the “**2025 Settlement Amendment**”):

1. The settlement amount of USD \$850,000, which was to be payable to Representative Counsel (in trust) pursuant to paragraph 1 of the 2025 Settlement, and distributed by Representative Counsel to Affected Members pursuant to paragraph 7 of the 2025 Settlement, shall instead be payable on or prior to the CCAA Plan Implementation Date by ITCAN as follows:

- (a) USD \$700,000 shall be allocated and paid by ITCAN to each Affected Member as a lump sum payment according to a fair and equitable distribution formula (the “**Distribution Formula**”), as determined by Representative Counsel and as instructed by the Representatives in consultation with the Committee, specifically, on a proportional basis to the amount which each Affected Member received under the 2019 Settlement (which allocation was based on the Affected Members’ historical pension entitlements), which distribution will include a payment of USD \$1,000 to each of the three Representatives as a stipend for their labours and efforts

(which will be paid out of the USD \$700,000 referred to above), subject to any necessary or reasonable adjustments;

- (b) USD \$150,000 to Kaplan Law in Trust, on account of legal fees, third party professional fees, and disbursements.

2. The Information previously provided to Representative Counsel pursuant to paragraph 2 of the Representation Order, as subsequently amended or supplemented by the Applicants, shall be used and relied upon by the Representatives and Representative Counsel in determining the Distribution Formula, which use and reliance is deemed to be reasonable and appropriate. The Applicants hereby represent and warrant that, to the best of their knowledge, all such Information accurately reflects the historical entitlements of the Affected Members under the Genstar Plans. In the absence of proof satisfactory to the Applicants to the contrary, the Applicants may rely on the most recent records in their possession or control for purposes of calculating entitlements and making the payments to Affected Members required under this Amendment.

3. The rights and obligations contemplated by paragraph 7 of the 2025 Settlement are hereby extinguished, and that paragraph shall be of no further force or effect.

4. Except as expressly amended by the terms hereof, the 2025 Settlement shall otherwise remain in full force and effect and shall be operative on its terms. For greater certainty, this 2025 Settlement Amendment is limited solely to: (i) the amendment of the payment mechanics contemplated by paragraph 1 of the 2025 Settlement, and (ii) the annulment of paragraph 7 of the 2025 Settlement. This Amendment does not otherwise amend or derogate from the rights and responsibilities of the parties under the 2025 Settlement.

5. This Amendment may be executed by the parties in separate counterparts each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument.

6. This Amendment shall be governed by the laws of Ontario and the laws of Canada applicable therein, without reference to conflict of laws rules.

ALL OF THE FOREGOING shall enure to the benefit of the parties hereto and their respective successors, assigns and representatives and be binding upon the parties hereto and their respective successors, assigns and representatives.

IN WITNESS WHEREOF the undersigned have executed this Amendment under seal by proper signing officers.

DATED as May 7, 2025.

EXECUTED at ESTERO, FL USA, this 8th day of May, 2025

Robert M Brown

Robert M. Brown (*personally and as Court-Appointed Representative of the Affected Members*)

EXECUTED at _____, this _____ day of May, 2025

George A. Foster (*personally and as Court-Appointed Representative of the Affected Members*)

EXECUTED at _____, this _____ day of May, 2025

Vivian Brennan-Dolezar (*personally and as Court-Appointed Representative of the Affected Members*)

EXECUTED at _____, this _____ day of May, 2025

IMPERIAL TOBACCO CANADA LIMITED

Per: _____ l/s

Print Name:

Title:

I have authority to bind the corporation.

ALL OF THE FOREGOING shall enure to the benefit of the parties hereto and their respective successors, assigns and representatives and be binding upon the parties hereto and their respective successors, assigns and representatives.

IN WITNESS WHEREOF the undersigned have executed this Amendment under seal by proper signing officers.

DATED as May 7, 2025.

EXECUTED at _____, this _____ day of May, 2025

Robert M. Brown (*personally and as Court-Appointed Representative of the Affected Members*)

EXECUTED at Alhambra, CA, this 8th day of May, 2025



George A. Foster (*personally and as Court-Appointed Representative of the Affected Members*)

EXECUTED at _____, this _____ day of May, 2025

Vivian Brennan-Dolezar (*personally and as Court-Appointed Representative of the Affected Members*)

EXECUTED at _____, this _____ day of May, 2025

IMPERIAL TOBACCO CANADA LIMITED

Per: _____ /s

Print Name:

Title:

I have authority to bind the corporation.

ALL OF THE FOREGOING shall endure to the benefit of the parties hereto and their respective successors, assigns and representatives and be binding upon the parties hereto and their respective successors, assigns and representatives.

IN WITNESS WHEREOF the undersigned have executed this Amendment under seal by proper signing officers

DATED as May 7, 2025

EXECUTED at _____, this _____ day of May, 2025

Robert M. Brown (personally and as Court-Appointed Representative of the Affected Members)

EXECUTED at _____, this _____ day of May, 2025

George A. Foster (personally and as Court-Appointed Representative of the Affected Members)

EXECUTED at _____, this _____ day of May, 2025

Vivian Brennan-Dolezar (personally and as Court-Appointed Representative of the Affected Members)

Vivian Brennan-Dolezar

EXECUTED at Noblesville IN, this 8th day of May, 2025

IMPERIAL TOBACCO CANADA LIMITED

Per: _____ Vs

Print Name

Title:

I have authority to bind the corporation

ALL OF THE FOREGOING shall enure to the benefit of the parties hereto and their respective successors, assigns and representatives and be binding upon the parties hereto and their respective successors, assigns and representatives.

IN WITNESS WHEREOF the undersigned have executed this Amendment under seal by proper signing officers.

DATED as May 7, 2025.

EXECUTED at _____, this _____ day of May, 2025

Robert M. Brown (*personally and as Court-Appointed Representative of the Affected Members*)

EXECUTED at _____, this _____ day of May, 2025

George A. Foster (*personally and as Court-Appointed Representative of the Affected Members*)

EXECUTED at _____, this _____ day of May, 2025

Vivian Brennan-Dolezar (*personally and as Court-Appointed Representative of the Affected Members*)

Montreal, QC, Canada
EXECUTED at _____, this 12 day of May, 2025

IMPERIAL TOBACCO CANADA LIMITED

DocuSigned by:

Per: _____ /s
42C4C898AC9549F...

Print Name: George Rokas

Title: Treasurer & Corporate Controller

I have authority to bind the corporation.

Montreal, QC, Canada
EXECUTED at _____, this 12 day of May, 2025

IMPERIAL TOBACCO COMPANY LIMITED

DocuSigned by:
Per: Eric Thauvette /s
73E6A4CE1A8C4D9...

Print Name: Eric Thauvette

Title: Vice President Finance & CFO

I have authority to bind the corporation.

This is Exhibit “E” referred to in the Affidavit of Eric Thauvette sworn by Eric Thauvette of the City of Montreal, in the Province of Québec, before me at the City of Toronto, in the Province of Ontario, on June 13, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

SETTLEMENT AGREEMENT AND RELEASE

THIS SETTLEMENT AGREEMENT AND RELEASE
IS ENTERED INTO BY AND BETWEEN

IMPERIAL TOBACCO CANADA LIMITED

AND

IMPERIAL TOBACCO COMPANY LIMITED

OF THE FIRST PART

AND

**NORTHUMBERLAND GENERAL INSURANCE COMPANY, IN LIQUIDATION BY
PRICEWATERHOUSECOOPERS INC., LIQUIDATOR**

OF THE SECOND PART

SECTION 1 PREAMBLE

WHEREAS on June 15, 2017 the Insurer settled with Imperial with respect to its policies of insurance to Imperial including a full and final release, and on February 16, 2017 settled with the plaintiffs in the class proceedings commenced before the Superior Court of Quebec having file numbers 500-06-000076-980 and 500-06-000070-983 (Blais v. JTI-MacDonald Corp., et al. and Létourneau v. Imperial Tobacco Canada Ltd., et al., respectively) with the approval of the Superior Court of Quebec (the stay under the CCAA having been lifted by the Court to seek that approval), and the Insurer has already paid the associated settlement funds (capitalized terms are as defined below).

AND WHEREAS in the context of this CCAA proceedings the Insurer intends to resolve all its remaining Coverage Obligations (as defined below), if any, and reserves all of its rights regarding the Coverage Obligations.

All parts of this document, including the Preamble, Definitions, Recitals and Covenants form part of the Settlement Agreement and Release and are binding on the Parties. In the event of any conflict between the Preamble, Definitions, Recitals and Covenants, the Covenants shall govern.

SECTION 2 DEFINITIONS

In this Agreement, the following definitions apply when the first letter of a word is capitalized. Where applicable, the singular includes the plural and vice versa. All other capitalized terms not defined herein have the meaning ascribed to them in the Imperial Plan. In the event of any conflict between the Definitions herein and the definitions in the Imperial Plan, the Definitions herein shall govern for the purposes of this Agreement.

“Actions”

Any and all proceedings claiming damages for tobacco related bodily injury or property damage including/or tobacco related health care costs now existing or which may be brought at any time in the future against Imperial, including but not limited to, the following proceedings:

- (i) Ontario Court of Justice, bearing Action No.: 95-CU-82186 CA filed on or about January 13, 1995, by David Caputo, Luna Roth, Lori Cawardine and Russel Hyduk as a Statement of Claim naming Imperial Tobacco Limited et al. as defendants;
- (ii) Small Claims Division of the Court of Quebec, bearing Action No.: 100-32-000734-963 filed on or about October 24, 1996, by Cécilia Létourneau as a Statement of Claim naming Imperial Tobacco Limited et al. as defendants;
- (iii) Ontario Court (General Division) - North York Small Claims Court, bearing Action No.: 21513-1997 filed on or about June 12, 1997, by Joseph T. Battaglia as a Statement of Claim naming Imperial Tobacco Limited as defendant;
- (iv) Ontario Court (General Division), bearing Action No.: C17773/97 filed on or about May 1, 1997, by Ljubisa Spasic, as estate trustee of Mirjana Spasic, as a Statement of Claim naming Imperial Tobacco Limited et al. as defendants;
- (v) Superior Court of Quebec, bearing Action No.: 500-06-000070-983 filed on or about September 3, 1998, by Christine Fortin, Cécilia Létourneau and Joseph Mandelman as a Statement of Claim naming ITCAN et al. as defendants;
- (vi) Superior Court of Quebec, bearing Action No.: 500-06-000076-980 filed on or about November 19, 1998, by Conseil Québécois sur le Tabac et la Santé as a

Statement of Claim naming ITCAN et al. as defendants;

- (vii) Supreme Court of British Columbia, bearing Action No.: C985776 filed on or about November 12, 1998, by Her Majesty the Queen in right of British Columbia as a Statement of Claim naming Imperial Tobacco Limited et al. as defendants;
- (viii) Supreme Court of British Columbia, bearing Action No.: S010421 filed on or about January 24, 2001, by Her Majesty the Queen in right of British Columbia as a Statement of Claim naming ITCAN et al. as defendants;
- (ix) Superior Court of the State of California, bearing Action No.: 307006 filed on or about April 26, 1999, by James Robert Middlekauff, individually and as successor-in-interest to the Estate of Deborah Less Middlekauff, decedent, Andrew Jacob Middlekauff, Katherine Elizabeth Middlekauff, by and through her Guardian ad Litem, James Robert Middlekauff et al. as a Statement of Claim naming British American Tobacco Industries et al. as defendants;
- (x) Superior Court of Justice of Ontario, bearing Action No.: 00-CV-183165 CP filed on or about January 11, 2000, by Jasmine Ragoonanan and Philip Ragoonanan, by their representative, Davina Ragoonanan et al. as a Statement of Claim naming ITCAN as defendant;
- (xi) Court of Queen's Bench of Alberta, bearing Action No.: 0001-05941 filed on or about April 10, 2000, by

Janos Kardos and Janos Kardos as administrator of the Estate of Shirley Kardos, deceased as a Statement of Claim naming Imperial Tobacco Limited et al. as defendants;

- (xii) Ontario Superior Court of Justice, bearing Action No.: 00-CV-196070 filed on or about August 23, 2000, by Ronald McIntyre, by his estate representative, Maureen McIntyre as a Statement of Claim naming ITCAN et al. as defendants;
- (xiii) Supreme Court of Nova Scotia, bearing Action No.: 177663 filed on or about March 5, 2002, by Peter Stright as a Statement of Claim naming ITCO as defendant;
- (xiv) Supreme Court of British Columbia, bearing Action No.: L 031300 filed on or about May 8, 2003, by Kenneth Knight as a Statement of Claim naming ITCAN as defendant;
- (xv) Ontario Superior Court of Justice Small Claims Court, bearing Action No.: 1442/03 filed on or about June 30, 2003, by Scott Donald Landry as a Statement of Claim naming Imperial Brands Limited as defendant;
- (xvi) Supreme Court of Newfoundland and Labrador, bearing Action No.: 2004 01 T 2716CP filed on or about July 1, 2004, by Victor Todd Sparkes as a Statement of Claim naming ITCAN et al. as defendants;
- (xvii) Superior Court of Quebec, bearing Action No.: 500-06-000278-057 filed on or about February 21, 2005,

by Yves Gagnon as a Statement of Claim naming Imperial Tobacco Limited as defendant;

- (xviii) Superior Court of Quebec, bearing Action No.: 505-17-003095-074 filed on or about November 20, 2007, by Sylvie Lévesque and Nytia Lévesque as a Statement of Claim naming Vincent Chagnon as defendant and ITCAN as impleaded party;
- (xix) Court of Queen's Bench of New Brunswick, bearing Action No.: F/C/88/08 filed on or about March 13, 2008, by Her Majesty the Queen in right of the Province of New Brunswick as a Statement of Claim naming ITCAN et al. as defendants;
- (xx) Manitoba Court of Queen's Bench, bearing Action No.: CI09-01-61479 filed on or about June 11, 2009, by Deborah Kunka as a Statement of Claim naming ITCAN et al. as defendants;
- (xxi) Saskatchewan Court of Queen's Bench, bearing Action No.: 916 of 2009 filed on or about June 12, 2009, by Thelma Adams as a Statement of Claim naming ITCAN et al. as defendants;
- (xxii) Saskatchewan Court of Queen's Bench, bearing Action No.: 1036 of 2009 filed on or about July 10, 2009, by Thelma Adams as a Statement of Claim naming ITCAN et al. as defendants;
- (xxiii) Court of Queen's Bench of Alberta, bearing Action No.: 0901-08964 filed on or about June 15, 2009, by Linda Dorion as a Statement of Claim naming ITCAN et al. as defendants;

- (xxiv) Supreme Court of Nova Scotia, bearing Action No.: 312869 2009 filed on or about June 18, 2009, by Ben Semple as a Statement of Claim naming ITCAN et al. as defendants;
- (xxv) Ontario Superior Court of Justice, bearing Action No.: CV-09-387984 filed on or about September 29, 2009, by Her Majesty the Queen in right of Ontario as a Statement of Claim naming ITCAN et al. as defendants;
- (xxvi) Ontario Superior Court of Justice, bearing Action No.: 64757 filed on or about December 2, 2009, by The Ontario Flue-Cured Tobacco Growers' Marketing Board, Andy J. Jacko, Brian Baswick, Ron Kichler and Arpad Dobrentey as a Statement of Claim naming ITCAN as defendant;
- (xxvii) Supreme Court of British Columbia, bearing Action No.: 10-2780 filed on or about June 25, 2010, by Barbara Bourassa on behalf of the Estate of Mitchell David Bourassa as a Statement of Claim naming ITCAN et al. as defendants;
- (xxviii) Supreme Court of British Columbia, bearing Action No.: 10-27-69 filed on or about June 25, 2010, by Roderick Dennis McDermid as a Statement of Claim naming ITCAN et al. as defendants;
- (xxix) Supreme Court of Newfoundland and Labrador Trial Division (General), bearing Action No.: 2011 01G. No. 0826 filed on or about February 8, 2011, by Attorney General of Newfoundland and Labrador as a

Statement of Claim naming ITCAN et al. as defendants;

- (xxx) Court of Queen's Bench of Manitoba, Winnipeg Centre, bearing Action No.: CI 12-01-78127 filed on or about May 31, 2012, by Her Majesty the Queen in right of the Province of Manitoba as a Statement of Claim naming ITCAN et al. as defendants;
- (xxxi) Superior Court of Québec bearing Action No.: 500-17-072363-123 filed on or about June 8, 2012, by Procureur général du Québec as a Statement of Claim naming ITCAN et al. as defendants;
- (xxxii) Ontario Superior Court of Justice, bearing Action No.: 53794/12 filed on or about June 27, 2012, by Suzanne Jacklin as a Statement of Claim naming ITCAN et al. as defendants;
- (xxxiii) Supreme Court of Prince Edward Island, General Section, bearing Action No.: S1-GS-25019 filed on or about September 10, 2012, by Her Majesty the Queen in right of the Province of Prince Edward Island as a Statement of Claim naming ITCAN et al. as defendants;
- (xxxiv) Alberta Court of Queen's Bench, bearing Action No.: 1201-07314 filed on or about June 8, 2012, by Her Majesty the Queen in right of the Province of Alberta as a Statement of Claim naming ITCAN et al. as defendants;
- (xxxv) Saskatchewan Court of Queen's Bench, Judicial Centre of Saskatoon, bearing Action No.: Q.B. 871 of

2012 filed on or about June 8, 2012, by The Government of the Province of Saskatchewan as a Statement of Claim naming ITCAN et al. as defendants;

(xxxvi) Supreme Court of Nova Scotia, bearing Action No.: 434868 filed on or about January 2, 2015, by Her Majesty the Queen in right of the Province of Nova Scotia as a Statement of Claim naming ITCAN et al. as defendants.

“Agreement”

This Settlement Agreement and Release, inclusive of all schedules hereto, as applicable.

“Approval Order”

The Final Order issued by the Court in accordance with Section 4.6 of this Agreement substantially in the form attached hereto as Schedule 1.

“CCAA”

Companies’ Creditors Arrangement Act, RSC 1985, c C-36, as amended.

“Claimants”

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”

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.

- “Common Service List”** Service List in the CCAA Proceedings.
- “Confidential Compromise Material”** Draft documentation setting out the terms of this Agreement and documentation regarding the negotiation of this Agreement and communications and documents generated for or in connection therewith or thereafter.
- “Court”** The Ontario Superior Court of Justice (Commercial List), exercising its jurisdiction under the CCAA.
- “Coverage Claim”** Any and all demands, requests, claims or entitlement made or asserted by Imperial, or that could be made or asserted by Imperial, to or against the Insurer under or in respect of the Policies for Claims (and investigation of Claims) respecting tobacco related bodily injury or property damage including/or

tobacco related health care costs, and/or for payment of defence costs and/or for indemnification for any judgment, including any award of plaintiffs' costs and/or prejudgment interest and/or post judgment interest, with respect to the Actions and/or for indemnification for any settlement entered into with one or more Claimants and/or for damages whether compensatory, punitive, contractual, extra-contractual, liquidated, unliquidated or otherwise, any and all claims seeking extra-contractual damages, covenants, contracts any and all claims for 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.

“Coverage Dispute”

Any potential disagreement that could exist or have existed between Imperial and the Insurer with respect to the existence and extent of the Insurer's Coverage Obligations, if any, to Imperial under the Policies with respect to the Actions, Tobacco Health Care Cost/Damage Recovery, the Notice, the Potential Tobacco Exposure and/or the Coverage Claim.

“Coverage Obligations”

The extent of the Insurer's obligations, if any, under the Policies, including the obligation to investigate Claims with respect to tobacco related bodily injury or property damage including/or tobacco related health care costs, to provide indemnification to Imperial with respect to the Actions, Tobacco Health Care Cost/Damage Recovery or Potential Tobacco Exposure for defence costs and/or any damage award,

including any award of plaintiffs' costs and/or pre-judgment interest and/or post-judgment interest, incurred by or against Imperial resulting from the Actions and/or any settlement entered into with one or more Claimants.

“Final Order”

An order of the Court that is not subject to appeal or that has not been appealed and cannot, by virtue of the expiry of time delays or binding agreement in writing, be appealed.

“Imperial”

Collectively ITCAN and ITCO.

“Imperial Plan”

The plan of compromise or arrangement pursuant to the CCAA proposed in respect of Imperial (including all schedules thereto), as may be amended and restated from time to time in accordance with the terms thereof.

“Imperial Releasers”

Collectively ITCAN, ITCO, ITCAN Subsidiaries and all other predecessors, including without limitation Imasco Limited and Imperial Tobacco Limited, and affiliates and subsidiaries of the foregoing, as well as others insured under the Policies.

“Initial Order”

The order pursuant to the CCAA issued by the Court on March 12, 2019, as amended and restated pursuant to that Amended and Restated Initial Order issued by the Court on April 5, 2019, the Second Amended and Restated Initial Order issued by the Court on April 25, 2019, and as may be further amended, restated, amended and restated, or varied from time to time.

“Insurer”

Northumberland General Insurance Company, in liquidation by PricewaterhouseCoopers Inc. in its capacity as liquidator, and its 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, predecessors in interest, successors and/or assigns of each of them, including but not limited to any receivers, liquidators or trustees, in all capacities. The term “Insurer” does not include any of the Other Carriers irrespective of whether an Other Carrier presently or in the future falls within the meaning of the term “Insurer”.

“ITCAN”	Imperial Tobacco Canada Limited.
“ITCAN Subsidiaries”	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 Corporation, Imasco Holdings Group, Inc., ITL (USA) Limited, Genstar Pacific Corporation, Imasco Holdings Inc., Southward Insurance Ltd., and Liggett & Myers Tobacco Company of Canada Limited.
“ITCO”	Imperial Tobacco Company Limited.
“Meeting”	The meeting of Affected Creditors pursuant to the Meeting Order called and held for the purpose of considering and voting on the Imperial Plan.
“Meeting Order”	The order pursuant to the CCAA issued by the Court on October 31, 2024, among other things, directing the calling and holding of a meeting of Affected Creditors to consider and vote on the Imperial Plan, as may be amended, restated, amended and restated, or varied from time to time.
“Monitor”	FTI Consulting Canada Inc. in its capacity as the Court-appointed monitor appointed pursuant to the Initial Order in the CCAA Proceedings.

“Notice”

Notice provided by Imperial to the Insurer of the Actions.

“Other Carriers”

Include 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: Aetna Casualty Company of Canada, American Home Assurance Company, CIGNA Insurance Company of Canada, Commercial Union Assurance Company of Canada, Commonwealth Insurance Company, Continental Insurance Company, Employer's, Employers Insurance of Wausau A Mutual Company, Guardian Insurance Company of Canada, HIH Cotesworth Canada Limited, INA Insurance Company of Canada, Kansa General Insurance Company Ltd., Liberty International Canada, Liberty Mutual Insurance Company, Lloyd's of London, Markel Insurance Company of Canada, North British and Mercantile, Old Republic Insurance Company, Reliance Insurance Company, Royal Insurance Company of Canada, The Halifax Insurance Company, The Home 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”	Include collectively the policies of insurance identified in paragraph C of the Recitals hereto 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 in paragraph C of the Recitals to this Agreement 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.
“Parties”	Collectively Imperial and the Insurer.
“Party”	One of Imperial or the Insurer.
“Person”	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 Outside Date”	June 30, 2026
“Policies”	Include collectively the policies of insurance identified in paragraph B of the Recitals hereto 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 in paragraph B of the Recitals to this Agreement 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 the Insurer to Imperial.

“Potential Tobacco Exposure”

The Insurer’s exposure under the Policies to or with respect to, or in any way connected with, the Actions, including direct rights of action, the Tobacco Health Care Cost/Damage Recovery, the Notice, the Coverage Claim, the Coverage Dispute, the Coverage Obligations, any and all other alleged past, present or future tobacco related bodily injury or property damage or unfair or deceptive practices including/or tobacco related health care costs/damages whatsoever, and/or any and all alleged future obligations of the Insurers to investigate such Claims against Imperial, defend Imperial or pay or reimburse defence costs incurred by Imperial with respect to such Claims or pay the cost of or indemnify Imperial for any and all such Claims or any and all other obligations which might be said to be owing under the Policies with respect to the foregoing.

“Sanction Hearing”

The hearing before the Court in respect of the Sanction Order.

“Sanction Order”

The order pursuant to the CCAA issued by the Court on March 6, 2025, approving and sanctioning the Imperial Plan.

“Settlement Amount”

The sum of **CAD \$500,000 (Five Hundred Thousand Canadian Dollars)**.

“Tobacco Health Care Cost/Damage Recovery”

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.

**SECTION 3
RECITALS**

- A. **WHEREAS** the definitions set out in Section 2 above hereof apply when the first letter of a word is capitalized;
- B. **AND WHEREAS** the Policies that are subject to this Agreement include:

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

- C. **AND WHEREAS** the Other Carriers issued the following policies that are not the subject of this Agreement:

Policy No.	Other Carrier
XCP6975	INA Insurance Company of Canada
XCP6982	INA Insurance Company of Canada
XCP7072	INA Insurance Company of Canada
AER1036	CIGNA Insurance Company of Canada
AER1036	CIGNA Insurance Company of Canada
XCP007153	CIGNA Insurance Company of Canada
XCB599502	CIGNA Insurance Company of Canada
XCB601520	CIGNA Insurance Company of Canada
XCB601520	CIGNA Insurance Company of Canada
267-66-95	American Home Assurance Company

Policy No.	Other Carrier
273-48-25	American Home Assurance Company
BE7718596	American Home Assurance Company
633-02-11	American Home Assurance Company
633-02-81	American Home Assurance Company
633-12-57	American Home Assurance Company
CE6331366	American Home Assurance Company
633-17-26	American Home Assurance Company
BE1921463	American Home Assurance Company
CE6332836	American Home Assurance Company
BE7015234	American Home Assurance Company
CE6333233	American Home Assurance Company
BE7408611	American Home Assurance Company
BE7408663	American Home Assurance Company
BE1397069	American Home Assurance Company
BE1397162	American Home Assurance Company
BE2911442	American Home Assurance Company
1040281	North British and Mercantile
2430612	North British and Mercantile
6-851-001	Employer's

Policy No.	Other Carrier
6642356	Commercial Union Assurance Company of Canada
6643140	Commercial Union Assurance Company of Canada
5220433494	United States Fire Insurance Company
CAA005907	United States Fire Insurance Company
XS8400896WCC	AEtna Casualty Company of Canada
XN8426497WCC	AEtna Casualty Company of Canada
2500906	Kansa General Insurance Company Ltd.
2501920	Kansa General Insurance Company Ltd.
2502857	Kansa General Insurance Company Ltd.
4049147	Guardian Insurance Company of Canada
4178547	Guardian Insurance Company of Canada
4300538	Guardian Insurance Company of Canada
12317	The Halifax Insurance Company
12317	The Halifax Insurance Company
KE1-B71-070286-015	Liberty Mutual Insurance Company
KE1-B71-070286-016	Liberty International Canada
KE1-B71-070286-017	Liberty Mutual Insurance Company
KE1-B71-070286-018	Liberty Mutual Insurance Company
KE1-B71-070286-019	Liberty Mutual Insurance Company

Policy No.	Other Carrier
LQ1-B71-070286-056	Liberty Mutual Insurance Company
LQ1-B71-070286-057	Liberty Mutual Insurance Company
LQ1-B71-070286-058	Liberty Mutual Insurance Company
LQ1-B71-070286-059	Liberty Mutual Insurance Company
246-5154	Lloyd's of London
246-5351	Lloyd's of London
246-5351	Lloyd's of London
9900009C	HIH Cotesworth Canada Limited
B0716WCT112246875	Lloyd's of London
Z39410	Old Republic Insurance Company
Z39454	Old Republic Insurance Company
5916372	Royal Insurance Company of Canada
5915902	Royal Insurance Company of Canada
5915901	Royal Insurance Company of Canada
5916359	Royal Insurance Company of Canada
7001361	Reliance Insurance Company
7001645	Reliance Insurance Company
7001994	Reliance Insurance Company
7002396	Reliance Insurance Company

Policy No.	Other Carrier
7002872	Reliance Insurance Company
TGL0000112	Reliance Insurance Company
TGL0000113	Reliance Insurance Company
TXL0000875	Reliance Insurance Company
TXL00002374	Reliance Insurance Company
8903039	Zurich Insurance Company
8177409	Zurich Insurance Company
8800250	Zurich Insurance Company
8802674	Zurich Insurance Company
8815236	Zurich Insurance Company
MU200-117	Markel Insurance Company of Canada
CRX50622	Commonwealth Insurance Company
CRX53580	Commonwealth Insurance Company
LX3590382	Continental Insurance Company
HXL1640325	The Home Insurance Company
2726-00-570249	Employers Insurance of Wausau A Mutual Company

D. AND WHEREAS Imperial (and/or various predecessors, affiliates and subsidiaries), have been named as defendants in the Actions;

- E.** **AND WHEREAS** Imperial (and/or various predecessors, affiliates and subsidiaries), provided Notice and have asserted a Coverage Claim;
- F.** **AND WHEREAS** a Coverage Dispute may have existed in the past;
- G.** **AND WHEREAS** it is now the desire of the Parties to enter into this Agreement in order to fully and finally settle any Coverage Dispute that may exist or have existed between the Parties and all Claims or liability arising out of or related in any way to the Policies;
- H.** **AND WHEREAS** neither Imperial nor the Insurer is aware of any other policies of general liability insurance or form of general liability insurance coverage 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 issued by the Insurer to Imperial other than those listed in paragraph B of these Recitals;
- I.** **AND WHEREAS** the Insurer has asserted that it has valid coverage defences and has concluded that it will enter into this Agreement, among other reasons, in order to avoid the further expense, inconvenience, burden, distractions, uncertainty and risk of litigation and any other present or future litigation arising out of the facts that gave rise to the Actions, the Notice, Tobacco Health Care Cost/Damage Recovery, the Coverage Claim, any potential Coverage Dispute, any potential Coverage Obligations and/or the Potential Tobacco Exposure;
- J.** **AND WHEREAS** Imperial has asserted that it has a valid Coverage Claim and has concluded that it will enter into this Agreement, among other reasons, in order to avoid the further expense, inconvenience, burden, distractions, uncertainty and risk of litigation and any other present or future litigation arising out of the facts that gave rise to the Actions, the Notice, the Tobacco Health Care Cost/Damage Recovery, the Coverage Claim, any Coverage Dispute, any Coverage Obligations and/or the Potential Tobacco Exposure and/or any Claims of any nature arising out of or in any way related to the Policies;
- K.** **AND WHEREAS** Imperial sought and obtained protection from its creditors by commencing the CCAA Proceedings and obtaining the Initial Order from the Court on March 12, 2019;

- L. **AND WHEREAS** on October 31, 2024, the Court issued the Meeting Order that, among other things, accepted the filing of the Imperial Plan under the CCAA;
- M. **AND WHEREAS** the Monitor held the Meeting on December 12, 2024, at which the Imperial Plan was approved by the majorities required by the CCAA;
- N. **AND WHEREAS** the Court held the Sanction Hearing on January 29-31, 2025;
- O. **AND WHEREAS** the Court issued the Sanction Order on March 6, 2025;
- P. **AND WHEREAS** the Insurer and Imperial wish to settle any Claims by Imperial and any Claims by Claimants within the CCAA Proceedings pursuant to this Agreement, subject to the Court issuing the Approval Order;
- Q. **AND WHEREAS** each of the Parties have concluded, after investigation of the facts, that this Agreement is a fair, reasonable and adequate resolution of any Coverage Dispute.

SECTION 4 COVENANTS

NOW, THEREFORE, THIS AGREEMENT WITNESSES that in consideration of the mutual covenants contained herein, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree and covenant as follows:

4.1. Recitals

The Recitals are true and correct and constitute an integral and fundamental part of this Agreement.

4.2. Binding Resolution

Subject to all of the terms of this Agreement and, in particular, subject to the Court issuing the Approval Order, as particularized herein, this Agreement is a permanent, complete and binding accord and resolution of all of the rights, Claims, questions, differences and obligations of the Parties, including the Coverage Dispute, existing and which may exist in the future with respect to any and all matters which are the subject of this Agreement.

4.3. **Insurer's Payment**

- (a) Imperial will make commercially reasonable efforts to serve and file a motion seeking the Approval Order promptly following execution of this Agreement, as further detailed in Section 4.6 hereof, it being understood that Imperial may seek the Approval Order at the same time as seeking approval by the Court of settlement agreements entered into by Imperial with some or all of the Other Carriers.
- (b) Within five (5) days of the Approval Order becoming a Final Order, the Insurer will pay the Settlement Amount to the Monitor. The payment will be made by wire transfer in accordance with the wire instructions set out at Schedule 2.
- (c) The Monitor shall hold the Settlement Amount in trust in a non-interest-bearing account until the Plan Implementation Date. Effective on the Plan Implementation Date, pursuant to the Approval Order, Imperial shall direct the Monitor to contribute the Settlement Amount to the Global Settlement Amount on behalf of Imperial with such amount constituting a Contribution by Imperial under the Imperial Plan.
- (d) If the Plan Implementation Date does not occur on or prior to the Plan Implementation Outside Date, then, unless the Insurer and Imperial agree otherwise in writing, without delay thereafter the Monitor will return the Settlement Amount to the Insurer and this Agreement will be null and void (including any releases set forth herein).
- (e) The payment of the Settlement Amount will be considered to have been made in full and complete satisfaction of, among other things, each and every past, present and future obligation, if any, which may have been or might be owed by the Insurer to any Person, including in particular Imperial, directly or indirectly, in whole or in part, concurrently or in sequence, under or in respect of the Policies, resulting from, arising out of, respecting, relating to or directly or indirectly in connection with any Coverage Dispute.

4.4. No Waiver or Estoppel Prior to Agreement

By negotiating and entering into this Agreement, the Insurer does not waive and has not waived or purported to waive, nor did or will such conduct result in the Insurer being estopped from relying on, any coverage defences arising out of, respecting, relating to or directly or indirectly in connection with any Coverage Dispute and/or any Claims of any nature arising out of or in any way related to the Policies.

4.5. Releases

- (a) **Release by the Imperial Releasors.** Upon the payment and in consideration of the Settlement Amount:
- (i) the Imperial Releasors irrevocably remise, release, quit, forgive and forever discharge the Insurer of and from any and all Coverage Claims under or in respect of the Policies:
 - (A) arising out of, resulting from, with respect to, relating to or connected directly or indirectly with any Coverage Dispute or with Potential Tobacco Exposure; and
 - (B) for any action, inaction, representation or omission that predates this Agreement; and
 - (C) any Claims of any nature arising out of or in any way related to the Policies; and
 - (ii) the Imperial Releasors are estopped from asserting directly or indirectly, in whole or in part, concurrently or in sequence any and all Coverage Claims under or in respect of the Policies:
 - (A) arising out of, resulting from, with respect to, relating to or connected directly or indirectly with any Coverage Dispute or with Potential Tobacco Exposure; and

- (B) for any action, inaction, representation or omission that predates this Agreement; and
 - (C) any Claims of any nature arising out of or in any way related to the Policies.
- (b) **Release by the Insurer.** Upon the payment of the Settlement Amount by the Insurer, in consideration of, among other things, the provision of a release by the Imperial Releasors, the Insurer irrevocably remises, releases, quits, forgives and forever discharges the Imperial Releasors, and the directors, officers, employees, agents, and representatives of the Imperial Releasors, of and from any and all claims that could result in an obligation to pay or repay the Settlement Amount, or any part thereof, to the Insurer and for any action, inaction, representation or omission that predates this Agreement, subject to clause 4.10 below.
- (c) **Future Claims.** In the event that any Coverage Claim or Claim with respect to, as a result of, or in connection with the matters released in this Agreement is brought by any releasor against any releasee contrary to Section 4.5(a) or Section 4.5(b) above, the Parties agree that the release set out in those paragraphs may be pleaded as a complete defence and reply to such Coverage Claim or Claim and may be relied upon in such a proceeding as a complete and irrevocable estoppel of any releasor's right to initiate said proceeding as against such releasee.
- (d) **Costs.** In the event of a future claim contemplated in Section 4.5(c) above, the releasor that initiated the proceeding shall be liable for all reasonable costs, legal fees, disbursements and expenses incurred by the releasee as a result of such proceeding.
- (e) **Waiver.** The Insurer hereby waives any rights of subrogation, unjust enrichment, contribution, and indemnity, based in law or in equity or otherwise, that it may have, that it may obtain now or in the future, or that may accrue to it now or in the future, as against any other insurer of Imperial in respect of the Settlement Amount. Nothing in this paragraph is intended to limit the Insurer's rights against its own reinsurers or retrocessionnaires (both in their capacity as such).

4.6. Court Approval

- (a) This Agreement is expressly subject to and conditional upon the Approval Order having been issued by the Court, and the Approval Order having become a Final Order.
- (b) Each Party will cooperate with the other Party in pursuing the Approval Order.
- (c) Imperial shall deliver to the Insurer draft copies of any and all applications, motions, factums, aide memoires, memorandums, reports and other Court documents to be filed or submitted by Imperial in connection with or related to this Agreement, for Insurer's review at least three (3) business days in advance of service and filing of such materials (or where circumstances make it impracticable to allow for three (3) business days' review, with as much opportunity for review and comment as is practically possible in the circumstances). Imperial acknowledges and agrees that any such applications, motions, factums, aide memoires, memorandums, reports and other Court documents in respect of the Approval Order shall be in form and substance satisfactory the Insurer, acting reasonably.
- (d) Notice of the motion seeking the Approval Order shall be given to the Common Service List and any other Person that the Insurer may determine requires such notice, acting reasonably.

4.7. No Admissions

No Party shall be deemed to have made, and no Party has made, any admission of any kind either express or implied in this Agreement. In particular:

- (a) The Insurer has not admitted that any Coverage Obligation is owed to Imperial under the Policies;
- (b) The Insurer has not admitted that the Policies are not void *ab initio*, or that there exists or existed any liability, error, omission or breach of any contractual, common law, civil law, equitable or statutory duty on the part of the Insurer, or that there is or has been any waiver or purported waiver of or any estoppel from relying on any

and all coverage defences available under the Policies, nor shall anything contained herein or in any Confidential Compromise Material be deemed to be an admission, acknowledgement or evidence that any Party hereto has breached any obligation, engaged in any wrongdoing or misconduct, or incurred any liability of any kind; and

- (c) Imperial has not admitted that the Insurer does not owe Coverage Obligations to Imperial under the Policies.

4.8. Non-Assignment

- (a) Imperial represents and warrants that it has not assigned any of the rights it may have under or in respect of the Policies.
- (b) The Insurer represents and warrants that it has not assigned any of the rights it may have under or in respect of the Policies.

4.9. Limitation on Imperial Claims

- (a) If:
 - (i) Imperial asserts a Claim against any Person other than the Insurer for insurance coverage directly or indirectly, in whole or in part, concurrently or in sequence, resulting from, under, arising out of, respecting, relating to or directly or indirectly in connection with the Potential Tobacco Exposure and/or any claim of any nature arising out of or in any way related to the Policies;
 - (ii) the defendant or respondent in such a Claim asserts that Imperial suffered a shortfall under the Policies as a result of this Agreement; and
 - (iii) the Court adjudicating such Claim finally decides that there was a shortfall;then Imperial shall not claim for such shortfall or any other amount which may be awarded or agreed to as against the other Person and shall assume any such shortfall

or any other amount as its own obligation but shall not be limited in any way from claiming for amounts over and above the shortfall.

- (b) If Imperial breaches its obligations as set out in Section 4.9(a) above, and as a consequence a Claim is made by any other Person seeking recovery against the Insurer for or because of any obligation or alleged obligations of the Insurer under the Policies, whether by way of equitable contribution or otherwise, Imperial shall indemnify the Insurer for its reasonable costs in defending such Claim and any other amount that the Insurer may have to pay further to such Claim.

4.10. Termination and Repayment

- (a) For greater certainty, and without limiting the terms of Section 4.3 of this Agreement, in the event that:
 - (i) A Final Order, or a judgment or endorsement which has become final, is rendered declining to issue the Approval Order; or
 - (ii) the Plan Implementation Date does not occur on or prior to the Plan Implementation Outside Date,then unless the Insurer and Imperial agree otherwise in writing, this Agreement will be terminated.
- (b) If the Insurer does not pay the Settlement Amount as required pursuant to Section 4.3 of this Agreement, Imperial shall have the right for a period of sixty (60) days thereafter to: (i) terminate this Agreement; or (ii) enforce this Agreement.
- (c) If this Agreement is terminated:
 - (i) no Party to this Agreement shall be bound by any of its terms except the terms of this paragraph and except as otherwise specified in this Agreement;
 - (ii) the Agreement and all negotiations, statements, Documents, and proceedings relating thereto shall be without prejudice to the rights of all

Parties, all of whom shall be restored to their respective positions existing immediately before this Agreement was entered into;

- (iii) this Agreement and the fact of its negotiation and execution shall not constitute any admission by any of the Parties or be used against any of them for any purpose in any proceeding and, without limiting the generality of the foregoing, shall not constitute an admission or be used by any Person in an effort to create, prove or interpret the obligations of the Insurer under, or the terms and conditions of, any applicable contract of insurance or otherwise;
- (iv) subject to an order of the Court, only the following sections of this Agreement will survive and continue to have effect: Section 2 (Definitions), Section 4.7 (No Admissions), Section 4.10 (Termination and Repayment), Section 4.11 (Confidentiality), Section 4.13 (No Admissibility), Section 4.14 (No Precedential Value), Section 4.15 (Prescription), Section 4.16 (Authorship), Section 4.17 (Solicitors' Fees), Section 4.18 (Independent Legal Advice), Section 4.19 (Entire Agreement), Section 4.20 (No Third Party Rights), Section 4.22 (Warranty of Authority), Section 4.23 (Binding Effect), Section 4.25 (Amendment), Section 4.26 (Counterparts), Section 4.27 (Law and Jurisdiction), Section 4.28 (Remedies for Breach), Section 4.29 (Language), Section 4.30 (Transaction), Section 4.31 (Headings for Convenience only), Section 4.32 (Invalidity/Severability), Section 4.33 (Notices).

4.11. Confidentiality

- (a) The Confidential Compromise Material will be treated as confidential, private and proprietary and shall not be disclosed to any Person or invoked by any of the Parties except as provided in this Agreement or as required by order of the Court or otherwise by compulsion of law.
- (b) Until the time when Imperial serves its motion seeking the Approval Order on the Common Service List, this Agreement and its terms will be:

- (i) treated as confidential, private and proprietary and shall not be disclosed to any Person or invoked by any of the Parties; and
 - (ii) kept in a secure place and not viewed or copied or its contents disseminated or disclosed in any way to any Person, entity or media representative other than to a Party to this Agreement.
- (c) Notwithstanding Section 4.11(b), this Agreement and its terms may be disclosed by each Party:
- (i) in an action, application or other proceeding for breach of, or otherwise to enforce the terms of, this Agreement;
 - (ii) in response to a request from the Canada Revenue Agency, or other appropriate taxing authority;
 - (iii) to the Insurer's reinsurers (both in their capacity as such);
 - (iv) to parent companies, subsidiaries, and affiliates of the Parties;
 - (v) to the regulators, auditors or accountants of, advisors or counsel to, the Parties upon their request;
 - (vi) to counsel for and to the plaintiffs in the Actions, to counsel for and to the Governments of Canadian Provinces and Territories and the Government of Canada, and to the court in any such Action;
 - (vii) to any other insurer of Imperial and its counsel;
 - (viii) to its creditors and their counsel;
 - (ix) to any court; and
 - (x) as required by law.
- (d) If the Parties or their agents are contacted by any media representative about this Agreement, and only if they are contacted, they will advise the media that they

cannot provide any comments, and will not comment “off the record”, on a without attributes basis, or on any other basis.

- (e) If practicable in the circumstances, notice of any intended disclosure to be made under Section 4.11(c) above shall be provided by the disclosing Party to the other Parties at least three (3) days before any such disclosure is made.
- (f) Any breach of this covenant of confidentiality shall be a material breach of this Agreement entitling any Party not in breach, at its option, to recover its reasonable legal fees and costs incurred in any attempt to enforce this covenant of confidentiality or recover damages.

4.12. Effective Date

Although this Agreement will be binding on the Parties once it has been fully executed, the effective date of the releases set out in Section 4.5 of this Agreement shall be the date upon which the Settlement Amount has been contributed by the Monitor to the Global Settlement Amount on behalf of Imperial.

4.13. No Admissibility

In addition to the confidentiality provisions contained in Section 4.11 herein and not by way of limitation thereof, this Agreement and any and all statements or covenants herein shall be deemed subject to any and all legal and/or statutory protections afforded to compromises and offers to compromise.

4.14. No Precedential Value

Except as otherwise provided in this Agreement, this Agreement is without value as precedent and shall not be used or referred to either expressly or by implication in any proceeding or Claim between Imperial, the Insurer or any other Person not a Party to this Agreement to create, prove, or interpret the obligations of the Insurer under, or the terms and conditions of any applicable contract of insurance or otherwise. Moreover, this Agreement is not a contract of insurance, and the Parties do not intend that this Agreement will be interpreted as such and do not, therefore, in any way vary the Terms, Conditions or Exclusions of any potentially applicable policy of insurance.

4.15. Prescription

The Parties agree that:

- (a) this Agreement does not pertain to or affect any statute of limitations, laches or other doctrine related to the passage of time, which has already expired;
- (b) by entering into this Agreement, no Party has waived or limited any policy provision, rights, Claims, causes of action or defences, except as expressly stated herein.

This Agreement shall not, in any manner, revive any rights, Claims or causes of action that were barred as of, or limit in any way the assertion of any defence available as of the day immediately preceding the date of this Agreement by any applicable provision of law or policy term.

4.16. Authorship

The Parties acknowledge that this Agreement reflects the joint drafting efforts of legal counsel for all Parties. In the event that any dispute, disagreement or controversy arises regarding this Agreement the Parties shall be considered joint authors and no provision shall be interpreted against any Party because of authorship. There shall be no presumption or construction against any Party. Each Party expressly waives reliance on the doctrine of *contra proferentem* with respect to this Agreement.

4.17. Solicitors' Fees

Each Party shall bear its own solicitors' fees and costs incurred in connection with the Notice, the Coverage Claim, the Coverage Dispute, the Coverage Obligations, the Potential Tobacco Exposure and the negotiation and drafting of this Agreement.

4.18. Independent Legal Advice

Each of the Parties hereto warrants and represents that it has fully and carefully read and understood this Agreement, knows the contents thereof and has received the advice of independent legal counsel of its own choosing in connection with the Agreement or has had the opportunity to obtain such advice. The Parties acknowledge and assume all risk, chance or hazard that the Claims,

injuries or damages to which this Agreement pertain may be or become different in nature, scope or character from those that are now known, anticipated, alleged or expected and that they may be mistaken as to the character and extent of those Claims, injuries or damages. The Parties are not executing this Agreement as a result of financial disadvantage.

4.19. Entire Agreement

This Agreement embodies the entire agreement between the Parties in respect of the Policies, the Potential Tobacco Exposure and the resolution of the Coverage Dispute, and no representations, promises or inducements of any kind have been made by any Party or officer, employee or agent of any Party, other than those appearing in writing in those agreements. Each Party acknowledges that it has not executed this Agreement in reliance upon any promise, representation or warranty, if any, not contained in the agreements set out in this section. Any and all prior negotiations, representations and promises made by one Party to another, whether orally or in writing, are merged in the agreements set out in this section.

4.20. No Third Party Rights

Except for the releasees who are conferred a benefit under Sections 4.5(a) and 4.5(b) of this Agreement, this Agreement does not and is not intended to confer any rights or benefits on any Person not a Party hereto. No Person, other than the Parties and those releasees, shall have any legally enforceable rights hereunder.

4.21. Implementation

From time to time, at the request of any Party and without further consideration, at such Party's expense and within reasonable time after a request hereunder is made, the Parties hereby agree to execute and deliver any and all further documents and instruments and do any acts, as any Party may reasonably request, which may be necessary or appropriate to implement fully the provisions of this Agreement.

4.22. Warranty of Authority

Each corporation and individual executing this Agreement warrants and represents that he, she or it has full authority to execute the same on behalf of the Party on whose behalf he, she or it so signs and that all actions taken are within the scope of such authority, that such authority has not been

revoked, rescinded, or withheld by law and that he, she or it have not sold, assigned, granted or transferred to any person or entity any Claim, demand, action or cause of action, or any part thereof, or right, duty, obligation or other interest which could affect their right to execute this Agreement and grant each other the considerations set forth herein or which are the subject matter of this Agreement that all necessary corporate and legal actions duly to approve in making an enforcement of this Agreement has been taken and no further action is required, and that the making of this Agreement does not violate any provision of law or their respective articles of incorporation or by-laws.

4.23. Binding Effect

This Agreement shall be binding upon and inure to the benefit of the Parties and their respective officers, directors, agents, employees, heirs, successors, transferees, assigns and legal representatives.

4.24. Tax Consequences

Imperial acknowledges that the Insurer does not warrant or represent any tax consequences of this Agreement and that Imperial is relying on its own legal and/or tax advisors and not on the Insurer in that regard. Imperial expressly acknowledges and understands that it shall be solely liable for, and shall pay, any and all taxes, costs, interest, assessments, penalties or other losses related to any tax obligations or liabilities to which it may be subject by reason of the payment of the Settlement Amount or any benefit received by it pursuant to this Agreement.

4.25. Amendment

This Agreement and any and all documents and instruments executed in connection herewith or in furtherance hereof may not be amended, modified or supplemented except by an instrument in writing signed by all Parties hereto. No breach hereof can be waived unless done in writing. Waiver of one breach shall not be deemed to be waiver of any other breach of the same or any other provision hereof.

4.26. Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. This Agreement

may be executed and delivered by facsimile or e-mail (PDF). Such execution and delivery shall be legal and binding as if the facsimile copy or the e-mail contained the original signature of the Parties.

4.27. Law and Jurisdiction

The interpretation and enforcement of this Agreement shall be governed by the laws of Québec and any applicable Federal legislation and, except as otherwise specified in this Agreement, any proceedings arising out of or relating in any manner whatsoever to this Agreement shall be conducted in the Court. The Parties hereby consent and submit to the exclusive jurisdiction of the Court.

4.28. Remedies for Breach

Each of the Parties hereto accepts responsibility for the performance of this Agreement by itself, its representatives, agents, servants or employees. No remedy shall be exclusive and claims may be asserted individually and cumulatively. Subject to the expiry of any applicable limitation period, no failure to exercise and no delay in exercising any right, power or remedy under this Agreement shall impair any right, power or remedy which any Party may have, nor shall any such delay be construed to be a waiver of any such rights, powers or remedies or an acquiescence in any breach or default under the Agreement, nor shall any waiver of any breach or default of any Party be deemed a waiver of any default or breach subsequently appearing.

4.29. Language

The Parties hereto have requested that this Agreement (as well as all notices to be sent pursuant thereto) be drafted in the English Language. *Les parties ont demandé que la présente entente (ainsi que tous les avis à notifier en vertu de celle-ci) soient rédigés en anglais.*

4.30. Transaction

This Agreement is a transaction pursuant to section 2631 and following of the *Civil Code of Quebec*.

4.31. Headings for Convenience only

The headings in this Agreement are for the convenience of the reader only and shall not affect the meaning or interpretation of this Agreement.

4.32. Invalidity/Severability

If any provision of this Agreement is later held to be unlawful, invalid, or unenforceable under present or future laws, such provision shall be fully severable only if the Parties agree that it shall be severed. If the Parties do not agree to severance, this Agreement shall be declared null and void in which case only those sections set out in Section 4.10(c)(iv) hereto will survive. If a provision is severed, the Parties may, upon the agreement of them all, add in the place of the severed provision a substitute provision.

4.33. Notices

Any and all statements, communications, or notices to be provided pursuant to this Agreement shall be in writing and sent by certified mail, return receipt requested, by courier or by email to the attention of the persons indicated below, until such time as notice of any change of the persons to be notified or change of address is given in writing, in accordance with this paragraph, to all other Parties. Such statements, communications, or notices shall be deemed received if delivered on delivery of the same to the addresses set out below. If sent by certified mail, delivery shall be deemed to be received three business days after mailing of the same unless there is a strike or other slowdown of work of the entity providing the service for mail, in which event the same shall be deemed to be received when received at the addresses set out below and, if given by courier or by email, shall be deemed to be received on the business day immediately following receipt of same at the addresses set out below:

(a) Imperial:

Osler, Hoskin & Harcourt LLP

1000 De La Gauchetière Street West, Suite 1100

Montréal, Québec H3B 4W5

Attention:

Deborah Glendinning

Telephone: (416) 862-4714

Email: dglendinning@osler.com

Julien Morissette

Telephone: (514) 904-5818

Email: jmorissette@osler.com

- (b) Northumberland General Insurance Company, in liquidation by
PricewaterhouseCoopers Inc., Liquidator:

PricewaterhouseCoopers Inc.

PwC Tower, 18 York Street, Suite 2600

Toronto, ON M5J 0B2

Attention:

Greg Prince

Telephone: (416) 814 5752

Email: gregory.n.prince@pwc.com

With a copy to:

Goodmans LLP

333 Bay Street, Suite 3400

Toronto, ON M5H 2S7

Attention:

Gale Rubenstein

Telephone: (416) 597-4148

Email: grubenstein@goodmans.ca

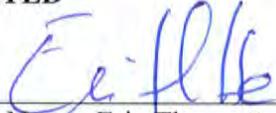
Peter Ruby

Telephone: (416) 597-4184

Email: pruby@goodmans.ca

[Signatures on the following pages]

**IMPERIAL TOBACCO CANADA
LIMITED**

By: 
Name: Eric Thauvette
Title: V-P FINANCE
Date: JUNE 12, 2025

**IMPERIAL TOBACCO COMPANY
LIMITED**

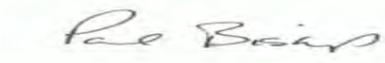
By: 
Name: Eric Thauvette
Title: V-P FINANCE
Date: JUNE 12, 2025

**NORTHUMBERLAND GENERAL
INSURANCE COMPANY, IN
LIQUIDATION BY
PRICEWATERHOUSECOOPERS INC.,
LIQUIDATOR**

By:  _____
Name: Gregory Prince
Title: President

FTI Consulting Canada Inc., in its capacity as the Monitor of Imperial in the CCAA Proceedings, hereby acknowledges Imperial entering into and performing its obligations under this Agreement.

FTI CONSULTING CANADA INC., in its capacity as the Monitor of Imperial and not in its personal or corporate capacity

By:  _____

Name: Paul Bishop

Title: Senior Managing Director

Date: June 12, 2025

SCHEDULE 1

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE)	
	)	●, THE ●
CHIEF JUSTICE MORAWETZ	)	DAY OF ●, 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**
LIMITED

Applicants

ORDER
(Imperial Insurance Settlement and Bar Order)

THIS MOTION, made by Imperial Tobacco Canada Limited and Imperial Tobacco 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**”); and (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 together with Northumberland and Northbridge, 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 [●] (the “**Northumberland Settlement Agreement**”), (ii) an agreement entitled “Settlement Agreement and Release” by and between the Applicants and Northbridge dated [●] (the “**Northbridge Settlement Agreement**”) and (iii) an agreement entitled “Settlement Agreement and Release” by and between the Applicants and Wausau dated [●] (together with the Northumberland Settlement Agreement and the Northbridge 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 [●], 2025, the Affidavit of Eric Thauvette sworn [●], 2025 (the “**Thauvette Affidavit**”), the [●]th Report of FTI Consulting Canada Inc. in its capacity as court-appointed monitor of the Applicants (the “**Monitor**”) dated [●], 2025 (the “**Monitor’s Report**”), and on hearing the submissions of counsel for 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 and the Monitor’s Report 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) \$[●] to be paid by Northumberland;
- (b) \$[●] to be paid by Northbridge; and
- (c) \$[●] to be paid by Wausau.

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 AND DECLARES** 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 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

“**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, CIGNA Insurance Company of Canada, Commercial Union Assurance Company of Canada, Employer's, Guardian Insurance Company of Canada, HII Cotesworth Canada Limited, INA Insurance Company of Canada, 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
Imasco Limited	XCP6975	INA Insurance Company of Canada
Imasco Limited	XCP6982	INA Insurance Company of Canada
Imasco Limited	XCP7072	INA Insurance Company of Canada
Not certain	AER1036	CIGNA Insurance Company of Canada
Not certain	AER1036	CIGNA Insurance Company of Canada

First Named Insured	Policy Number	Other Carrier
Imasco Limited	XCP007153	CIGNA Insurance Company of Canada
Imasco Limited	XCB599502	CIGNA Insurance Company of Canada
Imasco Limited	XCB601520	CIGNA Insurance Company of Canada
Imasco Limited	XCB601520	CIGNA Insurance Company of Canada
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
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

First Named Insured	Policy Number	Other Carrier
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
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

First Named Insured	Policy Number	Other Carrier
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
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

First Named Insured	Policy Number	Other Carrier
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
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.

[Court back to be Included]

SCHEDULE 2

Imperial Tobacco - CCAA Proceedings

Monitor's Trust Account Information

Beneficiary Name: FTI Consulting Canada Inc

Beneficiary Address: 79 Wellington St W, Suite 2010
Toronto, Ontario M5K 1G8 CANADA

Canadian Dollar Account:

Bank of Nova Scotia
Toronto Business Service Centre
4715 Tahoe Blvd
Mississauga, Ontario L4W 0B4

For EFT Debits or Credits:
Canadian Dollar Currency Account #: 476961388312
Transit number: 47696
Institution code: 002

For Wire Payments:
Bank of Nova Scotia
44 King Street West
Toronto, ON Canada M5H 1H1
Swift Code: NOSCCATT
Canadian Clearing Code or Routing Code: //CC000247696
Canadian Dollar Currency Account # 476961388312

This is Exhibit "F" referred to in the Affidavit of Eric Thauvette sworn by Eric Thauvette of the City of Montreal, in the Province of Québec, before me at the City of Toronto, in the Province of Ontario, on June 13, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

SETTLEMENT AGREEMENT AND RELEASE

THIS SETTLEMENT AGREEMENT AND RELEASE

IS ENTERED INTO BY AND BETWEEN

IMPERIAL TOBACCO CANADA LIMITED

AND

IMPERIAL TOBACCO COMPANY LIMITED

OF THE FIRST PART

AND

NORTHBRIDGE GENERAL INSURANCE CORPORATION

AND

NORTHBRIDGE COMMERCIAL INSURANCE CORPORATION

AND

NORTHBRIDGE PERSONAL INSURANCE CORPORATION

OF THE SECOND PART

SECTION 1 PREAMBLE

All parts of this document, including the Preamble, Definitions, Recitals and Covenants form part of the Settlement Agreement and Release and are binding on the Parties. In the event of any conflict between the Preamble, Definitions, Recitals and Covenants, the Covenants shall govern.

SECTION 2 DEFINITIONS

In this Agreement, the following definitions apply when the first letter of a word is capitalized. Where applicable, the singular includes the plural and vice versa. All other capitalized terms not defined herein have the meaning ascribed to them in the Imperial Plan. In the event of any conflict between the Definitions herein and the definitions in the Imperial Plan, the Definitions herein shall govern for the purposes of this Agreement.

“Actions”

Any and all proceedings claiming damages for tobacco related bodily injury or property damage including/or tobacco related health care costs now existing or which may be brought at any time in the future against Imperial, including but not limited to, the following proceedings:

- (i) Ontario Court of Justice, bearing Action No.: 95-CU-82186 CA filed on or about January 13, 1995, by David Caputo, Luna Roth, Lori Cawardine and Russel Hyduk as a Statement of Claim naming Imperial Tobacco Limited et al. as defendants;
- (ii) Small Claims Division of the Court of Quebec, bearing Action No.: 100-32-000734-963 filed on or about October 24, 1996, by Cécilia Létourneau as a Statement of Claim naming Imperial Tobacco Limited et al. as defendants;
- (iii) Ontario Court (General Division) - North York Small Claims Court, bearing Action No.: 21513-1997 filed

on or about June 12, 1997, by Joseph T. Battaglia as a Statement of Claim naming Imperial Tobacco Limited as defendant;

- (iv) Ontario Court (General Division), bearing Action No.: C17773/97 filed on or about May 1, 1997, by Ljubisa Spasic, as estate trustee of Mirjana Spasic, as a Statement of Claim naming Imperial Tobacco Limited et al. as defendants;
- (v) Superior Court of Quebec, bearing Action No.: 500-06-000070-983 filed on or about September 3, 1998, by Christine Fortin, Cécilia Létourneau and Joseph Mandelman as a Statement of Claim naming ITCAN et al. as defendants;
- (vi) Superior Court of Quebec, bearing Action No.: 500-06-000076-980 filed on or about November 19, 1998, by Conseil Québécois sur le Tabac et la Santé as a Statement of Claim naming ITCAN et al. as defendants;
- (vii) Supreme Court of British Columbia, bearing Action No.: C985776 filed on or about November 12, 1998, by Her Majesty the Queen in right of British Columbia as a Statement of Claim naming Imperial Tobacco Limited et al. as defendants;
- (viii) Supreme Court of British Columbia, bearing Action No.: S010421 filed on or about January 24, 2001, by Her Majesty the Queen in right of British Columbia as a Statement of Claim naming ITCAN et al. as defendants;

- (ix) Superior Court of the State of California, bearing Action No.: 307006 filed on or about April 26, 1999, by James Robert Middlekauff, individually and as successor-in-interest to the Estate of Deborah Less Middlekauff, decedent, Andrew Jacob Middlekauff, Katherine Elizabeth Middlekauff, by and through her Guardian ad Litem, James Robert Middlekauff et al. as a Statement of Claim naming British American Tobacco Industries et al. as defendants;
- (x) Superior Court of Justice of Ontario, bearing Action No.: 00-CV-183165 CP filed on or about January 11, 2000, by Jasmine Ragoonanan and Philip Ragoonanan, by their representative, Davina Ragoonanan et al. as a Statement of Claim naming ITCAN as defendant;
- (xi) Court of Queen's Bench of Alberta, bearing Action No.: 0001-05941 filed on or about April 10, 2000, by Janos Kardos and Janos Kardos as administrator of the Estate of Shirley Kardos, deceased as a Statement of Claim naming Imperial Tobacco Limited et al. as defendants;
- (xii) Ontario Superior Court of Justice, bearing Action No.: 00-CV-196070 filed on or about August 23, 2000, by Ronald McIntyre, by his estate representative, Maureen McIntyre as a Statement of Claim naming ITCAN et al. as defendants;
- (xiii) Supreme Court of Nova Scotia, bearing Action No.: 177663 filed on or about March 5, 2002, by Peter

Stright as a Statement of Claim naming ITCO as defendant;

- (xiv) Supreme Court of British Columbia, bearing Action No.: L 031300 filed on or about May 8, 2003, by Kenneth Knight as a Statement of Claim naming ITCAN as defendant;
- (xv) Ontario Superior Court of Justice Small Claims Court, bearing Action No.: 1442/03 filed on or about June 30, 2003, by Scott Donald Landry as a Statement of Claim naming Imperial Brands Limited as defendant;
- (xvi) Supreme Court of Newfoundland and Labrador, bearing Action No.: 2004 01 T 2716CP filed on or about July 1, 2004, by Victor Todd Sparkes as a Statement of Claim naming ITCAN et al. as defendants;
- (xvii) Superior Court of Quebec, bearing Action No.: 500-06-000278-057 filed on or about February 21, 2005, by Yves Gagnon as a Statement of Claim naming Imperial Tobacco Limited as defendant;
- (xviii) Superior Court of Quebec, bearing Action No.: 505-17-003095-074 filed on or about November 20, 2007, by Sylvie Lévesque and Nytia Lévesque as a Statement of Claim naming Vincent Chagnon as defendant and ITCAN as impleaded party;
- (xix) Court of Queen's Bench of New Brunswick, bearing Action No.: F/C/88/08 filed on or about March 13, 2008, by Her Majesty the Queen in right of the

Province of New Brunswick as a Statement of Claim naming ITCAN et al. as defendants;

- (xx) Manitoba Court of Queen's Bench, bearing Action No.: CI09-01-61479 filed on or about June 11, 2009, by Deborah Kunka as a Statement of Claim naming ITCAN et al. as defendants;
- (xxi) Saskatchewan Court of Queen's Bench, bearing Action No.: 916 of 2009 filed on or about June 12, 2009, by Thelma Adams as a Statement of Claim naming ITCAN et al. as defendants;
- (xxii) Saskatchewan Court of Queen's Bench, bearing Action No.: 1036 of 2009 filed on or about July 10, 2009, by Thelma Adams as a Statement of Claim naming ITCAN et al. as defendants;
- (xxiii) Court of Queen's Bench of Alberta, bearing Action No.: 0901-08964 filed on or about June 15, 2009, by Linda Dorion as a Statement of Claim naming ITCAN et al. as defendants;
- (xxiv) Supreme Court of Nova Scotia, bearing Action No.: 312869 2009 filed on or about June 18, 2009, by Ben Semple as a Statement of Claim naming ITCAN et al. as defendants;
- (xxv) Ontario Superior Court of Justice, bearing Action No.: CV-09-387984 filed on or about September 29, 2009, by Her Majesty the Queen in right of Ontario as a Statement of Claim naming ITCAN et al. as defendants;

- (xxvi) Ontario Superior Court of Justice, bearing Action No.: 64757 filed on or about December 2, 2009, by The Ontario Flue-Cured Tobacco Growers' Marketing Board, Andy J. Jacko, Brian Baswick, Ron Kichler and Arpad Dobrentey as a Statement of Claim naming ITCAN as defendant;
- (xxvii) Supreme Court of British Columbia, bearing Action No.: 10-2780 filed on or about June 25, 2010, by Barbara Bourassa on behalf of the Estate of Mitchell David Bourassa as a Statement of Claim naming ITCAN et al. as defendants;
- (xxviii) Supreme Court of British Columbia, bearing Action No.: 10-27-69 filed on or about June 25, 2010, by Roderick Dennis McDermid as a Statement of Claim naming ITCAN et al. as defendants;
- (xxix) Supreme Court of Newfoundland and Labrador Trial Division (General), bearing Action No.: 2011 01G. No. 0826 filed on or about February 8, 2011, by Attorney General of Newfoundland and Labrador as a Statement of Claim naming ITCAN et al. as defendants;
- (xxx) Court of Queen's Bench of Manitoba, Winnipeg Centre, bearing Action No.: CI 12-01-78127 filed on or about May 31, 2012, by Her Majesty the Queen in right of the Province of Manitoba as a Statement of Claim naming ITCAN et al. as defendants;
- (xxxi) Superior Court of Québec bearing Action No.: 500-17-072363-123 filed on or about June 8, 2012, by

Procureur général du Québec as a Statement of Claim naming ITCAN et al. as defendants;

- (xxxii) Ontario Superior Court of Justice, bearing Action No.: 53794/12 filed on or about June 27, 2012, by Suzanne Jacklin as a Statement of Claim naming ITCAN et al. as defendants;
- (xxxiii) Supreme Court of Prince Edward Island, General Section, bearing Action No.: S1-GS-25019 filed on or about September 10, 2012, by Her Majesty the Queen in right of the Province of Prince Edward Island as a Statement of Claim naming ITCAN et al. as defendants;
- (xxxiv) Alberta Court of Queen's Bench, bearing Action No.: 1201-07314 filed on or about June 8, 2012, by Her Majesty the Queen in right of the Province of Alberta as a Statement of Claim naming ITCAN et al. as defendants;
- (xxxv) Saskatchewan Court of Queen's Bench, Judicial Centre of Saskatoon, bearing Action No.: Q.B. 871 of 2012 filed on or about June 8, 2012, by The Government of the Province of Saskatchewan as a Statement of Claim naming ITCAN et al. as defendants;
- (xxxvi) Supreme Court of Nova Scotia, bearing Action No.: 434868 filed on or about January 2, 2015, by Her Majesty the Queen in right of the Province of Nova Scotia as a Statement of Claim naming ITCAN et al. as defendants.

- “Agreement”** This Settlement Agreement and Release, inclusive of all schedules hereto, as applicable.
- “Approval Order”** The Final Order issued by the Court in accordance with Section 4.6 of this Agreement substantially in the form attached hereto as Schedule 1.
- “CCAA”** *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36, as amended.
- “Claimants”** 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”** 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.

- “Common Service List”** Service List in the CCAA Proceedings.
- “Confidential Compromise Material”** Draft documentation setting out the terms of this Agreement and documentation regarding the negotiation of this Agreement and communications and documents generated for or in connection therewith or thereafter.
- “Court”** The Ontario Superior Court of Justice (Commercial List), exercising its jurisdiction under the CCAA.
- “Coverage Claim”** Any and all demands, requests, claims or entitlement made or asserted by Imperial, or that could be made or asserted by Imperial, to or against the Insurer under or in respect of the Policies for Claims (and investigation of Claims) respecting tobacco related bodily injury or property damage including/or tobacco related health care costs, and/or for payment of defence costs and/or for indemnification for any judgment, including any award of plaintiffs’ costs and/or prejudgment interest and/or post judgment interest, with respect to the Actions and/or for indemnification for any settlement entered into with one or more Claimants and/or for damages whether compensatory, punitive, contractual, extra-contractual, liquidated, unliquidated or otherwise, any and all claims seeking extra-contractual damages, covenants, contracts any and all claims for 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.

“Coverage Dispute”

Any potential disagreement that could exist or have existed between Imperial and the Insurer with respect to the existence and extent of the Insurer’s Coverage Obligations, if any, to Imperial under the Policies with respect to the Actions, Tobacco Health Care Cost/Damage Recovery, the Notice, the Potential Tobacco Exposure and/or the Coverage Claim.

“Coverage Obligations”

The extent of the Insurer’s obligations, if any, under the Policies, including the obligation to investigate Claims with respect to tobacco related bodily injury or property damage including/or tobacco related health care costs, to provide indemnification to Imperial with respect to the Actions, Tobacco Health Care Cost/Damage Recovery or Potential Tobacco Exposure for defence costs and/or any damage award, including any award of plaintiffs’ costs and/or pre-judgment interest and/or post-judgment interest, incurred by or against Imperial resulting from the Actions and/or any settlement entered into with one or more Claimants.

“Final Order”

An order of the Court that is not subject to appeal or that has not been appealed and cannot, by virtue of the expiry of time delays or binding agreement in writing, be appealed.

“Imperial”

Collectively ITCAN and ITCO.

- “Imperial Plan”** The plan of compromise or arrangement pursuant to the CCAA proposed in respect of Imperial (including all schedules thereto), as may be amended and restated from time to time in accordance with the terms thereof.
- “Imperial Releasers”** Collectively ITCAN, ITCO, ITCAN Subsidiaries and all other predecessors, including without limitation Imasco Limited and Imperial Tobacco Limited, and affiliates and subsidiaries of the foregoing, as well as others insured under the Policies.
- “Initial Order”** The order pursuant to the CCAA issued by the Court on March 12, 2019, as amended and restated pursuant to that Amended and Restated Initial Order issued by the Court on April 5, 2019, the Second Amended and Restated Initial Order issued by the Court on April 25, 2019, and as may be further amended, restated, amended and restated, or varied from time to time.
- “Insurer”** Northbridge General Insurance Corporation, Northbridge Commercial Insurance Corporation and Northbridge Personal Insurance Corporation, and their 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 and predecessors in interest including Commonwealth Insurance Company, The Continental Insurance Company of Canada, The Home Insurance Company and Markel Insurance Company of Canada, successors and/or assigns of each of them, including but not limited to any receivers, liquidators or trustees, in all capacities. The term “Insurer” does not include any of the Other Carriers irrespective of whether an Other Carrier presently or in the future falls within the meaning of the term “Insurer”.

“ITCAN”	Imperial Tobacco Canada Limited.
“ITCAN Subsidiaries”	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 Corporation, Imasco Holdings Group, Inc., ITL (USA) Limited, Genstar Pacific Corporation, Imasco Holdings Inc., Southward Insurance Ltd., and Liggett & Myers Tobacco Company of Canada Limited.
“ITCO”	Imperial Tobacco Company Limited.
“Meeting”	The meeting of Affected Creditors pursuant to the Meeting Order called and held for the purpose of considering and voting on the Imperial Plan.
“Meeting Order”	The order pursuant to the CCAA issued by the Court on October 31, 2024, among other things, directing the calling and holding of a meeting of Affected Creditors to consider and vote on the Imperial Plan, as may be amended, restated, amended and restated, or varied from time to time.
“Monitor”	FTI Consulting Canada Inc. in its capacity as the Court-appointed monitor appointed pursuant to the Initial Order in the CCAA Proceedings.
“Notice”	Notice provided by Imperial to the Insurer of the Actions.
“Other Carriers”	Include 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: Aetna Casualty Company of Canada, American Home Assurance Company, CIGNA Insurance Company of Canada, Commercial Union Assurance Company of Canada, Employer's, Employers Insurance of Wausau A Mutual Company, Guardian Insurance Company of Canada, HIH Cotesworth Canada Limited, INA Insurance Company of Canada, Kansa General Insurance Company Ltd., Liberty International Canada, Liberty Mutual Insurance Company, Lloyd's of London, North British and Mercantile, Northumberland General Insurance Company, 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”

Include collectively the policies of insurance identified in paragraph C of the Recitals hereto 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 in paragraph C of the Recitals to this Agreement 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.

“Parties”	Collectively Imperial and the Insurer.
“Party”	One of Imperial or the Insurer.
“Person”	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 Outside Date”	June 30, 2026
“Policies”	Include collectively the policies of insurance identified in paragraph B of the Recitals hereto 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 in paragraph B of the Recitals to this Agreement 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 the Insurer to Imperial.
“Potential Tobacco Exposure”	The Insurer’s exposure under the Policies to or with respect to, or in any way connected with, the Actions, including direct rights of action, the Tobacco Health Care Cost/Damage Recovery, the Notice, the Coverage Claim, the Coverage

Dispute, the Coverage Obligations, any and all other alleged past, present or future tobacco related bodily injury or property damage or unfair or deceptive practices including/or tobacco related health care costs/damages whatsoever, and/or any and all alleged future obligations of the Insurers to investigate such Claims against Imperial, defend Imperial or pay or reimburse defence costs incurred by Imperial with respect to such Claims or pay the cost of or indemnify Imperial for any and all such Claims or any and all other obligations which might be said to be owing under the Policies with respect to the foregoing.

“Sanction Hearing”	The hearing before the Court in respect of the Sanction Order.
“Sanction Order”	The order pursuant to the CCAA issued by the Court on March 6, 2025, approving and sanctioning the Imperial Plan.
“Settlement Amount”	The sum of CAD \$2,000,000 (Two Million Canadian Dollars) .
“Tobacco Health Care Cost/Damage Recovery”	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.

SECTION 3 RECITALS

- A. WHEREAS** the definitions set out in Section 2 above hereof apply when the first letter of a word is capitalized;
- B. AND WHEREAS** the Policies that are subject to this Agreement include:

Policy Number	Type	Coverage Period
MU200-117	Excess	1976-12-31 to 1979-03-31

Policy Number	Type	Coverage Period
CRX50622	Excess	1984-08-01 to 1985-12-01
CRX53580	Excess	1989-04-01 to 1995-04-01
LX3590382	Excess	1985-04-01 to 1991-04-01
HXL1640325	Excess	1985-04-22 to 1986-04-01

C. **AND WHEREAS** the Other Carriers issued the following policies that are not the subject of this Agreement:

Policy No.	Other Carrier
XCP6975	INA Insurance Company of Canada
XCP6982	INA Insurance Company of Canada
XCP7072	INA Insurance Company of Canada
AER1036	CIGNA Insurance Company of Canada
AER1036	CIGNA Insurance Company of Canada
XCP007153	CIGNA Insurance Company of Canada
XCB599502	CIGNA Insurance Company of Canada
XCB601520	CIGNA Insurance Company of Canada
XCB601520	CIGNA Insurance Company of Canada
267-66-95	American Home Assurance Company
273-48-25	American Home Assurance Company
BE7718596	American Home Assurance Company

Policy No.	Other Carrier
633-02-11	American Home Assurance Company
633-02-81	American Home Assurance Company
633-12-57	American Home Assurance Company
CE6331366	American Home Assurance Company
633-17-26	American Home Assurance Company
BE1921463	American Home Assurance Company
CE6332836	American Home Assurance Company
BE7015234	American Home Assurance Company
CE6333233	American Home Assurance Company
BE7408611	American Home Assurance Company
BE7408663	American Home Assurance Company
BE1397069	American Home Assurance Company
BE1397162	American Home Assurance Company
BE2911442	American Home Assurance Company
1040281	North British and Mercantile
2430612	North British and Mercantile
6-851-001	Employer's
6642356	Commercial Union Assurance Company of Canada
6643140	Commercial Union Assurance Company of Canada

Policy No.	Other Carrier
5220433494	United States Fire Insurance Company
CAA005907	United States Fire Insurance Company
XS8400896WCC	AEtna Casualty Company of Canada
XN8426497WCC	AEtna Casualty Company of Canada
2500906	Kansa General Insurance Company Ltd.
2501920	Kansa General Insurance Company Ltd.
2502857	Kansa General Insurance Company Ltd.
4049147	Guardian Insurance Company of Canada
4178547	Guardian Insurance Company of Canada
4300538	Guardian Insurance Company of Canada
12317	The Halifax Insurance Company
12317	The Halifax Insurance Company
KE1-B71-070286-015	Liberty Mutual Insurance Company
KE1-B71-070286-016	Liberty International Canada
KE1-B71-070286-017	Liberty Mutual Insurance Company
KE1-B71-070286-018	Liberty Mutual Insurance Company
KE1-B71-070286-019	Liberty Mutual Insurance Company
LQ1-B71-070286-056	Liberty Mutual Insurance Company
LQ1-B71-070286-057	Liberty Mutual Insurance Company

Policy No.	Other Carrier
LQ1-B71-070286-058	Liberty Mutual Insurance Company
LQ1-B71-070286-059	Liberty Mutual Insurance Company
246-5154	Lloyd's of London
246-5351	Lloyd's of London
246-5351	Lloyd's of London
9900009C	HIH Cotesworth Canada Limited
B0716WCT112246875	Lloyd's of London
Z39410	Old Republic Insurance Company
Z39454	Old Republic Insurance Company
5916372	Royal Insurance Company of Canada
5915902	Royal Insurance Company of Canada
5915901	Royal Insurance Company of Canada
5916359	Royal Insurance Company of Canada
7001361	Reliance Insurance Company
7001645	Reliance Insurance Company
7001994	Reliance Insurance Company
7002396	Reliance Insurance Company
7002872	Reliance Insurance Company
TGL0000112	Reliance Insurance Company

Policy No.	Other Carrier
TGL0000113	Reliance Insurance Company
TXL0000875	Reliance Insurance Company
TXL00002374	Reliance Insurance Company
8903039	Zurich Insurance Company
8177409	Zurich Insurance Company
8800250	Zurich Insurance Company
8802674	Zurich Insurance Company
8815236	Zurich Insurance Company
IVT-10451	Northumberland General Insurance Company
IVX-2174	Northumberland General Insurance Company
2726-00-570249	Employers Insurance of Wausau A Mutual Company

- D. AND WHEREAS** Imperial (and/or various predecessors, affiliates and subsidiaries), have been named as defendants in the Actions;
- E. AND WHEREAS** Imperial (and/or various predecessors, affiliates and subsidiaries), provided Notice and have asserted a Coverage Claim;
- F. AND WHEREAS** a Coverage Dispute may have existed in the past;
- G. AND WHEREAS** it is now the desire of the Parties to enter into this Agreement in order to fully and finally settle any Coverage Dispute that may exist or have existed between the Parties and all Claims or liability arising out of or related in any way to the Policies;

- H. AND WHEREAS** neither Imperial nor the Insurer is aware of any other policies of general liability insurance or form of general liability insurance coverage 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 issued by the Insurer to Imperial other than those listed in paragraph B of these Recitals;
- I. AND WHEREAS** the Insurer has asserted that it has valid coverage defences and has concluded that it will enter into this Agreement, among other reasons, in order to avoid the further expense, inconvenience, burden, distractions, uncertainty and risk of litigation and any other present or future litigation arising out of the facts that gave rise to the Actions, the Notice, Tobacco Health Care Cost/Damage Recovery, the Coverage Claim, any potential Coverage Dispute, any potential Coverage Obligations and/or the Potential Tobacco Exposure;
- J. AND WHEREAS** Imperial has asserted that it has a valid Coverage Claim and has concluded that it will enter into this Agreement, among other reasons, in order to avoid the further expense, inconvenience, burden, distractions, uncertainty and risk of litigation and any other present or future litigation arising out of the facts that gave rise to the Actions, the Notice, the Tobacco Health Care Cost/Damage Recovery, the Coverage Claim, any Coverage Dispute, any Coverage Obligations and/or the Potential Tobacco Exposure and/or any Claims of any nature arising out of or in any way related to the Policies;
- K. AND WHEREAS** Imperial sought and obtained protection from its creditors by commencing the CCAA Proceedings and obtaining the Initial Order from the Court on March 12, 2019;
- L. AND WHEREAS** on October 31, 2024, the Court issued the Meeting Order that, among other things, accepted the filing of the Imperial Plan under the CCAA;
- M. AND WHEREAS** the Monitor held the Meeting on December 12, 2024, at which the Imperial Plan was approved by the majorities required by the CCAA;
- N. AND WHEREAS** the Court held the Sanction Hearing on January 29-31, 2025;

- O.** **AND WHEREAS** the Court issued the Sanction Order on March 6, 2025;
- P.** **AND WHEREAS** the Insurer and Imperial wish to settle any Claims by Imperial and any Claims by Claimants within the CCAA Proceedings pursuant to this Agreement, subject to the Court issuing the Approval Order;
- Q.** **AND WHEREAS** each of the Parties have concluded, after investigation of the facts, that this Agreement is a fair, reasonable and adequate resolution of any Coverage Dispute.

SECTION 4 COVENANTS

NOW, THEREFORE, THIS AGREEMENT WITNESSES that in consideration of the mutual covenants contained herein, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree and covenant as follows:

4.1. Recitals

The Recitals are true and correct and constitute an integral and fundamental part of this Agreement.

4.2. Binding Resolution

Subject to all of the terms of this Agreement and, in particular, subject to the Court issuing the Approval Order, as particularized herein, this Agreement is a permanent, complete and binding accord and resolution of all of the rights, Claims, questions, differences and obligations of the Parties, including the Coverage Dispute, existing and which may exist in the future with respect to any and all matters which are the subject of this Agreement.

4.3. Insurer's Payment

- (a) Imperial will make commercially reasonable efforts to serve and file a motion seeking the Approval Order promptly following execution of this Agreement, as further detailed in Section 4.6 hereof, it being understood that Imperial may seek the Approval Order at the same time as seeking approval by the Court of settlement agreements entered into by Imperial with some or all of the Other Carriers.

- (b) Within five (5) days of the Approval Order becoming a Final Order, the Insurer will pay the Settlement Amount to the Monitor. The payment will be made by wire transfer in accordance with the wire instructions set out at Schedule 2.
- (c) The Monitor shall hold the Settlement Amount in trust in a non-interest-bearing account until the Plan Implementation Date. Effective on the Plan Implementation Date, pursuant to the Approval Order, Imperial shall direct the Monitor to contribute the Settlement Amount to the Global Settlement Amount on behalf of Imperial with such amount constituting a Contribution by Imperial under the Imperial Plan.
- (d) If the Plan Implementation Date does not occur on or prior to the Plan Implementation Outside Date, then, unless the Insurer and Imperial agree otherwise in writing, without delay thereafter the Monitor will return the Settlement Amount to the Insurer and this Agreement will be null and void (including any releases set forth herein).
- (e) The payment of the Settlement Amount will be considered to have been made in full and complete satisfaction of, among other things, each and every past, present and future obligation, if any, which may have been or might be owed by the Insurer to any Person, including in particular Imperial, directly or indirectly, in whole or in part, concurrently or in sequence, under or in respect of the Policies, resulting from, arising out of, respecting, relating to or directly or indirectly in connection with any Coverage Dispute.

4.4. No Waiver or Estoppel Prior to Agreement

By negotiating and entering into this Agreement, the Insurer does not waive and has not waived or purported to waive, nor did or will such conduct result in the Insurer being estopped from relying on, any coverage defences arising out of, respecting, relating to or directly or indirectly in connection with any Coverage Dispute and/or any Claims of any nature arising out of or in any way related to the Policies.

4.5. **Releases**

- (a) **Release by the Imperial Releasors.** Upon the payment and in consideration of the Settlement Amount:
- (i) the Imperial Releasors irrevocably remise, release, quit, forgive and forever discharge the Insurer of and from any and all Coverage Claims under or in respect of the Policies:
 - (A) arising out of, resulting from, with respect to, relating to or connected directly or indirectly with any Coverage Dispute or with Potential Tobacco Exposure; and
 - (B) for any action, inaction, representation or omission that predates this Agreement; and
 - (C) any Claims of any nature arising out of or in any way related to the Policies; and
 - (ii) the Imperial Releasors are estopped from asserting directly or indirectly, in whole or in part, concurrently or in sequence any and all Coverage Claims under or in respect of the Policies:
 - (A) arising out of, resulting from, with respect to, relating to or connected directly or indirectly with any Coverage Dispute or with Potential Tobacco Exposure; and
 - (B) for any action, inaction, representation or omission that predates this Agreement; and
 - (C) any Claims of any nature arising out of or in any way related to the Policies.
- (b) **Release by the Insurer.** Upon the payment of the Settlement Amount by the Insurer, in consideration of, among other things, the provision of a release by the Imperial Releasors, the Insurer irrevocably remises, releases, quits, forgives and

forever discharges the Imperial Releasors, and the directors, officers, employees, agents, and representatives of the Imperial Releasors, of and from any and all claims that could result in an obligation to pay or repay the Settlement Amount, or any part thereof, to the Insurer and for any action, inaction, representation or omission that predates this Agreement, subject to clause 4.10 below.

- (c) **Future Claims.** In the event that any Coverage Claim or Claim with respect to, as a result of, or in connection with the matters released in this Agreement is brought by any releasor against any releasee contrary to Section 4.5(a) or Section 4.5(b) above, the Parties agree that the release set out in those paragraphs may be pleaded as a complete defence and reply to such Coverage Claim or Claim and may be relied upon in such a proceeding as a complete and irrevocable estoppel of any releasor's right to initiate said proceeding as against such releasee.
- (d) **Costs.** In the event of a future claim contemplated in Section 4.5(c) above, the releasor that initiated the proceeding shall be liable for all reasonable costs, legal fees, disbursements and expenses incurred by the releasee as a result of such proceeding.
- (e) **Waiver.** The Insurer hereby waives any rights of subrogation, unjust enrichment, contribution, and indemnity, based in law or in equity or otherwise, that it may have, that it may obtain now or in the future, or that may accrue to it now or in the future, as against any other insurer of Imperial in respect of the Settlement Amount. Nothing in this paragraph is intended to limit the Insurer's rights against its own reinsurers or retrocessionnaires (both in their capacity as such).

4.6. Court Approval

- (a) This Agreement is expressly subject to and conditional upon the Approval Order having been issued by the Court, and the Approval Order having become a Final Order.
- (b) Each Party will cooperate with the other Party in pursuing the Approval Order.

- (c) Imperial shall deliver to the Insurer draft copies of any and all applications, motions, factums, aide memoires, memorandums, reports and other Court documents to be filed or submitted by Imperial in connection with or related to this Agreement, for Insurer's review at least three (3) business days in advance of service and filing of such materials (or where circumstances make it impracticable to allow for three (3) business days' review, with as much opportunity for review and comment as is practically possible in the circumstances). Imperial acknowledges and agrees that any such applications, motions, factums, aide memoires, memorandums, reports and other Court documents in respect of the Approval Order shall be in form and substance satisfactory the Insurer, acting reasonably.
- (d) Notice of the motion seeking the Approval Order shall be given to the Common Service List and any other Person that the Insurer may determine requires such notice, acting reasonably.

4.7. No Admissions

No Party shall be deemed to have made, and no Party has made, any admission of any kind either express or implied in this Agreement. In particular:

- (a) The Insurer has not admitted that any Coverage Obligation is owed to Imperial under the Policies;
- (b) The Insurer has not admitted that the Policies are not void *ab initio*, or that there exists or existed any liability, error, omission or breach of any contractual, common law, civil law, equitable or statutory duty on the part of the Insurer, or that there is or has been any waiver or purported waiver of or any estoppel from relying on any and all coverage defences available under the Policies, nor shall anything contained herein or in any Confidential Compromise Material be deemed to be an admission, acknowledgement or evidence that any Party hereto has breached any obligation, engaged in any wrongdoing or misconduct, or incurred any liability of any kind; and

- (c) Imperial has not admitted that the Insurer does not owe Coverage Obligations to Imperial under the Policies.

4.8. Non-Assignment

- (a) Imperial represents and warrants that it has not assigned any of the rights it may have under or in respect of the Policies.
- (b) The Insurer represents and warrants that it is the lawful assignee of any and all Policies issued by Commonwealth Insurance Company, The Continental Insurance Company of Canada, The Home Insurance Company and Markel Insurance Company of Canada to Imperial or any predecessor as applicable, as listed in paragraph B of the Recitals.
- (c) The Insurer represents and warrants that it has not assigned any of the rights it may have under or in respect of the Policies.

4.9. Limitation on Imperial Claims

- (a) If:
 - (i) Imperial asserts a Claim against any Person other than the Insurer for insurance coverage directly or indirectly, in whole or in part, concurrently or in sequence, resulting from, under, arising out of, respecting, relating to or directly or indirectly in connection with the Potential Tobacco Exposure and/or any claim of any nature arising out of or in any way related to the Policies;
 - (ii) the defendant or respondent in such a Claim asserts that Imperial suffered a shortfall under the Policies as a result of this Agreement; and
 - (iii) the Court adjudicating such Claim finally decides that there was a shortfall;then Imperial shall not claim for such shortfall or any other amount which may be awarded or agreed to as against the other Person and shall assume any such shortfall

or any other amount as its own obligation but shall not be limited in any way from claiming for amounts over and above the shortfall.

- (b) If Imperial breaches its obligations as set out in Section 4.9(a) above, and as a consequence a Claim is made by any other Person seeking recovery against the Insurer for or because of any obligation or alleged obligations of the Insurer under the Policies, whether by way of equitable contribution or otherwise, Imperial shall indemnify the Insurer for its reasonable costs in defending such Claim and any other amount that the Insurer may have to pay further to such Claim.

4.10. Termination and Repayment

- (a) For greater certainty, and without limiting the terms of Section 4.3 of this Agreement, in the event that:
- (i) A Final Order, or a judgment or endorsement which has become final, is rendered declining to issue the Approval Order; or
 - (ii) the Plan Implementation Date does not occur on or prior to the Plan Implementation Outside Date,
- then unless the Insurer and Imperial agree otherwise in writing, this Agreement will be terminated.
- (b) If the Insurer does not pay the Settlement Amount as required pursuant to Section 4.3 of this Agreement, Imperial shall have the right for a period of sixty (60) days thereafter to: (i) terminate this Agreement; or (ii) enforce this Agreement.
- (c) If this Agreement is terminated:
- (i) no Party to this Agreement shall be bound by any of its terms except the terms of this paragraph and except as otherwise specified in this Agreement;
 - (ii) the Agreement and all negotiations, statements, Documents, and proceedings relating thereto shall be without prejudice to the rights of all

Parties, all of whom shall be restored to their respective positions existing immediately before this Agreement was entered into;

- (iii) this Agreement and the fact of its negotiation and execution shall not constitute any admission by any of the Parties or be used against any of them for any purpose in any proceeding and, without limiting the generality of the foregoing, shall not constitute an admission or be used by any Person in an effort to create, prove or interpret the obligations of the Insurer under, or the terms and conditions of, any applicable contract of insurance or otherwise;
- (iv) subject to an order of the Court, only the following sections of this Agreement will survive and continue to have effect: Section 2 (Definitions), Section 4.7 (No Admissions), Section 4.10 (Termination and Repayment), Section 4.11 (Confidentiality), Section 4.13 (No Admissibility), Section 4.14 (No Precedential Value), Section 4.15 (Prescription), Section 4.16 (Authorship), Section 4.17 (Solicitors' Fees), Section 4.18 (Independent Legal Advice), Section 4.19 (Entire Agreement), Section 4.20 (No Third Party Rights), Section 4.22 (Warranty of Authority), Section 4.23 (Binding Effect), Section 4.25 (Amendment), Section 4.26 (Counterparts), Section 4.27 (Law and Jurisdiction), Section 4.28 (Remedies for Breach), Section 4.29 (Language), Section 4.30 (Transaction), Section 4.31 (Headings for Convenience only), Section 4.32 (Invalidity/Severability), Section 4.33 (Notices).

4.11. Confidentiality

- (a) The Confidential Compromise Material will be treated as confidential, private and proprietary and shall not be disclosed to any Person or invoked by any of the Parties except as provided in this Agreement or as required by order of the Court or otherwise by compulsion of law.
- (b) Until the time when Imperial serves its motion seeking the Approval Order on the Common Service List, this Agreement and its terms will be:

- (i) treated as confidential, private and proprietary and shall not be disclosed to any Person or invoked by any of the Parties; and
 - (ii) kept in a secure place and not viewed or copied or its contents disseminated or disclosed in any way to any Person, entity or media representative other than to a Party to this Agreement.
- (c) Notwithstanding Section 4.11(b), this Agreement and its terms may be disclosed by each Party:
- (i) in an action, application or other proceeding for breach of, or otherwise to enforce the terms of, this Agreement;
 - (ii) in response to a request from the Canada Revenue Agency, or other appropriate taxing authority;
 - (iii) to the Insurer's reinsurers (both in their capacity as such);
 - (iv) to parent companies, subsidiaries, and affiliates of the Parties;
 - (v) to the regulators, auditors or accountants of, advisors or counsel to, the Parties upon their request;
 - (vi) to counsel for and to the plaintiffs in the Actions, to counsel for and to the Governments of Canadian Provinces and Territories and the Government of Canada, and to the court in any such Action;
 - (vii) to any other insurer of Imperial and its counsel;
 - (viii) to its creditors and their counsel;
 - (ix) to any court; and
 - (x) as required by law.
- (d) If the Parties or their agents are contacted by any media representative about this Agreement, and only if they are contacted, they will advise the media that they

cannot provide any comments, and will not comment “off the record”, on a without attributes basis, or on any other basis.

- (e) If practicable in the circumstances, notice of any intended disclosure to be made under Section 4.11(c) above shall be provided by the disclosing Party to the other Parties at least three (3) days before any such disclosure is made.
- (f) Any breach of this covenant of confidentiality shall be a material breach of this Agreement entitling any Party not in breach, at its option, to recover its reasonable legal fees and costs incurred in any attempt to enforce this covenant of confidentiality or recover damages.

4.12. Effective Date

Although this Agreement will be binding on the Parties once it has been fully executed, the effective date of the releases set out in Section 4.5 of this Agreement shall be the date upon which the Settlement Amount has been contributed by the Monitor to the Global Settlement Amount on behalf of Imperial.

4.13. No Admissibility

In addition to the confidentiality provisions contained in Section 4.11 herein and not by way of limitation thereof, this Agreement and any and all statements or covenants herein shall be deemed subject to any and all legal and/or statutory protections afforded to compromises and offers to compromise.

4.14. No Precedential Value

Except as otherwise provided in this Agreement, this Agreement is without value as precedent and shall not be used or referred to either expressly or by implication in any proceeding or Claim between Imperial, the Insurer or any other Person not a Party to this Agreement to create, prove, or interpret the obligations of the Insurer under, or the terms and conditions of any applicable contract of insurance or otherwise. Moreover, this Agreement is not a contract of insurance, and the Parties do not intend that this Agreement will be interpreted as such and do not, therefore, in any way vary the Terms, Conditions or Exclusions of any potentially applicable policy of insurance.

4.15. Prescription

The Parties agree that:

- (a) this Agreement does not pertain to or affect any statute of limitations, laches or other doctrine related to the passage of time, which has already expired;
- (b) by entering into this Agreement, no Party has waived or limited any policy provision, rights, Claims, causes of action or defences, except as expressly stated herein.

This Agreement shall not, in any manner, revive any rights, Claims or causes of action that were barred as of, or limit in any way the assertion of any defence available as of the day immediately preceding the date of this Agreement by any applicable provision of law or policy term.

4.16. Authorship

The Parties acknowledge that this Agreement reflects the joint drafting efforts of legal counsel for all Parties. In the event that any dispute, disagreement or controversy arises regarding this Agreement the Parties shall be considered joint authors and no provision shall be interpreted against any Party because of authorship. There shall be no presumption or construction against any Party. Each Party expressly waives reliance on the doctrine of *contra proferentem* with respect to this Agreement.

4.17. Solicitors' Fees

Each Party shall bear its own solicitors' fees and costs incurred in connection with the Notice, the Coverage Claim, the Coverage Dispute, the Coverage Obligations, the Potential Tobacco Exposure and the negotiation and drafting of this Agreement.

4.18. Independent Legal Advice

Each of the Parties hereto warrants and represents that it has fully and carefully read and understood this Agreement, knows the contents thereof and has received the advice of independent legal counsel of its own choosing in connection with the Agreement or has had the opportunity to obtain such advice. The Parties acknowledge and assume all risk, chance or hazard that the Claims,

injuries or damages to which this Agreement pertain may be or become different in nature, scope or character from those that are now known, anticipated, alleged or expected and that they may be mistaken as to the character and extent of those Claims, injuries or damages. The Parties are not executing this Agreement as a result of financial disadvantage.

4.19. Entire Agreement

This Agreement embodies the entire agreement between the Parties in respect of the Policies, the Potential Tobacco Exposure and the resolution of the Coverage Dispute, and no representations, promises or inducements of any kind have been made by any Party or officer, employee or agent of any Party, other than those appearing in writing in those agreements. Each Party acknowledges that it has not executed this Agreement in reliance upon any promise, representation or warranty, if any, not contained in the agreements set out in this section. Any and all prior negotiations, representations and promises made by one Party to another, whether orally or in writing, are merged in the agreements set out in this section.

4.20. No Third Party Rights

Except for the releasees who are conferred a benefit under Sections 4.5(a) and 4.5(b) of this Agreement, this Agreement does not and is not intended to confer any rights or benefits on any Person not a Party hereto. No Person, other than the Parties and those releasees, shall have any legally enforceable rights hereunder.

4.21. Implementation

From time to time, at the request of any Party and without further consideration, at such Party's expense and within reasonable time after a request hereunder is made, the Parties hereby agree to execute and deliver any and all further documents and instruments and do any acts, as any Party may reasonably request, which may be necessary or appropriate to implement fully the provisions of this Agreement.

4.22. Warranty of Authority

Each corporation and individual executing this Agreement warrants and represents that he, she or it has full authority to execute the same on behalf of the Party on whose behalf he, she or it so signs and that all actions taken are within the scope of such authority, that such authority has not been

revoked, rescinded, or withheld by law and that he, she or it have not sold, assigned, granted or transferred to any person or entity any Claim, demand, action or cause of action, or any part thereof, or right, duty, obligation or other interest which could affect their right to execute this Agreement and grant each other the considerations set forth herein or which are the subject matter of this Agreement that all necessary corporate and legal actions duly to approve in making an enforcement of this Agreement has been taken and no further action is required, and that the making of this Agreement does not violate any provision of law or their respective articles of incorporation or by-laws.

4.23. Binding Effect

This Agreement shall be binding upon and inure to the benefit of the Parties and their respective officers, directors, agents, employees, heirs, successors, transferees, assigns and legal representatives.

4.24. Tax Consequences

Imperial acknowledges that the Insurer does not warrant or represent any tax consequences of this Agreement and that Imperial is relying on its own legal and/or tax advisors and not on the Insurer in that regard. Imperial expressly acknowledges and understands that it shall be solely liable for, and shall pay, any and all taxes, costs, interest, assessments, penalties or other losses related to any tax obligations or liabilities to which it may be subject by reason of the payment of the Settlement Amount or any benefit received by it pursuant to this Agreement.

4.25. Amendment

This Agreement and any and all documents and instruments executed in connection herewith or in furtherance hereof may not be amended, modified or supplemented except by an instrument in writing signed by all Parties hereto. No breach hereof can be waived unless done in writing. Waiver of one breach shall not be deemed to be waiver of any other breach of the same or any other provision hereof.

4.26. Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. This Agreement

may be executed and delivered by facsimile or e-mail (PDF). Such execution and delivery shall be legal and binding as if the facsimile copy or the e-mail contained the original signature of the Parties.

4.27. Law and Jurisdiction

The interpretation and enforcement of this Agreement shall be governed by the laws of Québec and any applicable Federal legislation and, except as otherwise specified in this Agreement, any proceedings arising out of or relating in any manner whatsoever to this Agreement shall be conducted in the Court. The Parties hereby consent and submit to the exclusive jurisdiction of the Court.

4.28. Remedies for Breach

Each of the Parties hereto accepts responsibility for the performance of this Agreement by itself, its representatives, agents, servants or employees. No remedy shall be exclusive and claims may be asserted individually and cumulatively. Subject to the expiry of any applicable limitation period, no failure to exercise and no delay in exercising any right, power or remedy under this Agreement shall impair any right, power or remedy which any Party may have, nor shall any such delay be construed to be a waiver of any such rights, powers or remedies or an acquiescence in any breach or default under the Agreement, nor shall any waiver of any breach or default of any Party be deemed a waiver of any default or breach subsequently appearing.

4.29. Language

The Parties hereto have requested that this Agreement (as well as all notices to be sent pursuant thereto) be drafted in the English Language. *Les parties ont demandé que la présente entente (ainsi que tous les avis à notifier en vertu de celle-ci) soient rédigés en anglais.*

4.30. Transaction

This Agreement is a transaction pursuant to section 2631 and following of the *Civil Code of Quebec*.

4.31. Headings for Convenience only

The headings in this Agreement are for the convenience of the reader only and shall not affect the meaning or interpretation of this Agreement.

4.32. Invalidity/Severability

If any provision of this Agreement is later held to be unlawful, invalid, or unenforceable under present or future laws, such provision shall be fully severable only if the Parties agree that it shall be severed. If the Parties do not agree to severance, this Agreement shall be declared null and void in which case only those sections set out in Section 4.10(c)(iv) hereto will survive. If a provision is severed, the Parties may, upon the agreement of them all, add in the place of the severed provision a substitute provision.

4.33. Notices

Any and all statements, communications, or notices to be provided pursuant to this Agreement shall be in writing and sent by certified mail, return receipt requested, by courier or by email to the attention of the persons indicated below, until such time as notice of any change of the persons to be notified or change of address is given in writing, in accordance with this paragraph, to all other Parties. Such statements, communications, or notices shall be deemed received if delivered on delivery of the same to the addresses set out below. If sent by certified mail, delivery shall be deemed to be received three business days after mailing of the same unless there is a strike or other slowdown of work of the entity providing the service for mail, in which event the same shall be deemed to be received when received at the addresses set out below and, if given by courier or by email, shall be deemed to be received on the business day immediately following receipt of same at the addresses set out below:

(a) Imperial:

Osler, Hoskin & Harcourt LLP

1000 De La Gauchetière Street West, Suite 1100

Montréal, Québec H3B 4W5

Attention:

Deborah Glendinning

Telephone: (416) 862-4714

Email: dglendinning@osler.com

Julien Morissette

Telephone: (514) 904-5818

Email: jmorissette@osler.com

- (b) Northbridge General Insurance Corporation, Northbridge Commercial Insurance Corporation and Northbridge Personal Insurance Corporation:

Evangelista Barristers & Solicitors

199 Bay Street, Suite 4110

P.O. Box 334

Commercial Court Postal Station

Toronto, ON M5L 1G2

Attention:

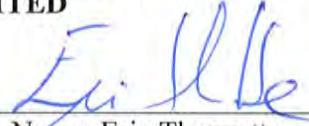
Andrew A. Evangelista

Telephone: (416) 363-7851

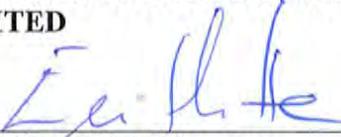
Email: aevangelista@evangelista.ca

[Signatures on the following pages]

**IMPERIAL TOBACCO CANADA
LIMITED**

By: 
Name: Eric Thauvette
Title: V-P FINANCE
Date: JUNE 12, 2025

**IMPERIAL TOBACCO COMPANY
LIMITED**

By: 
Name: Eric Thauvette
Title: V-P FINANCE
Date: JUNE 12, 2025

NORTHBRIDGE GENERAL INSURANCE CORPORATION



By: _____

Name: Andrew A. Evangelista as duly authorized agent for Northbridge General Insurance Corporation

Title: Principal, Evangelista Barristers & Solicitors

NORTHBRIDGE COMMERCIAL INSURANCE CORPORATION



By: _____

Name: Andrew A. Evangelista as duly authorized agent for Northbridge Commercial Insurance Corporation

Title: Principal, Evangelista Barristers & Solicitors

NORTHBRIDGE PERSONAL INSURANCE CORPORATION



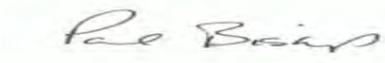
By: _____

Name: Andrew A. Evangelista as duly authorized agent for Northbridge Personal Insurance Corporation

Title: Principal, Evangelista Barristers & Solicitors

FTI Consulting Canada Inc., in its capacity as the Monitor of Imperial in the CCAA Proceedings, hereby acknowledges Imperial entering into and performing its obligations under this Agreement.

FTI CONSULTING CANADA INC., in its capacity as the Monitor of Imperial and not in its personal or corporate capacity

By:  _____

Name: Paul Bishop

Title: Senior Managing Director

Date: June 12, 2025

SCHEDULE 1

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE) ●, THE ●
)
CHIEF JUSTICE MORAWETZ) DAY OF ●, 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**
LIMITED

Applicants

ORDER
(Imperial Insurance Settlement and Bar Order)

THIS MOTION, made by Imperial Tobacco Canada Limited and Imperial Tobacco 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**"); and (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 together with Northumberland and Northbridge, 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 [●] (the “**Northumberland Settlement Agreement**”), (ii) an agreement entitled “Settlement Agreement and Release” by and between the Applicants and Northbridge dated [●] (the “**Northbridge Settlement Agreement**”) and (iii) an agreement entitled “Settlement Agreement and Release” by and between the Applicants and Wausau dated [●] (together with the Northumberland Settlement Agreement and the Northbridge 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 [●], 2025, the Affidavit of Eric Thauvette sworn [●], 2025 (the “**Thauvette Affidavit**”), the [●]th Report of FTI Consulting Canada Inc. in its capacity as court-appointed monitor of the Applicants (the “**Monitor**”) dated [●], 2025 (the “**Monitor’s Report**”), and on hearing the submissions of counsel for 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 and the Monitor’s Report 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) \$[●] to be paid by Northumberland;
- (b) \$[●] to be paid by Northbridge; and
- (c) \$[●] to be paid by Wausau.

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 AND DECLARES** 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 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

“**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, CIGNA Insurance Company of Canada, Commercial Union Assurance Company of Canada, Employer's, Guardian Insurance Company of Canada, HIH Cotesworth Canada Limited, INA Insurance Company of Canada, 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
Imasco Limited	XCP6975	INA Insurance Company of Canada
Imasco Limited	XCP6982	INA Insurance Company of Canada
Imasco Limited	XCP7072	INA Insurance Company of Canada
Not certain	AER1036	CIGNA Insurance Company of Canada
Not certain	AER1036	CIGNA Insurance Company of Canada

First Named Insured	Policy Number	Other Carrier
Imasco Limited	XCP007153	CIGNA Insurance Company of Canada
Imasco Limited	XCB599502	CIGNA Insurance Company of Canada
Imasco Limited	XCB601520	CIGNA Insurance Company of Canada
Imasco Limited	XCB601520	CIGNA Insurance Company of Canada
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
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

First Named Insured	Policy Number	Other Carrier
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
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

First Named Insured	Policy Number	Other Carrier
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
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

First Named Insured	Policy Number	Other Carrier
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
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.

[Court back to be Included]

SCHEDULE 2

Imperial Tobacco - CCAA Proceedings

Monitor's Trust Account Information

Beneficiary Name: FTI Consulting Canada Inc

Beneficiary Address: 79 Wellington St W, Suite 2010
Toronto, Ontario M5K 1G8 CANADA

Canadian Dollar Account:

Bank of Nova Scotia
Toronto Business Service Centre
4715 Tahoe Blvd
Mississauga, Ontario L4W 0B4

For EFT Debits or Credits:
Canadian Dollar Currency Account #: 476961388312
Transit number: 47696
Institution code: 002

For Wire Payments:
Bank of Nova Scotia
44 King Street West
Toronto, ON Canada M5H 1H1
Swift Code: NOSCCATT
Canadian Clearing Code or Routing Code: //CC000247696
Canadian Dollar Currency Account # 476961388312

This is Exhibit "G" referred to in the Affidavit of Eric Thauvette sworn by Eric Thauvette of the City of Montreal, in the Province of Québec, before me at the City of Toronto, in the Province of Ontario, on June 13, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

SETTLEMENT AGREEMENT AND RELEASE

THIS SETTLEMENT AGREEMENT AND RELEASE

IS ENTERED INTO BY AND BETWEEN

IMPERIAL TOBACCO CANADA LIMITED

AND

IMPERIAL TOBACCO COMPANY LIMITED

OF THE FIRST PART

AND

EMPLOYERS INSURANCE COMPANY OF WAUSAU

OF THE SECOND PART

SECTION 1 PREAMBLE

All parts of this document, including the Preamble, Definitions, Recitals and Covenants form part of the Settlement Agreement and Release and are binding on the Parties. In the event of any conflict between the Preamble, Definitions, Recitals and Covenants, the Covenants shall govern.

SECTION 2 DEFINITIONS

In this Agreement, the following definitions apply when the first letter of a word is capitalized. Where applicable, the singular includes the plural and vice versa. All other capitalized terms not defined herein have the meaning ascribed to them in the Imperial Plan. In the event of any conflict between the Definitions herein and the definitions in the Imperial Plan, the Definitions herein shall govern for the purposes of this Agreement.

“Actions”

Any and all proceedings claiming damages for tobacco related bodily injury or property damage including/or tobacco related health care costs now existing or which may be brought at any time in the future against Imperial, including but not limited to, the following proceedings:

- (i) Ontario Court of Justice, bearing Action No.: 95-CU-82186 CA filed on or about January 13, 1995, by David Caputo, Luna Roth, Lori Cawardine and Russel Hyduk as a Statement of Claim naming Imperial Tobacco Limited et al. as defendants;
- (ii) Small Claims Division of the Court of Quebec, bearing Action No.: 100-32-000734-963 filed on or about October 24, 1996, by Cécilia Létourneau as a Statement of Claim naming Imperial Tobacco Limited et al. as defendants;
- (iii) Ontario Court (General Division) - North York Small Claims Court, bearing Action No.: 21513-1997 filed

on or about June 12, 1997, by Joseph T. Battaglia as a Statement of Claim naming Imperial Tobacco Limited as defendant;

- (iv) Ontario Court (General Division), bearing Action No.: C17773/97 filed on or about May 1, 1997, by Ljubisa Spasic, as estate trustee of Mirjana Spasic, as a Statement of Claim naming Imperial Tobacco Limited et al. as defendants;
- (v) Superior Court of Quebec, bearing Action No.: 500-06-000070-983 filed on or about September 3, 1998, by Christine Fortin, Cécilia Létourneau and Joseph Mandelman as a Statement of Claim naming ITCAN et al. as defendants;
- (vi) Superior Court of Quebec, bearing Action No.: 500-06-000076-980 filed on or about November 19, 1998, by Conseil Québécois sur le Tabac et la Santé as a Statement of Claim naming ITCAN et al. as defendants;
- (vii) Supreme Court of British Columbia, bearing Action No.: C985776 filed on or about November 12, 1998, by Her Majesty the Queen in right of British Columbia as a Statement of Claim naming Imperial Tobacco Limited et al. as defendants;
- (viii) Supreme Court of British Columbia, bearing Action No.: S010421 filed on or about January 24, 2001, by Her Majesty the Queen in right of British Columbia as a Statement of Claim naming ITCAN et al. as defendants;

- (ix) Superior Court of the State of California, bearing Action No.: 307006 filed on or about April 26, 1999, by James Robert Middlekauff, individually and as successor-in-interest to the Estate of Deborah Less Middlekauff, decedent, Andrew Jacob Middlekauff, Katherine Elizabeth Middlekauff, by and through her Guardian ad Litem, James Robert Middlekauff et al. as a Statement of Claim naming British American Tobacco Industries et al. as defendants;
- (x) Superior Court of Justice of Ontario, bearing Action No.: 00-CV-183165 CP filed on or about January 11, 2000, by Jasmine Ragoonanan and Philip Ragoonanan, by their representative, Davina Ragoonanan et al. as a Statement of Claim naming ITCAN as defendant;
- (xi) Court of Queen's Bench of Alberta, bearing Action No.: 0001-05941 filed on or about April 10, 2000, by Janos Kardos and Janos Kardos as administrator of the Estate of Shirley Kardos, deceased as a Statement of Claim naming Imperial Tobacco Limited et al. as defendants;
- (xii) Ontario Superior Court of Justice, bearing Action No.: 00-CV-196070 filed on or about August 23, 2000, by Ronald McIntyre, by his estate representative, Maureen McIntyre as a Statement of Claim naming ITCAN et al. as defendants;
- (xiii) Supreme Court of Nova Scotia, bearing Action No.: 177663 filed on or about March 5, 2002, by Peter

Stright as a Statement of Claim naming ITCO as defendant;

- (xiv) Supreme Court of British Columbia, bearing Action No.: L 031300 filed on or about May 8, 2003, by Kenneth Knight as a Statement of Claim naming ITCAN as defendant;
- (xv) Ontario Superior Court of Justice Small Claims Court, bearing Action No.: 1442/03 filed on or about June 30, 2003, by Scott Donald Landry as a Statement of Claim naming Imperial Brands Limited as defendant;
- (xvi) Supreme Court of Newfoundland and Labrador, bearing Action No.: 2004 01 T 2716CP filed on or about July 1, 2004, by Victor Todd Sparkes as a Statement of Claim naming ITCAN et al. as defendants;
- (xvii) Superior Court of Quebec, bearing Action No.: 500-06-000278-057 filed on or about February 21, 2005, by Yves Gagnon as a Statement of Claim naming Imperial Tobacco Limited as defendant;
- (xviii) Superior Court of Quebec, bearing Action No.: 505-17-003095-074 filed on or about November 20, 2007, by Sylvie Lévesque and Nytia Lévesque as a Statement of Claim naming Vincent Chagnon as defendant and ITCAN as impleaded party;
- (xix) Court of Queen's Bench of New Brunswick, bearing Action No.: F/C/88/08 filed on or about March 13, 2008, by Her Majesty the Queen in right of the

Province of New Brunswick as a Statement of Claim naming ITCAN et al. as defendants;

- (xx) Manitoba Court of Queen's Bench, bearing Action No.: CI09-01-61479 filed on or about June 11, 2009, by Deborah Kunka as a Statement of Claim naming ITCAN et al. as defendants;
- (xxi) Saskatchewan Court of Queen's Bench, bearing Action No.: 916 of 2009 filed on or about June 12, 2009, by Thelma Adams as a Statement of Claim naming ITCAN et al. as defendants;
- (xxii) Saskatchewan Court of Queen's Bench, bearing Action No.: 1036 of 2009 filed on or about July 10, 2009, by Thelma Adams as a Statement of Claim naming ITCAN et al. as defendants;
- (xxiii) Court of Queen's Bench of Alberta, bearing Action No.: 0901-08964 filed on or about June 15, 2009, by Linda Dorion as a Statement of Claim naming ITCAN et al. as defendants;
- (xxiv) Supreme Court of Nova Scotia, bearing Action No.: 312869 2009 filed on or about June 18, 2009, by Ben Semple as a Statement of Claim naming ITCAN et al. as defendants;
- (xxv) Ontario Superior Court of Justice, bearing Action No.: CV-09-387984 filed on or about September 29, 2009, by Her Majesty the Queen in right of Ontario as a Statement of Claim naming ITCAN et al. as defendants;

- (xxvi) Ontario Superior Court of Justice, bearing Action No.: 64757 filed on or about December 2, 2009, by The Ontario Flue-Cured Tobacco Growers' Marketing Board, Andy J. Jacko, Brian Baswick, Ron Kichler and Arpad Dobrentey as a Statement of Claim naming ITCAN as defendant;
- (xxvii) Supreme Court of British Columbia, bearing Action No.: 10-2780 filed on or about June 25, 2010, by Barbara Bourassa on behalf of the Estate of Mitchell David Bourassa as a Statement of Claim naming ITCAN et al. as defendants;
- (xxviii) Supreme Court of British Columbia, bearing Action No.: 10-27-69 filed on or about June 25, 2010, by Roderick Dennis McDermid as a Statement of Claim naming ITCAN et al. as defendants;
- (xxix) Supreme Court of Newfoundland and Labrador Trial Division (General), bearing Action No.: 2011 01G. No. 0826 filed on or about February 8, 2011, by Attorney General of Newfoundland and Labrador as a Statement of Claim naming ITCAN et al. as defendants;
- (xxx) Court of Queen's Bench of Manitoba, Winnipeg Centre, bearing Action No.: CI 12-01-78127 filed on or about May 31, 2012, by Her Majesty the Queen in right of the Province of Manitoba as a Statement of Claim naming ITCAN et al. as defendants;
- (xxxi) Superior Court of Québec bearing Action No.: 500-17-072363-123 filed on or about June 8, 2012, by

Procureur général du Québec as a Statement of Claim naming ITCAN et al. as defendants;

- (xxxii) Ontario Superior Court of Justice, bearing Action No.: 53794/12 filed on or about June 27, 2012, by Suzanne Jacklin as a Statement of Claim naming ITCAN et al. as defendants;
- (xxxiii) Supreme Court of Prince Edward Island, General Section, bearing Action No.: S1-GS-25019 filed on or about September 10, 2012, by Her Majesty the Queen in right of the Province of Prince Edward Island as a Statement of Claim naming ITCAN et al. as defendants;
- (xxxiv) Alberta Court of Queen's Bench, bearing Action No.: 1201-07314 filed on or about June 8, 2012, by Her Majesty the Queen in right of the Province of Alberta as a Statement of Claim naming ITCAN et al. as defendants;
- (xxxv) Saskatchewan Court of Queen's Bench, Judicial Centre of Saskatoon, bearing Action No.: Q.B. 871 of 2012 filed on or about June 8, 2012, by The Government of the Province of Saskatchewan as a Statement of Claim naming ITCAN et al. as defendants;
- (xxxvi) Supreme Court of Nova Scotia, bearing Action No.: 434868 filed on or about January 2, 2015, by Her Majesty the Queen in right of the Province of Nova Scotia as a Statement of Claim naming ITCAN et al. as defendants.

- “Agreement”** This Settlement Agreement and Release, inclusive of all schedules hereto, as applicable.
- “Approval Order”** The Final Order issued by the Court in accordance with Section 4.6 of this Agreement substantially in the form attached hereto as Schedule 1.
- “CCAA”** *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36, as amended.
- “Claimants”** 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”** 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.

- “Common Service List”** Service List in the CCAA Proceedings.
- “Confidential Compromise Material”** Draft documentation setting out the terms of this Agreement and documentation regarding the negotiation of this Agreement and communications and documents generated for or in connection therewith or thereafter.
- “Court”** The Ontario Superior Court of Justice (Commercial List), exercising its jurisdiction under the CCAA.
- “Coverage Claim”** Any and all demands, requests, claims or entitlement made or asserted by Imperial, or that could be made or asserted by Imperial, to or against the Insurer under or in respect of the Policies for Claims (and investigation of Claims) respecting tobacco related bodily injury or property damage including/or tobacco related health care costs, and/or for payment of defence costs and/or for indemnification for any judgment, including any award of plaintiffs’ costs and/or prejudgment interest and/or post judgment interest, with respect to the Actions and/or for indemnification for any settlement entered into with one or more Claimants and/or for damages whether compensatory, punitive, contractual, extra-contractual, liquidated, unliquidated or otherwise, any and all claims seeking extra-contractual damages, covenants, contracts any and all claims for 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.

“Coverage Dispute”

The disagreement between Imperial and the Insurer with respect to the existence and extent of the Insurer’s Coverage Obligations, if any, to Imperial under the Policies with respect to the Actions, Tobacco Health Care Cost/Damage Recovery, the Notice, the Potential Tobacco Exposure and/or the Coverage Claim.

“Coverage Obligations”

The extent of the Insurer’s obligations, if any, under the Policies, including the obligation to investigate Claims with respect to tobacco related bodily injury or property damage including/or tobacco related health care costs, to provide indemnification to Imperial with respect to the Actions, Tobacco Health Care Cost/Damage Recovery or Potential Tobacco Exposure for defence costs and/or any damage award, including any award of plaintiffs’ costs and/or pre-judgment interest and/or post-judgment interest, incurred by or against Imperial resulting from the Actions and/or any settlement entered into with one or more Claimants.

“Final Order”

An order of the Court that is not subject to appeal or that has not been appealed and cannot, by virtue of the expiry of time delays or binding agreement in writing, be appealed.

“Imperial”

Collectively ITCAN and ITCO.

- “Imperial Plan”** The plan of compromise or arrangement pursuant to the CCAA proposed in respect of Imperial (including all schedules thereto), as may be amended and restated from time to time in accordance with the terms thereof.
- “Imperial Releasers”** Collectively ITCAN, ITCO, ITCAN Subsidiaries and all other predecessors, including without limitation Imasco Limited and Imperial Tobacco Limited, and affiliates and subsidiaries of the foregoing, as well as others insured under the Policies.
- “Initial Order”** The order pursuant to the CCAA issued by the Court on March 12, 2019, as amended and restated pursuant to that Amended and Restated Initial Order issued by the Court on April 5, 2019, the Second Amended and Restated Initial Order issued by the Court on April 25, 2019, and as may be further amended, restated, amended and restated, or varied from time to time.
- “Insurer”** Employers Insurance Company of Wausau and its 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 including Employers Insurance of Wausau A Mutual Company, predecessors in interest, successors and/or assigns of each of them, including but not limited to any receivers, liquidators or trustees, in all capacities. The term “Insurer” does not include any of the Other Carriers irrespective of whether an Other Carrier presently or in the future falls within the meaning of the term “Insurer”.
- “ITCAN”** Imperial Tobacco Canada Limited.
- “ITCAN Subsidiaries”** 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 Corporation, Imasco Holdings Group, Inc., ITL (USA) Limited, Genstar Pacific Corporation, Imasco Holdings Inc., Southward Insurance Ltd., and Liggett & Myers Tobacco Company of Canada Limited.

- “ITCO”** Imperial Tobacco Company Limited.
- “Meeting”** The meeting of Affected Creditors pursuant to the Meeting Order called and held for the purpose of considering and voting on the Imperial Plan.
- “Meeting Order”** The order pursuant to the CCAA issued by the Court on October 31, 2024, among other things, directing the calling and holding of a meeting of Affected Creditors to consider and vote on the Imperial Plan, as may be amended, restated, amended and restated, or varied from time to time.
- “Monitor”** FTI Consulting Canada Inc. in its capacity as the Court-appointed monitor appointed pursuant to the Initial Order in the CCAA Proceedings.
- “Notice”** Notice provided by Imperial to the Insurer of the Actions.
- “Other Carriers”** Include 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: AETna Casualty Company of Canada, American Home Assurance Company,

CIGNA Insurance Company of Canada, Commercial Union Assurance Company of Canada, Commonwealth Insurance Company, Continental Insurance Company, Employer's, Guardian Insurance Company of Canada, HIH Cotesworth Canada Limited, INA Insurance Company of Canada, Kansa General Insurance Company Ltd., Liberty International Canada, Liberty Mutual Insurance Company, Lloyd's of London, Markel Insurance Company of Canada, North British and Mercantile, Northumberland General Insurance Company, Old Republic Insurance Company, Reliance Insurance Company, Royal Insurance Company of Canada, The Halifax Insurance Company, The Home 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”

Include collectively the policies of insurance identified in paragraph C of the Recitals hereto 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 in paragraph C of the Recitals to this Agreement 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.

“Parties”	Collectively Imperial and the Insurer.
“Party”	One of Imperial or the Insurer.
“Person”	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 Outside Date”	June 30, 2026
“Policies”	Include collectively the policy or policies of insurance identified in paragraph B of the Recitals hereto 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 in paragraph B of the Recitals to this Agreement 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 the Insurer to Imperial.
“Potential Tobacco Exposure”	The Insurer’s exposure under the Policies to or with respect to, or in any way connected with, the Actions, including direct rights of action, the Tobacco Health Care Cost/Damage Recovery, the Notice, the Coverage Claim, the Coverage Dispute, the Coverage Obligations, any and all other alleged past, present or future tobacco related bodily injury or property damage or unfair or deceptive practices including/or tobacco

related health care costs/damages whatsoever, and/or any and all alleged future obligations of the Insurers to investigate such Claims against Imperial, defend Imperial or pay or reimburse defence costs incurred by Imperial with respect to such Claims or pay the cost of or indemnify Imperial for any and all such Claims or any and all other obligations which might be said to be owing under the Policies with respect to the foregoing.

“Sanction Hearing”	The hearing before the Court in respect of the Sanction Order.
“Sanction Order”	The order pursuant to the CCAA issued by the Court on March 6, 2025, approving and sanctioning the Imperial Plan.
“Settlement Amount”	The sum of CAD \$250,000 (Two Hundred Fifty Thousand Canadian Dollars) .
“Tobacco Health Care Cost/Damage Recovery”	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.

SECTION 3 RECITALS

- A. WHEREAS** the definitions set out in Section 2 above hereof apply when the first letter of a word is capitalized;
- B. AND WHEREAS** the Policies that are subject to this Agreement include:

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

C. **AND WHEREAS** the Other Carriers issued the following policies that are not the subject of this Agreement:

Policy No.	Other Carrier
XCP6975	INA Insurance Company of Canada
XCP6982	INA Insurance Company of Canada
XCP7072	INA Insurance Company of Canada
AER1036	CIGNA Insurance Company of Canada
AER1036	CIGNA Insurance Company of Canada
XCP007153	CIGNA Insurance Company of Canada
XCB599502	CIGNA Insurance Company of Canada
XCB601520	CIGNA Insurance Company of Canada
XCB601520	CIGNA Insurance Company of Canada
267-66-95	American Home Assurance Company
273-48-25	American Home Assurance Company
BE7718596	American Home Assurance Company
633-02-11	American Home Assurance Company
633-02-81	American Home Assurance Company
633-12-57	American Home Assurance Company
CE6331366	American Home Assurance Company
633-17-26	American Home Assurance Company

Policy No.	Other Carrier
BE1921463	American Home Assurance Company
CE6332836	American Home Assurance Company
BE7015234	American Home Assurance Company
CE6333233	American Home Assurance Company
BE7408611	American Home Assurance Company
BE7408663	American Home Assurance Company
BE1397069	American Home Assurance Company
BE1397162	American Home Assurance Company
BE2911442	American Home Assurance Company
1040281	North British and Mercantile
2430612	North British and Mercantile
6-851-001	Employer's
6642356	Commercial Union Assurance Company of Canada
6643140	Commercial Union Assurance Company of Canada
5220433494	United States Fire Insurance Company
CAA005907	United States Fire Insurance Company
XS8400896WCC	AEtna Casualty Company of Canada
XN8426497WCC	AEtna Casualty Company of Canada
2500906	Kansa General Insurance Company Ltd.

Policy No.	Other Carrier
2501920	Kansa General Insurance Company Ltd.
2502857	Kansa General Insurance Company Ltd.
4049147	Guardian Insurance Company of Canada
4178547	Guardian Insurance Company of Canada
4300538	Guardian Insurance Company of Canada
12317	The Halifax Insurance Company
12317	The Halifax Insurance Company
KE1-B71-070286-015	Liberty Mutual Insurance Company
KE1-B71-070286-016	Liberty International Canada
KE1-B71-070286-017	Liberty Mutual Insurance Company
KE1-B71-070286-018	Liberty Mutual Insurance Company
KE1-B71-070286-019	Liberty Mutual Insurance Company
LQ1-B71-070286-056	Liberty Mutual Insurance Company
LQ1-B71-070286-057	Liberty Mutual Insurance Company
LQ1-B71-070286-058	Liberty Mutual Insurance Company
LQ1-B71-070286-059	Liberty Mutual Insurance Company
246-5154	Lloyd's of London
246-5351	Lloyd's of London
246-5351	Lloyd's of London

Policy No.	Other Carrier
9900009C	HIH Cotesworth Canada Limited
B0716WCT112246875	Lloyd's of London
Z39410	Old Republic Insurance Company
Z39454	Old Republic Insurance Company
5916372	Royal Insurance Company of Canada
5915902	Royal Insurance Company of Canada
5915901	Royal Insurance Company of Canada
5916359	Royal Insurance Company of Canada
7001361	Reliance Insurance Company
7001645	Reliance Insurance Company
7001994	Reliance Insurance Company
7002396	Reliance Insurance Company
7002872	Reliance Insurance Company
TGL0000112	Reliance Insurance Company
TGL0000113	Reliance Insurance Company
TXL0000875	Reliance Insurance Company
TXL00002374	Reliance Insurance Company
8903039	Zurich Insurance Company
8177409	Zurich Insurance Company

Policy No.	Other Carrier
8800250	Zurich Insurance Company
8802674	Zurich Insurance Company
8815236	Zurich Insurance Company
MU200-117	Markel Insurance Company of Canada
CRX50622	Commonwealth Insurance Company
CRX53580	Commonwealth Insurance Company
LX3590382	Continental Insurance Company
HXL1640325	The Home Insurance Company
IVT-10451	Northumberland General Insurance Company
IVX-2174	Northumberland General Insurance Company

- D. AND WHEREAS** Imperial (and/or various predecessors, affiliates and subsidiaries), have been named as defendants in the Actions;
- E. AND WHEREAS** Imperial (and/or various predecessors, affiliates and subsidiaries), provided Notice and have asserted the Coverage Claim;
- F. AND WHEREAS** a Coverage Dispute exists;
- G. AND WHEREAS** it is now the desire of the Parties to fully and finally settle the Coverage Dispute and all Claims or liability arising out of or related in any way to the Policies;
- H. AND WHEREAS** neither Imperial nor the Insurer is aware of any other policies of general liability insurance or form of general liability insurance coverage 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 issued by the Insurer to Imperial other than those listed in paragraph B of these Recitals;

- I. **AND WHEREAS** the Insurer has asserted that it has valid coverage defences and has concluded that it will enter into this Agreement, among other reasons, in order to avoid the further expense, inconvenience, burden, distractions, uncertainty and risk of litigation and any other present or future litigation arising out of the facts that gave rise to the Actions, the Notice, Tobacco Health Care Cost/Damage Recovery, the Coverage Claim, the Coverage Dispute, the Coverage Obligations and/or the Potential Tobacco Exposure;
- J. **AND WHEREAS** Imperial has asserted and continues to assert that it has a valid Coverage Claim but has concluded that it will enter into this Agreement, among other reasons, in order to avoid the further expense, inconvenience, burden, distractions, uncertainty and risk of litigation and any other present or future litigation arising out of the facts that gave rise to the Actions, the Notice, the Tobacco Health Care Cost/Damage Recovery, the Coverage Claim, the Coverage Dispute, the Coverage Obligations and/or the Potential Tobacco Exposure and/or any Claims of any nature arising out of or in any way related to the Policies;
- K. **AND WHEREAS** Imperial sought and obtained protection from its creditors by commencing the CCAA Proceedings and obtaining the Initial Order from the Court on March 12, 2019;
- L. **AND WHEREAS** on October 31, 2024, the Court issued the Meeting Order that, among other things, accepted the filing of the Imperial Plan under the CCAA;
- M. **AND WHEREAS** the Monitor held the Meeting on December 12, 2024, at which the Imperial Plan was approved by the majorities required by the CCAA;
- N. **AND WHEREAS** the Court held the Sanction Hearing on January 29-31, 2025;
- O. **AND WHEREAS** the Court issued the Sanction Order on March 6, 2025;
- P. **AND WHEREAS** the Insurer and Imperial wish to settle any Claims by Imperial and any Claims by Claimants within the CCAA Proceedings pursuant to this Agreement, subject to the Court issuing the Approval Order;

Q. AND WHEREAS each of the Parties have concluded, after investigation of the facts, that this Agreement is a fair, reasonable and adequate resolution of the Coverage Dispute.

SECTION 4 COVENANTS

NOW, THEREFORE, THIS AGREEMENT WITNESSES that in consideration of the mutual covenants contained herein, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree and covenant as follows:

4.1. Recitals

The Recitals are true and correct and constitute an integral and fundamental part of this Agreement.

4.2. Binding Resolution

Subject to all of the terms of this Agreement and, in particular, subject to the Court issuing the Approval Order, as particularized herein, this Agreement is a permanent, complete and binding accord and resolution of all of the rights, Claims, questions, differences and obligations of the Parties, including the Coverage Dispute, existing and which may exist in the future with respect to any and all matters which are the subject of this Agreement.

4.3. Insurer's Payment

- (a) Imperial will make commercially reasonable efforts to serve and file a motion seeking the Approval Order promptly following execution of this Agreement, as further detailed in Section 4.6 hereof, it being understood that Imperial may seek the Approval Order at the same time as seeking approval by the Court of settlement agreements entered into by Imperial with some or all of the Other Carriers.
- (b) Within five (5) days of the Approval Order becoming a Final Order, the Insurer will pay the Settlement Amount to the Monitor. The payment will be made by wire transfer in accordance with the wire instructions set out at Schedule 2.
- (c) The Monitor shall hold the Settlement Amount in trust in a non-interest-bearing account until the Plan Implementation Date. Effective on the Plan Implementation Date, pursuant to the Approval Order, Imperial shall direct the Monitor to

contribute the Settlement Amount to the Global Settlement Amount on behalf of Imperial with such amount constituting a Contribution by Imperial under the Imperial Plan.

- (d) If the Plan Implementation Date does not occur on or prior to the Plan Implementation Outside Date, then, unless the Insurer and Imperial agree otherwise in writing, without delay thereafter the Monitor will return the Settlement Amount to the Insurer and this Agreement will be null and void (including any releases set forth herein).
- (e) The payment of the Settlement Amount will be considered to have been made in full and complete satisfaction of, among other things, each and every past, present and future obligation, if any, which may have been or might be owed by the Insurer to any Person, including in particular Imperial, directly or indirectly, in whole or in part, concurrently or in sequence, under or in respect of the Policies, resulting from, arising out of, respecting, relating to or directly or indirectly in connection with the Coverage Dispute.

4.4. No Waiver or Estoppel Prior to Agreement

By negotiating and entering into this Agreement, the Insurer does not waive and has not waived or purported to waive, nor did or will such conduct result in the Insurer being estopped from relying on, any coverage defences arising out of, respecting, relating to or directly or indirectly in connection with the Coverage Dispute and/or any Claims arising out of or in any way related to the Policies.

4.5. Releases

- (a) **Release by the Imperial Releasers.** Upon the payment and in consideration of the Settlement Amount:
 - (i) the Imperial Releasers irrevocably remise, release, quit, forgive and forever discharge the Insurer of and from any and all Coverage Claims under or in respect of the Policies:

- (A) arising out of, resulting from, with respect to, relating to or connected directly or indirectly with the Coverage Dispute or with Potential Tobacco Exposure; and
 - (B) for any action, inaction, representation or omission that predates this Agreement; and
 - (C) any Claims of any nature arising out of or in any way related to the Policies; and
- (ii) the Imperial Releasors are estopped from asserting directly or indirectly, in whole or in part, concurrently or in sequence any and all Coverage Claims under or in respect of the Policies:
- (A) arising out of, resulting from, with respect to, relating to or connected directly or indirectly with the Coverage Dispute or with Potential Tobacco Exposure; and
 - (B) for any action, inaction, representation or omission that predates this Agreement; and
 - (C) any Claims of any nature arising out of or in any way related to the Policies.
- (b) **Release by the Insurer.** Upon the payment of the Settlement Amount by the Insurer, in consideration of, among other things, the provision of a release by the Imperial Releasors, the Insurer irrevocably remises, releases, quits, forgives and forever discharges the Imperial Releasors, and the directors, officers, employees, agents, and representatives of the Imperial Releasors, of and from any and all claims that could result in an obligation to pay or repay the Settlement Amount, or any part thereof, to the Insurer and for any action, inaction, representation or omission that predates this Agreement, subject to clause 4.10 below.
- (c) **Future Claims.** In the event that any Coverage Claim or Claim with respect to, as a result of, or in connection with the matters released in this Agreement is brought by any releasor against any releasee contrary to Section 4.5(a) or Section 4.5(b)

above, the Parties agree that the release set out in those paragraphs may be pleaded as a complete defence and reply to such Coverage Claim or Claim and may be relied upon in such a proceeding as a complete and irrevocable estoppel of any releasor's right to initiate said proceeding as against such releasee.

- (d) **Costs.** In the event of a future claim contemplated in Section 4.5(c) above, the releasor that initiated the proceeding shall be liable for all reasonable costs, legal fees, disbursements and expenses incurred by the releasee as a result of such proceeding.
- (e) **Waiver.** The Insurer hereby waives any rights of subrogation, unjust enrichment, contribution, and indemnity, based in law or in equity or otherwise, that it may have, that it may obtain now or in the future, or that may accrue to it now or in the future, as against any other insurer of Imperial in respect of the Settlement Amount. Nothing in this paragraph is intended to limit the Insurer's rights against its own reinsurers or retrocessionnaires (both in their capacity as such).

4.6. Court Approval

- (a) This Agreement is expressly subject to and conditional upon the Approval Order having been issued by the Court, and the Approval Order having become a Final Order.
- (b) Each Party will cooperate with the other Party in pursuing the Approval Order.
- (c) Imperial shall deliver to the Insurer draft copies of any and all applications, motions, factums, aide memoires, memorandums, reports and other Court documents to be filed or submitted by Imperial in connection with or related to this Agreement, for Insurer's review at least three (3) business days in advance of service and filing of such materials (or where circumstances make it impracticable to allow for three (3) business days' review, with as much opportunity for review and comment as is practically possible in the circumstances). Imperial acknowledges and agrees that any such applications, motions, factums, aide memoires, memorandums, reports and other Court documents in respect of the

Approval Order shall be in form and substance satisfactory the Insurer, acting reasonably.

- (d) Notice of the motion seeking the Approval Order shall be given to the Common Service List and any other Person that the Insurer may determine requires such notice, acting reasonably.

4.7. No Admissions

No Party shall be deemed to have made, and no Party has made, any admission of any kind either express or implied in this Agreement. In particular:

- (a) The Insurer has not admitted that any Coverage Obligation is owed to Imperial under the Policies;
- (b) The Insurer has not admitted that the Policies are not void *ab initio*, or that there exists or existed any liability, error, omission or breach of any contractual, common law, civil law, equitable or statutory duty on the part of the Insurer, or that there is or has been any waiver or purported waiver of or any estoppel from relying on any and all coverage defences available under the Policies, nor shall anything contained herein or in any Confidential Compromise Material be deemed to be an admission, acknowledgement or evidence that any Party hereto has breached any obligation, engaged in any wrongdoing or misconduct, or incurred any liability of any kind; and
- (c) Imperial has not admitted that the Insurer does not owe Coverage Obligations to Imperial under the Policies.

4.8. Non-Assignment

- (a) Imperial represents and warrants that it has not assigned any of the rights it may have under or in respect of the Policies.
- (b) The Insurer represents and warrants that it is the lawful assignee of any and all Policies issued by Employers Insurance of Wausau to Imperial, or any predecessor as applicable, as listed in paragraph B of the Recitals.

- (c) The Insurer represents and warrants that it has not assigned any of the rights it may have under or in respect of the Policies.

4.9. Limitation on Imperial Claims

- (a) If:
 - (i) Imperial asserts a Claim against any Person other than the Insurer for insurance coverage directly or indirectly, in whole or in part, concurrently or in sequence, resulting from, under, arising out of, respecting, relating to or directly or indirectly in connection with the Potential Tobacco Exposure and/or any claim of any nature arising out of or in any way related to the Policies or the underlying policies of the Wausau excess policy number 2726-00-570249 referred to in Section 3, Recital B, above;
 - (ii) the defendant or respondent in such a Claim asserts that Imperial suffered a shortfall under the Policies or makes a claim against the Insurer as a result of this Agreement, the Policies or Imperial's claim against any Person other than the Insurer; and
 - (iii) the Court adjudicating such Claim finally decides that there was a shortfall;then Imperial shall not claim for such shortfall or any other amount which may be awarded or agreed to as against the other Person and shall assume any such shortfall or any other amount as its own obligation but shall not be limited in any way from claiming for amounts over and above the shortfall from any Person other than the Insurer if it does not lead to a claim against the Insurer by Imperial or by any Person.
- (b) If Imperial breaches its obligations as set out in Section 4.9(a) above, and as a consequence a Claim is made by any other Person seeking recovery against the Insurer for or because of any obligation or alleged obligations of the Insurer under the Policies, whether by way of equitable contribution or otherwise, Imperial shall indemnify the Insurer for its reasonable costs in defending such Claim and any other amount that the Insurer may have to pay further to such Claim.

4.10. Termination and Repayment

- (a) For greater certainty, and without limiting the terms of Section 4.3 of this Agreement, in the event that:
- (i) A Final Order, or a judgment or endorsement which has become final, is rendered declining to issue the Approval Order; or
 - (ii) the Plan Implementation Date does not occur on or prior to the Plan Implementation Outside Date,
- then unless the Insurer and Imperial agree otherwise in writing, this Agreement will be terminated.
- (b) If the Insurer does not pay the Settlement Amount as required pursuant to Section 4.3 of this Agreement, Imperial shall have the right for a period of sixty (60) days thereafter to: (i) terminate this Agreement; or (ii) enforce this Agreement.
- (c) If this Agreement is terminated:
- (i) no Party to this Agreement shall be bound by any of its terms except the terms of this paragraph and except as otherwise specified in this Agreement;
 - (ii) the Agreement and all negotiations, statements, Documents, and proceedings relating thereto shall be without prejudice to the rights of all Parties, all of whom shall be restored to their respective positions existing immediately before this Agreement was entered into;
 - (iii) this Agreement and the fact of its negotiation and execution shall not constitute any admission by any of the Parties or be used against any of them for any purpose in any proceeding and, without limiting the generality of the foregoing, shall not constitute an admission or be used by any Person in an effort to create, prove or interpret the obligations of the Insurer under, or the terms and conditions of, any applicable contract of insurance or otherwise;

- (iv) subject to an order of the Court, only the following sections of this Agreement will survive and continue to have effect: Section 2 (Definitions), Section 4.7 (No Admissions), Section 4.10 (Termination and Repayment), Section 4.11 (Confidentiality), Section 4.13 (No Admissibility), Section 4.14 (No Precedential Value), Section 4.15 (Prescription), Section 4.16 (Authorship), Section 4.17 (Solicitors' Fees), Section 4.18 (Independent Legal Advice), Section 4.19 (Entire Agreement), Section 4.20 (No Third Party Rights), Section 4.22 (Warranty of Authority), Section 4.23 (Binding Effect), Section 4.25 (Amendment), Section 4.26 (Counterparts), Section 4.27 (Law and Jurisdiction), Section 4.28 (Remedies for Breach), Section 4.29 (Language), Section 4.30 (Transaction), Section 4.31 (Headings for Convenience only), Section 4.32 (Invalidity/Severability), Section 4.33 (Notices).

4.11. Confidentiality

- (a) The Confidential Compromise Material will be treated as confidential, private and proprietary and shall not be disclosed to any Person or invoked by any of the Parties except as provided in this Agreement or as required by order of the Court or otherwise by compulsion of law.
- (b) Until the time when Imperial serves its motion seeking the Approval Order on the Common Service List, this Agreement and its terms will be:
 - (i) treated as confidential, private and proprietary and shall not be disclosed to any Person or invoked by any of the Parties; and
 - (ii) kept in a secure place and not viewed or copied or its contents disseminated or disclosed in any way to any Person, entity or media representative other than to a Party to this Agreement.
- (c) Notwithstanding Section 4.11(b), this Agreement and its terms may be disclosed by each Party:

- (i) in an action, application or other proceeding for breach of, or otherwise to enforce the terms of, this Agreement;
 - (ii) in response to a request from the Canada Revenue Agency, or other appropriate taxing authority;
 - (iii) to the Insurer's reinsurers (both in their capacity as such);
 - (iv) to parent companies, subsidiaries, and affiliates of the Parties;
 - (v) to the regulators, auditors or accountants of, advisors or counsel to, the Parties upon their request;
 - (vi) to counsel for and to the plaintiffs in the Actions, to counsel for and to the Governments of Canadian Provinces and Territories and the Government of Canada, and to the court in any such Action;
 - (vii) to any other insurer of Imperial and its counsel;
 - (viii) to its creditors and their counsel;
 - (ix) to any court; and
 - (x) as required by law.
- (d) If the Parties or their agents are contacted by any media representative about this Agreement, and only if they are contacted, they will advise the media that they cannot provide any comments, and will not comment "off the record", on a without attributes basis, or on any other basis.
- (e) If practicable in the circumstances, notice of any intended disclosure to be made under Section 4.11(c) above shall be provided by the disclosing Party to the other Parties at least three (3) days before any such disclosure is made.
- (f) Any breach of this covenant of confidentiality shall be a material breach of this Agreement entitling any Party not in breach, at its option, to recover its reasonable

legal fees and costs incurred in any attempt to enforce this covenant of confidentiality or recover damages.

4.12. Effective Date

Although this Agreement will be binding on the Parties once it has been fully executed, the effective date of the releases set out in Section 4.5 of this Agreement shall be the date upon which the Settlement Amount has been contributed by the Monitor to the Global Settlement Amount on behalf of Imperial.

4.13. No Admissibility

In addition to the confidentiality provisions contained in Section 4.11 herein and not by way of limitation thereof, this Agreement and any and all statements or covenants herein shall be deemed subject to any and all legal and/or statutory protections afforded to compromises and offers to compromise.

4.14. No Precedential Value

Except as otherwise provided in this Agreement, this Agreement is without value as precedent and shall not be used or referred to either expressly or by implication in any proceeding or Claim between Imperial, the Insurer or any other Person not a Party to this Agreement to create, prove, or interpret the obligations of the Insurer under, or the terms and conditions of any applicable contract of insurance or otherwise. Moreover, this Agreement is not a contract of insurance, and the Parties do not intend that this Agreement will be interpreted as such and do not, therefore, in any way vary the Terms, Conditions or Exclusions of any potentially applicable policy of insurance.

4.15. Prescription

The Parties agree that:

- (a) this Agreement does not pertain to or affect any statute of limitations, laches or other doctrine related to the passage of time, which has already expired;

- (b) by entering into this Agreement, no Party has waived or limited any policy provision, rights, Claims, causes of action or defences, except as expressly stated herein.

This Agreement shall not, in any manner, revive any rights, Claims or causes of action that were barred as of, or limit in any way the assertion of any defence available as of the day immediately preceding the date of this Agreement by any applicable provision of law or policy term.

4.16. Authorship

The Parties acknowledge that this Agreement reflects the joint drafting efforts of legal counsel for all Parties. In the event that any dispute, disagreement or controversy arises regarding this Agreement the Parties shall be considered joint authors and no provision shall be interpreted against any Party because of authorship. There shall be no presumption or construction against any Party. Each Party expressly waives reliance on the doctrine of *contra proferentem* with respect to this Agreement.

4.17. Solicitors' Fees

Each Party shall bear its own solicitors' fees and costs incurred in connection with the Notice, the Coverage Claim, the Coverage Dispute, the Coverage Obligations, the Potential Tobacco Exposure and the negotiation and drafting of this Agreement.

4.18. Independent Legal Advice

Each of the Parties hereto warrants and represents that it has fully and carefully read and understood this Agreement, knows the contents thereof and has received the advice of independent legal counsel of its own choosing in connection with the Agreement or has had the opportunity to obtain such advice. The Parties acknowledge and assume all risk, chance or hazard that the Claims, injuries or damages to which this Agreement pertain may be or become different in nature, scope or character from those that are now known, anticipated, alleged or expected and that they may be mistaken as to the character and extent of those Claims, injuries or damages. The Parties are not executing this Agreement as a result of financial disadvantage.

4.19. Entire Agreement

This Agreement embodies the entire agreement between the Parties in respect of the Policies, the Potential Tobacco Exposure and the resolution of the Coverage Dispute, and no representations, promises or inducements of any kind have been made by any Party or officer, employee or agent of any Party, other than those appearing in writing in those agreements. Each Party acknowledges that it has not executed this Agreement in reliance upon any promise, representation or warranty, if any, not contained in the agreements set out in this section. Any and all prior negotiations, representations and promises made by one Party to another, whether orally or in writing, are merged in the agreements set out in this section.

4.20. No Third Party Rights

Except for the releasees who are conferred a benefit under Sections 4.5(a) and 4.5(b) of this Agreement, this Agreement does not and is not intended to confer any rights or benefits on any Person not a Party hereto. No Person, other than the Parties and those releasees, shall have any legally enforceable rights hereunder.

4.21. Implementation

From time to time, at the request of any Party and without further consideration, at such Party's expense and within reasonable time after a request hereunder is made, the Parties hereby agree to execute and deliver any and all further documents and instruments and do any acts, as any Party may reasonably request, which may be necessary or appropriate to implement fully the provisions of this Agreement.

4.22. Warranty of Authority

Each corporation and individual executing this Agreement warrants and represents that he, she or it has full authority to execute the same on behalf of the Party on whose behalf he, she or it so signs and that all actions taken are within the scope of such authority, that such authority has not been revoked, rescinded, or withheld by law and that he, she or it have not sold, assigned, granted or transferred to any person or entity any Claim, demand, action or cause of action, or any part thereof, or right, duty, obligation or other interest which could affect their right to execute this Agreement and grant each other the considerations set forth herein or which are the subject matter of this

Agreement that all necessary corporate and legal actions duly to approve in making an enforcement of this Agreement has been taken and no further action is required, and that the making of this Agreement does not violate any provision of law or their respective articles of incorporation or by-laws.

4.23. Binding Effect

This Agreement shall be binding upon and inure to the benefit of the Parties and their respective officers, directors, agents, employees, heirs, successors, transferees, assigns and legal representatives.

4.24. Tax Consequences

Imperial acknowledges that the Insurer does not warrant or represent any tax consequences of this Agreement and that Imperial is relying on its own legal and/or tax advisors and not on the Insurer in that regard. Imperial expressly acknowledges and understands that it shall be solely liable for, and shall pay, any and all taxes, costs, interest, assessments, penalties or other losses related to any tax obligations or liabilities to which it may be subject by reason of the payment of the Settlement Amount or any benefit received by it pursuant to this Agreement.

4.25. Amendment

This Agreement and any and all documents and instruments executed in connection herewith or in furtherance hereof may not be amended, modified or supplemented except by an instrument in writing signed by all Parties hereto. No breach hereof can be waived unless done in writing. Waiver of one breach shall not be deemed to be waiver of any other breach of the same or any other provision hereof.

4.26. Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. This Agreement may be executed and delivered by facsimile or e-mail (PDF). Such execution and delivery shall be legal and binding as if the facsimile copy or the e-mail contained the original signature of the Parties.

4.27. Law and Jurisdiction

The interpretation and enforcement of this Agreement shall be governed by the laws of Québec and any applicable Federal legislation and, except as otherwise specified in this Agreement, any proceedings arising out of or relating in any manner whatsoever to this Agreement shall be conducted in the Court. The Parties hereby consent and submit to the exclusive jurisdiction of the Court.

4.28. Remedies for Breach

Each of the Parties hereto accepts responsibility for the performance of this Agreement by itself, its representatives, agents, servants or employees. No remedy shall be exclusive and claims may be asserted individually and cumulatively. Subject to the expiry of any applicable limitation period, no failure to exercise and no delay in exercising any right, power or remedy under this Agreement shall impair any right, power or remedy which any Party may have, nor shall any such delay be construed to be a waiver of any such rights, powers or remedies or an acquiescence in any breach or default under the Agreement, nor shall any waiver of any breach or default of any Party be deemed a waiver of any default or breach subsequently appearing.

4.29. Language

The Parties hereto have requested that this Agreement (as well as all notices to be sent pursuant thereto) be drafted in the English Language. *Les parties ont demandé que la présente entente (ainsi que tous les avis à notifier en vertu de celle-ci) soient rédigés en anglais.*

4.30. Transaction

This Agreement is a transaction pursuant to section 2631 and following of the *Civil Code of Quebec*.

4.31. Headings for Convenience only

The headings in this Agreement are for the convenience of the reader only and shall not affect the meaning or interpretation of this Agreement.

4.32. Invalidity/Severability

If any provision of this Agreement is later held to be unlawful, invalid, or unenforceable under present or future laws, such provision shall be fully severable only if the Parties agree that it shall be severed. If the Parties do not agree to severance, this Agreement shall be declared null and void in which case only those sections set out in Section 4.10(c)(iv) hereto will survive. If a provision is severed, the Parties may, upon the agreement of them all, add in the place of the severed provision a substitute provision.

4.33. Notices

Any and all statements, communications, or notices to be provided pursuant to this Agreement shall be in writing and sent by certified mail, return receipt requested, by courier or by email to the attention of the persons indicated below, until such time as notice of any change of the persons to be notified or change of address is given in writing, in accordance with this paragraph, to all other Parties. Such statements, communications, or notices shall be deemed received if delivered on delivery of the same to the addresses set out below. If sent by certified mail, delivery shall be deemed to be received three business days after mailing of the same unless there is a strike or other slowdown of work of the entity providing the service for mail, in which event the same shall be deemed to be received when received at the addresses set out below and, if given by courier or by email, shall be deemed to be received on the business day immediately following receipt of same at the addresses set out below:

- (a) Imperial:

Osler, Hoskin & Harcourt LLP

1000 De La Gauchetière Street West, Suite 1100
Montréal, Québec H3B 4W5

Attention:

Deborah Glendinning

Telephone: (416) 862-4714

Email: dglendinning@osler.com

Julien Morissette

Telephone: (514) 904-5818

Email: jmorissette@osler.com

- (b) Employers Insurance Company of Wausau :

Cucciniello Calandriello Attorneys Inc.

1980, Sherbrooke Street West, Suite 400

Montréal, QC H3H 1E8

Attention:

Frank Calandriello

Telephone: (514) 933-5211

Email: frank@cuccicala.com

And

Nationwide Indemnity Company

500 Third Street, P.O. Box 221

Wausau, WI 54402-8102

Attention:

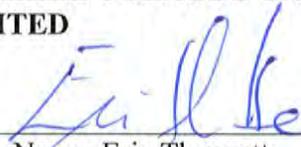
Madeleine Bass

Telephone: 1 (715) 842-3207

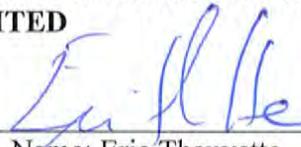
bassm7@nationwide.com

[Signatures on the following pages]

**IMPERIAL TOBACCO CANADA
LIMITED**

By: 
Name: Eric Thauvette
Title: V-P FINANCE
Date: JUNE 12, 2025

**IMPERIAL TOBACCO COMPANY
LIMITED**

By: 
Name: Eric Thauvette
Title: V-P FINANCE
Date: JUNE 12, 2025

**IMPERIAL TOBACCO CANADA
LIMITED**

By: _____

Name: ●

Title: ●

By: _____

Name: ●

Title: ●

**IMPERIAL TOBACCO COMPANY
LIMITED**

By: _____

Name: ●

Title: ●

By: _____

Name: ●

Title: ●

**EMPLOYERS INSURANCE COMPANY
OF WAUSAU**

By: Jeffery Ward _____

Name: ● JEFFREY WARD

Title: ● DIRECTOR, SPECIALTY/INDemnITY CLAIMS

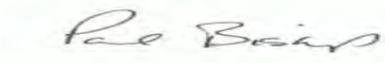
By: _____

Name: ●

Title: ●

FTI Consulting Canada Inc., in its capacity as the Monitor of Imperial in the CCAA Proceedings, hereby acknowledges Imperial entering into and performing its obligations under this Agreement.

FTI CONSULTING CANADA INC., in its capacity as the Monitor of Imperial and not in its personal or corporate capacity

By:  _____

Name: Paul Bishop

Title: Senior Managing Director

Date: June 12, 2025

SCHEDULE 1

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE)	
	)	●, THE ●
CHIEF JUSTICE MORAWETZ	)	DAY OF ●, 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**
LIMITED

Applicants

ORDER
(Imperial Insurance Settlement and Bar Order)

THIS MOTION, made by Imperial Tobacco Canada Limited and Imperial Tobacco 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**”); and (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 together with Northumberland and Northbridge, 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 [●] (the “**Northumberland Settlement Agreement**”), (ii) an agreement entitled “Settlement Agreement and Release” by and between the Applicants and Northbridge dated [●] (the “**Northbridge Settlement Agreement**”) and (iii) an agreement entitled “Settlement Agreement and Release” by and between the Applicants and Wausau dated [●] (together with the Northumberland Settlement Agreement and the Northbridge 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 [●], 2025, the Affidavit of Eric Thauvette sworn [●], 2025 (the “**Thauvette Affidavit**”), the [●]th Report of FTI Consulting Canada Inc. in its capacity as court-appointed monitor of the Applicants (the “**Monitor**”) dated [●], 2025 (the “**Monitor’s Report**”), and on hearing the submissions of counsel for 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 and the Monitor’s Report 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) \$[●] to be paid by Northumberland;
- (b) \$[●] to be paid by Northbridge; and
- (c) \$[●] to be paid by Wausau.

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 AND DECLARES** 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 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

“**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, CIGNA Insurance Company of Canada, Commercial Union Assurance Company of Canada, Employer's, Guardian Insurance Company of Canada, HIH Cotesworth Canada Limited, INA Insurance Company of Canada, 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
Imasco Limited	XCP6975	INA Insurance Company of Canada
Imasco Limited	XCP6982	INA Insurance Company of Canada
Imasco Limited	XCP7072	INA Insurance Company of Canada
Not certain	AER1036	CIGNA Insurance Company of Canada
Not certain	AER1036	CIGNA Insurance Company of Canada

First Named Insured	Policy Number	Other Carrier
Imasco Limited	XCP007153	CIGNA Insurance Company of Canada
Imasco Limited	XCB599502	CIGNA Insurance Company of Canada
Imasco Limited	XCB601520	CIGNA Insurance Company of Canada
Imasco Limited	XCB601520	CIGNA Insurance Company of Canada
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
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

First Named Insured	Policy Number	Other Carrier
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
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

First Named Insured	Policy Number	Other Carrier
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
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

First Named Insured	Policy Number	Other Carrier
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
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.

[Court back to be Included]

SCHEDULE 2

Imperial Tobacco - CCAA Proceedings

Monitor's Trust Account Information

Beneficiary Name: FTI Consulting Canada Inc

Beneficiary Address: 79 Wellington St W, Suite 2010
Toronto, Ontario M5K 1G8 CANADA

Canadian Dollar Account:

Bank of Nova Scotia
Toronto Business Service Centre
4715 Tahoe Blvd
Mississauga, Ontario L4W 0B4

For EFT Debits or Credits:
Canadian Dollar Currency Account #: 476961388312
Transit number: 47696
Institution code: 002

For Wire Payments:
Bank of Nova Scotia
44 King Street West
Toronto, ON Canada M5H 1H1
Swift Code: NOSCCATT
Canadian Clearing Code or Routing Code: //CC000247696
Canadian Dollar Currency Account # 476961388312

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
COMMERCIAL LIST**

Proceeding commenced at Toronto

AFFIDAVIT OF ERIC THAUVETTE
(sworn June 13, 2025)

OSLER, HOSKIN & HARCOURT LLP
1 First Canadian Place, P.O. Box 50
Toronto, ON M5X 1B8

Deborah Glendinning (LSO# 31070N)
Marc Wasserman (LSO# 44066M)
Craig Lockwood (LSO# 46668M)
Martino Calvaruso (LSO# 57359Q)
Marleigh Dick (LSO# 79390S)

Tel: 416.362.2111
Fax: 416.862.6666

Lawyers for the Applicants, Imperial Tobacco
Canada Limited and Imperial Tobacco Company
Limited

TAB 3

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

Applicants

AFFIDAVIT OF VIVIAN BRENNAN-DOLEZAR

(Sworn June 11, 2025)

I, VIVIAN BRENNAN-DOLEZAR, of the City of Noblesville, Hamilton County, State of Indiana, in the United States of America, HEREBY SWEAR:

1. I am a Representative appointed in these CCAA Proceedings pursuant to the order of McEwen J. dated May 14, 2019, in which order I was made subject to all obligations imposed on Representatives by the order of McEwen J. dated April 25, 2019 (together, the "**Representation Orders**", true copies of which are attached as **Exhibit "A"** and **Exhibit "B"**). As such, I have personal knowledge of the matters deposed to herein. Where I have relied on the other sources for information, I have stated the sources of my information and believe them to be true.

2. Under the Representation Orders, I am appointed, along with Robert M. Brown and George A. Foster, to act in the overall best interests of the "Represented Parties", and to advise and where appropriate instruct Representative Counsel in furtherance of representing the interests of the Represented Parties with respect to entitlements under the "Genstar Plans". The Represented Parties include all persons with entitlements under the Genstar Plans, including survivors and beneficiaries of such persons and any other person claiming an interest under or on behalf of such person (together, the "**Affected Members**", who are also referred to in the Representation Orders as "Genstar Beneficiaries").

3. There are 59 Affected Members, the average age of whom is in their mid-80s.
4. My father, Harold J. Brennan, was a former Genstar management employee and he participated in two of the Genstar Plans. In 2012, my father passed away. My mother Vivian M. Brennan became the recipient of survivor benefits under those Plans. She is currently 95 years old and is a Represented Party pursuant to the Representation Orders. My mother lives with me and my husband in Indiana and she is directly affected by these CCAA Proceedings.
5. I swear this present affidavit in support of the motion seeking approval of an additional settlement with the Applicants (the “**Genstar Settlement**”) entered by myself and the other Representatives. The Genstar Settlement is described in an agreement dated as of January 17, 2025 which was amended on May 8, 2025 (the “**Genstar Settlement Agreement**”).

Background

6. On April 15, 2019, I swore an affidavit in support of the Representation Order and of the motion brought by the Former Genstar U.S. Retiree Group Committee (“**Committee**”) for an order reinstating the pension payments owed under the Genstar Plans that were ceased by the Applicants and its U.S. Subsidiary, Imasco Holdings Group Inc., following the Applicants’ commencement of these proceedings and this Court’s initial order dated March 12, 2019.
7. On June 13, 2019, I swore a second affidavit in support of the settlement with the Applicants as of May 10, 2019 (the “**2019 Agreement**”) reached by myself and the other Representatives appointed under the Representation Order, which settlement was approved by the Court by order of McEwen J on June 26, 2019 (the “**2019 Order**”) (together, the “**2019 Settlement**”). Pursuant to the 2019 Settlement, the Applicants paid USD \$1.44 million to Affected Members in accordance with a distribution formula 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**”). In addition, each of the three Representatives received a USD \$2,000 stipend for our labours and efforts, and our Representative Counsel was paid USD \$160,000 on account of fees and disbursements.

8. The 2019 Settlement also provided that Affected Members retain an “Unsecured Claim” in the CCAA Proceedings for all remaining unpaid amounts under the Genstar Plans.¹

9. The 2019 Settlement was implemented and administered by the Applicants in the summer and autumn of 2019. My understanding is that all amounts owing were paid and, in 2020, the Applicants issued tax documents to each Affected Member pursuant to U.S. tax requirements.

10. I have been advised by our Representative Counsel, Mr. Kaplan, that in the intervening years following the 2019 Settlement, he closely followed the CCAA Proceedings and observed the developments on the mediation process that was occurring with the tobacco claimants. From time to time, he appeared in court or observed remotely. For example, on March 25, 2024, Mr. Kaplan appeared before the Chief Justice in connection with the Applicants’ motion for authorization to take steps to terminate the U.S.-registered Imasco Holdings pension plan, which affected many of the Genstar beneficiaries.²

11. Mr. Kaplan also regularly reported to the Committee from time to time and took instructions where required. Regarding the Committee, I have been advised by Mr. Kaplan that amongst the four original Committee members, the current surviving member is Richard D. Paterson. The Committee previously included Angus A. MacNaughton, Ross J. Turner, and J. Ernest Hartz, who have since deceased.

¹ Para. 2 of the 2019 Agreement provides that:

All Affected Members shall retain an unsecured claim in the CCAA Proceedings for all remaining unpaid amounts under the Genstar US Plans (less the USD \$1.44 million payment contemplated by this Agreement) in the event of a plan of compromise or arrangement (the “Unsecured Claim”).

Para. 5 of the 2019 Order provides that:

THIS COURT ORDERS that, notwithstanding anything to the contrary in this Order, each Genstar Beneficiary will retain an unsecured claim for purposes of these CCAA Proceedings for all remaining unpaid amounts under the Genstar Plans owing to that Genstar Beneficiary less the payment received by that Genstar Beneficiary pursuant to paragraph 3 of this Order. Representative Counsel may, at the appropriate time, prove such Unsecured Claims on behalf of all Genstar Beneficiaries, no one having opted out of representation under the Representation Order in the context of the CCAA Proceedings.

² In his Endorsement at 2024 ONSC 1751, the Chief Justice stated (at para. 7): “It is noted that Mr. Kaplan, on behalf of the Former Genstar U.S. Retiree Group Committee, reserved his right to raise issues that could arise in respect of the termination of the IHGI [plan].”

CCAA Plan

12. In October 2024, the initial Plan of Compromise and Arrangement was announced. On October 31, 2024, the Claims Procedure Order was issued. Mr. Kaplan attended that hearing and alerted the Chief Justice to the interests of Genstar beneficiaries in the proposed CCAA Plan.

13. On November 13, 2024, Mr. Kaplan wrote to the Monitor's counsel, a copy of which letter is attached as **Exhibit "C"**. Mr. Kaplan asserted a position that the CCAA Plan contemplates and accommodates the Unsecured Claim reserved to Affected Members under the Genstar Plans. Mr. Kaplan asserted that:

The Unsecured Claim (referred to below as the "**Genstar Retiree Claim**"), ... is and must be an "Unaffected Claim" pursuant to the CCAA Plan, and the Genstar pensions must be reinstated after the Applicants emerge from CCAA. Alternatively, the Genstar Retiree Claim must be a "Miscellaneous Claim", in which case the Affected Members are eligible to share in distributions from the Miscellaneous Claim Fund.

14. Mr. Kaplan filed a timely Miscellaneous Claim with the Monitor and was invited to and voted in favour of the CCAA Plan at the Creditors' Meeting on December 12, 2024.

Settlement

15. Between October 2024 and January 2025, Mr. Kaplan held numerous calls with the Applicants' counsel and Monitor's counsel in efforts to resolve Genstar Retiree Claim.

16. On January 17, 2025, Mr. Kaplan and Applicants' counsel finalized the terms of a settlement agreement. Mr. Kaplan immediately wrote to me and the other Representatives to notify us of the proposal and to schedule a call in which to discuss it and obtain instructions.

17. On January 21, 2025, Mr. Kaplan wrote a lengthy confidential memorandum to me and the other Representatives advising us on the legal and financial merits and risks of pursuing the Genstar Retiree Claim and recommending the proposed settlement.

18. On January 22, 2025, Mr. Kaplan held a 90-minute Zoom call with myself and the other two Representatives where we thoroughly discussed his legal advice and recommendation regarding the settlement and asked several questions, which he addressed. In the result, I can say

without hesitation that I and the other Representatives strongly support this settlement, and we accordingly each signed the agreement.

19. From January through March 2025, Mr. Kaplan sought and obtained independent tax and accounting advice from U.S. and Canadian accounting consultants in respect of the Genstar Settlement. Based on that advice, the Applicants agreed to modify the settlement to (i) modify the “payment mechanics” such that the Applicants will be responsible for distributing individual settlement shares to each Affected Member according to the Distribution Formula; and (ii) nullify the term requiring the Applicants to provide Representative Counsel with Affected Members’ current contact information.

20. On May 8, 2025, I and the other Representatives signed the amended settlement agreement (which together with the January 21, 2025 agreement, constitutes the “Settlement Agreement”).

21. The current Genstar Settlement provides for the following:

- (a) USD \$700,000 will be allocated and paid by the Applicants to the Affected Members. When this sum is added to the USD \$1.44 million received under the 2019 Settlement, Affected Members collectively will be recovering approximately 6.7% of their total value claimed under the Genstar Plans, net of legal fees (the recovery is approximately 7.6% before legal fees), based on a total claim amount of approximately USD \$32 million.
- (b) The Distribution Formula for allocating settlement shares to each Affected Member is fixed on a proportional basis to the amount that each Affected Member received under the 2019 Settlement (which allocation was based on the Affected Members’ historical pension entitlements). This means that each Affected Member will receive a second payment equal to approximately 48% of what they received under the 2019 Settlement.
- (c) The Representatives will each receive \$1,000 as a stipend for their labour and efforts, which is in addition to the \$2,000 that each Representative received under the 2019 Settlement.

- (d) Representative Counsel will receive USD \$150,000 on account of legal fees and disbursements, covering time and costs incurred between 2019 to the present.

22. In consideration for these settlement payments, the Representatives and Affected Members release the Applicants from any and all claims in respect of the CCAA Plan and the Genstar Plans and all Affected Members will be bound by the proposed order.

Notice to Affected Members

23. Over the years, Representative Counsel has collected approximately 25 email addresses of Affected Members to which he has previously communicated information regarding the 2019 Settlement. I am advised by Mr. Kaplan and verily believe that as soon as the Notice of Motion regarding this matter is filed and served, he will be notifying those individuals of the June 18, 2025 motion hearing.

24. In addition, if the within settlement is approved by the court, the Applicants have agreed to transmit a letter from Representative Counsel to Affected Members, a draft of which is attached hereto as **Exhibit "D"**.

25. None of the Affected Members opted out of representation under the Representation Order.

Conclusion

26. In summary, I and the other Representatives support the Genstar Settlement and believe it fair and reasonable and in the overall best interests of all Affected Members.

SWORN BEFORE ME over videoconference this 11th day of June 2025, in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely. The affiant is located in the City of Noblesville, Hamilton County, in the State of Indiana, United States of America, and the commissioner is located in the City of Saskatoon, in the Province of Saskatchewan.



Commissioner for Taking Affidavits
(or as may be)

ARI KAPLAN (LSO# 42042S)



Vivian Dolezar (June 11, 2025 14:45 EDT)

VIVIAN BRENNAN-DOLEZAR

**THIS IS EXHIBIT "A" REFERRED TO IN THE
AFFIDAVIT OF VIVIAN BRENNAN-DOLEZAR
SWORN BEFORE ME ON JUNE 11, 2025**

A handwritten signature in black ink, appearing to read "Ari Kaplan", is positioned above a horizontal line. To the left of the main signature, there is a smaller, more compact version of the signature.

**A COMMISSIONER FOR TAKING OATHS, ETC.
ARI KAPLAN**

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)



THE HONOURABLE MR.)
JUSTICE MCEWAN)

) THURSDAY THE 25TH
)
) DAY OF APRIL, 2019

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

Applicants

ORDER
(Representation Order)

THIS MOTION, made by the Former Genstar U.S. Retiree Group Committee (the "**Committee**") and the proposed representatives, Robert M. Brown and George A. Foster, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") for an order appointing representatives and representative counsel and certain other relief, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion and the Affidavits in the Motion Record, and on hearing the submissions of respective counsel for the Committee and proposed representatives, the Applicants, Monitor and such other counsel as were present, no one else appearing although duly served as appears from the Affidavit of Service of Ari Kaplan affirmed April 18 2019, filed:

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record herein is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

2. **THIS COURT ORDERS** that Ari Kaplan of Kaplan Law (the "**Representative Counsel**") is hereby appointed as representative counsel to represent the interests of all persons in these CCAA proceedings (together, the "**Represented Parties**") with respect to entitlements under the Genstar Corporation "deferred income plan", "supplemental executive retirement plan" and "supplementary pension plan", including survivors and beneficiaries of such persons and any other person claiming an interest under or on behalf of a Represented Party (the "**Purpose**").

3. **THIS COURT ORDERS** that Robert M. Brown and George A. Foster (together, the "**Representatives**") are hereby appointed as representatives of all Represented Parties (excluding the "**Opt-Out Individuals**", as defined below, if any) 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. The Representative Counsel may rely upon the advice, information and instructions received from the Representatives in carrying out the mandate of the Representative Counsel without further communications with or instructions from the Represented Parties, except as may be recommended by the Representative Counsel or ordered by this Court.

4. **THIS COURT ORDERS** that, with the exception of Opt-Out Individuals, (a) the Representatives and the Representative Counsel shall represent all Represented Parties in these CCAA proceedings; (b) the Represented Parties shall be bound by the actions of the Representatives and the Representative Counsel in these CCAA proceedings; and (c) the Representatives shall be entitled, on the advice of counsel, to reach any settlement agreements, advocate on behalf of the Represented Parties for the Purpose and compromise any rights, entitlements or claims of the Represented Parties, subject to approval of this Court.

5. **THIS COURT ORDERS** the Applicants to provide to the Representative Counsel, without charge, subject to satisfactory confidentiality arrangements, the following information,

documents and data (the "**Information**"), to be used strictly for the Purpose in the context of these CCAA proceedings,

- (a) the names, last known address, telephone number and email addresses (if any) of all the Represented Parties as well as particulars regarding their entitlements; and
- (b) such other documents and data as may be relevant to matters relating to the issues in these proceedings, including all relevant plan texts, agreements, particulars of insurance policies, communications, booklets, and other applicable documents and particulars of the Applicants' financial obligations respecting the plans including with respect to funding or securing the obligations and any other relevant documents and data pertaining to the plans and the Applicants' other pension plans and retirement arrangements, including up to date financial information regarding the funding and investments of any of these arrangements,

in so doing, the Applicants are not required to obtain express consent from any Represented Parties authorizing disclosure of the Information to the Representative Counsel and, further, in accordance with section 7(3) of the *Personal Information Protection and Electronic Documents Act* (Canada) or, if applicable, section 18(9) of *An Act respecting the Protection of Personal Information in the Private Sector*, CQLR c P-39.1, such an order will be sufficient to authorize the disclosure of the Information without the knowledge or consent of the Represented Parties.

6. **THIS COURT ORDERS** that notice of the granting of this Order shall be provided to the Represented Parties by way of first class mailing to their physical address or such electronic means as may be available, by the Applicants with the assistance of the Monitor, consisting of a letter prepared by Representative Counsel (the "**Representation Notice**") explaining the terms of this Order, which shall include the Monitor's website address where a full copy of this Order can be reviewed and under such other terms as to be agreed upon by Representative Counsel, the Applicant and the Monitor.

7. **THIS COURT ORDERS** that any individual Represented Party who does not wish to be represented by the Representatives and the Representative Counsel in these CCAA proceedings shall, within 30 days of the date of the Representation Notice pursuant to paragraph 6, notify the

Monitor in writing that he or she is opting out of representation by the Representatives and the Representative Counsel by delivering to the Monitor an opt-out notice in the form attached as Schedule "A" hereto (each an "Opt-Out Notice") and thereafter he or she shall not be represented by nor bound by the actions of the Representatives or the Representative Counsel in these CCAA proceedings (any such persons who deliver an Opt-Out Notice in compliance with the terms of this paragraph shall be "Opt-Out Individuals") and may represent himself or herself, personally or through counsel that he or she may retain at his or her own expense and as an independent, individual party, to the extent that they wish to participate in these proceedings, and the Proposed Representatives and Proposed Representative Counsel shall have no obligation to represent them. The Monitor shall deliver copies of all Opt-Out Notices received to the Applicants and the Representative Counsel as soon as reasonably practicable.

8. **THIS COURT ORDERS** that the Representative Counsel shall be given notice of all motions to which the Represented Parties are entitled to receive notice in these CCAA proceedings and that it shall be entitled to represent those on whose behalf it is hereby appointed in all such proceedings.

9. **THIS COURT ORDERS** that the Representative Counsel is hereby authorized to take all steps and do all acts necessary or desirable in relation to the Purpose or to carry out the terms of this Order.

10. **THIS COURT ORDERS** that the Representative Counsel shall be at liberty, and is hereby authorized, at any time, to apply to this Court for advice and directions in respect of its appointment or the fulfillment or discharge of its powers or duties, in carrying out the provisions of this Order, or for any other relief, including on any matter raised in the Notice of Motion not yet adjudicated, which shall be brought on notice to all interested parties, unless this Court orders otherwise, it being understood that the Applicants and Monitor reserve their rights in future to object to any motion seeking the funding of professional fees for the Representatives or Representative Counsel.

11. **THIS COURT ORDERS** that the Representative Counsel, the Representatives and the members of the Committee, or their delegates or agents, shall have no personal liability or obligations as a result of the performance of their duties in carrying out the provisions of this Order

or any subsequent Orders in these CCAA proceedings, save and except for liability arising out of gross negligence or wilful misconduct.

12. **THIS COURT ORDERS** that no action or other proceeding may be commenced against the Representative Counsel, the Representatives or the members of the Committee in respect of the performance of their duties under this Order without leave of this Court on seven (7) days' notice to the Representative Counsel, the Representatives, or the Committee, as the case may be.

13. **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, 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, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order and in case, any which motion to be served within three (3) weeks of the date of this Order.



ENTERED AT INSCRIPTE TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO

APR 25 2019

PER / PAR: 

SCHEDULE "A" – FORM OF OPT-OUT NOTICE

TO: FTI CONSULTING CANADA INC., in its capacity as Court-appointed Monitor of the ITCAN Parties
TD Waterhouse Tower
79 Wellington Street West
Suite 2010, P.O. Box 104
Toronto ON CANADA M4K 1G8

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

Attention: •

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 _____, 2019.

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, *et al.*

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

**PROCEEDING COMMENCED AT
TORONTO**

**ORDER
(April 25, 2019)**

KAPLAN LAW
393 University Av., Suite 2000
Toronto ON M5G 1E6

Ari Kaplan (LSO #42042S)

Tel: 416 565.4656

Fax: 416 352.1544

Email: ari@kaplanlaw.ca

**Counsel to the Former Genstar U.S.
Retiree Group Committee and the
Representatives**

**THIS IS EXHIBIT "B" REFERRED TO IN THE
AFFIDAVIT OF VIVIAN BRENNAN-DOLEZAR
SWORN BEFORE ME ON JUNE 11, 2025**




**A COMMISSIONER FOR TAKING OATHS, ETC.
ARI KAPLAN**

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.	)	TUESDAY, THE 14 TH
)	
JUSTICE MCEWEN	)	DAY OF MAY, 2019



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

APPLICANTS

**ORDER
(Notice Procedure Order)**

THIS MOTION, made by the Applicants for an order approving the form of notice of the Settlement Approval Hearing to the Represented Parties, approving the notice plan for giving notice of the Settlement Approval Hearing to the Represented Parties, and granting certain other relief, was heard this day at 330 University Avenue, Toronto, Ontario.

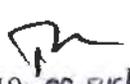
ON HEARING the submissions of respective counsel for the Applicants, Monitor, Representative Counsel, and such other counsel as were present, no one else appearing:

SERVICE

1. **THIS COURT ORDERS** that the time for service of any motion materials in respect of the relief herein is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

DEFINITIONS

2. **THIS COURT ORDERS** that for purposes of this Order:

- (a) “**Applicants**” means Imperial Tobacco Canada Limited and Imperial Tobacco Company Limited;
- (b) “**Case Website**” means the website for this CCAA proceeding maintained by the Monitor at <http://cfcanada.fticonsulting.com/imperialtobacco/>;
- (c) “**Chapter 15 Website**” means the website for the Chapter 15 Recognition Proceedings maintained by the Monitor at <http://www.kccllc.net/itcan>;
- (d) “**Committee**” means the Former Genstar U.S. Retiree Group Committee;
- (e) “**Genstar Plans**” means the Genstar Corporation deferred income plan, supplemental executive retirement plan, and supplementary pension plan;
- (f) “**Monitor**” means FTI Consulting Canada Inc. in its capacity as the court-appointed Monitor in these CCAA proceedings;
- (g) “**Notice of Objection**” means a notice substantially in the form attached as Schedule “B” to this Order;
- (h) “**Notice of Settlement Approval Hearing**” means a notice substantially in the form attached as Schedule “A” to this Order;
- (i) “**Notice Package**” means the Representation Notice, Opt-Out Notice, Notice of Settlement Approval Hearing, Notice of Objection, Settlement Allocation Statement, and such other materials as the Applicants and Representative Counsel by mutual consent may consider appropriate or desirable;
- (j) “**Objection Deadline**” means 5:00 pm Eastern Time on June 17, 2019; *or such later date as the Monitor accepts, based on the circumstances.*  *M*
- (k) “**Opt-Out Notice**” means a notice in the form attached as Schedule “A” to the Representation Order;
- (l) “**Representative Counsel**” means Ari Kaplan in his capacity as representative counsel for the Represented Parties under the Representation Order;

- (m) “**Representation Notice**” means the notice described in paragraph 6 of the Representation Order;
- (n) “**Representation Order**” means the Representation Order made by this Honourable Court on April 25, 2019;
- (o) “**Representatives**” means Robert M. Brown, George A. Foster, and Vivian Brennan-Dolezar in their capacity as representatives of the Represented Parties under the Representation Order;
- (p) “**Represented Parties**” means all persons with entitlements under the Genstar Plans, including survivors and beneficiaries of such persons and any other person claiming an interest under or on behalf of a Represented Party;
- (q) “**Settlement**” means the settlement between the Applicants and the Representatives, as supported by the Committee, relating to the Genstar Plans;
- (r) “**Settlement Allocation Statement**” means the personalized statement substantially in the form attached as Schedule “C” to this Order; and
- (s) “**Settlement Approval Hearing**” means the hearing scheduled before this Court on June 26, 2019 to consider whether to approve the Settlement.

APPOINTMENT OF ADDITIONAL REPRESENTATIVE

3. **THIS COURT ORDERS** that Vivian Brennan-Dolezar is hereby appointed as a Representative to, along with Robert M. Brown and George A. Foster, 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 representing the interests of the Represented Parties with respect to entitlements under the Genstar Plans. Ms. Brennan-Dolezar shall have all the rights and benefits granted to and be subject to all obligations imposed on the other Representatives by the Representation Order.

NOTICE TO REPRESENTED PARTIES

4. **THIS COURT ORDERS** that the Notice of Settlement Approval Hearing, the Notice of Objection and the Settlement Allocation Statement, substantially in the forms attached as Schedules "A", "B" and "C", respectively, are hereby approved, subject to the right of the Applicants and Representative Counsel to make minor, non-material amendments by mutual agreement as may be necessary or desirable.

5. **THIS COURT ORDERS** that notice of the Settlement Approval Hearing shall be provided as follows:

- (a) the Applicants shall communicate, or cause to be communicated, a Notice Package to each Represented Party by regular, first class U.S. mail on or before May 15, 2019; and
- (b) the Monitor shall post the Notice Package to the Case Website and the Chapter 15 Website within 3 business days of the date of this Order.

6. **THIS COURT ORDERS** that service and posting of the Notice Package in the manner set out in paragraph 5 above shall constitute good and sufficient service upon the Represented Parties of notice of the Settlement, the Settlement Approval Hearing and the Objection Deadline, and that no other form of service or notice need be made by any of the Applicants or Representative Counsel to any person, and no other documents or materials need be served on any person in respect of the process detailed herein.

7. **THIS COURT ORDERS** that any Represented Party wishing to object to the Settlement shall deliver a Notice of Objection to be received by the Objection Deadline by mail, courier or email to the address indicated on the Notice of Objection.

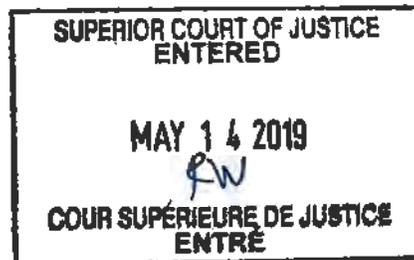
8. **THIS COURT ORDERS** that the Monitor shall file all Notices of Objection received by the Objection Deadline with the Court before the Settlement Approval Hearing.

9. **THIS COURT ORDERS** that any Notices of Objection received after the Objection Deadline shall not be filed with the Court or considered at the Settlement Approval Hearing.

GENERAL

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 of America, to give effect to this Order and to assist the Applicants, 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, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

A handwritten signature in black ink, appearing to be 'M. J. G.', written over a horizontal line.

SCHEDULE "A"

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 (the "Objection Deadline") by either mail, courier or email to the following address:

PM or such later date as the Monitor accepts, based on the circumstances
on the Court *PM*

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

SCHEDULE "B"

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)

SCHEDULE "C"

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.

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

**ORDER
(Notice Procedure Order)**

OSLER, HOSKIN & HARCOURT LLP
Box 50, 1 First Canadian Place
Toronto ON M5X 1B8

Deborah Glendinning (LSO# 31070N)
Marc Wasserman (LSO# 44066M)
John A. MacDonald (LSO# 25884R)
Craig Lockwood (LSO# 46668M)

Tel: 416.362.2111
Fax: 416.862.6666

Lawyers for the Applicants, Imperial Tobacco Canada
Limited and Imperial Tobacco Company Limited

**THIS IS EXHIBIT "C" REFERRED TO IN THE
AFFIDAVIT OF VIVIAN BRENNAN-DOLEZAR
SWORN BEFORE ME ON JUNE 11, 2025**




**A COMMISSIONER FOR TAKING OATHS, ETC.
ARI KAPLAN**

November 13, 2024

Ari Kaplan
416 565.4656
ari@kaplanlaw.ca

Chanakya Sethi
Davies Ward Phillips & Vineberg LLP
155 Wellington St. W.
Toronto, ON M5V 3J7

Dear Chan:

Re: Imperial Tobacco CCAA – Claims of the Genstar U.S. Retirees

Further to our call on November 6, 2024, I am setting out for the Monitor, FTI Consulting, the position of the Former Genstar U.S. Retiree Group Committee under the Claims Procedure Order issued on October 31, 2024. Please contact me with the Monitor's position regarding this Claim.

As you are aware, I am the court-appointed representative counsel in the Imperial CCAA proceeding by order of Justice McEwen dated April 25, 2019 (the "**Representation Order**") representing 59 US-based pensioners who are former management employees of Genstar Corporation ("**Genstar**"), and their survivors (referred to variously as the "**Genstar Beneficiaries**", "**Represented Members**", or "**Affected Members**"). These beneficiaries, many of whom are well into their 80s, are entitled to vested benefits under three pension and deferred compensation plans (the "**Genstar pensions**") guaranteed by the Applicant Imperial Tobacco Canada Ltd. ("**ITCAN**") pursuant to an agreement dated April 2, 1986 (the "**Guarantee**") between Genstar and Imasco Limited ("**Imasco**"). Genstar and Imasco's parent IHGI are ITCAN Subsidiaries named in the Initial Order and other court orders and filings.

In March 2019, my clients' pensions were stopped by IHGI after ITCAN ceased funding them in conjunction with the CCAA filing. ITCAN "made a determination to discontinue funding the plans during the pendency of the CCAA proceedings." The Genstar pension payments were valued by the Applicants at a cost of approximately USD \$6M per year with a present value of obligations of approximately USD \$32M (**\$43 Million CAD**) as of December 31, 2017.¹

¹ Affidavit of Eric Thauvette Sworn March 12, 2019 (the "**First Thauvette Affidavit**"), at para. 56. Affidavit of Eric Thauvette dated March 27, 2019 (the "**Second Thauvette Affidavit**") at para. 25. Affidavit of Eric Thauvette Sworn April 2, 2019 (the "**Third Thauvette Affidavit**") at paras. 35-36.

In April 2019, I brought a motion for an interim order to reinstate the Genstar pension payments, which resolved on the eve of the motion. A settlement agreement was entered into, dated May 10, 2019 (the "**Settlement Agreement**"), a Notice Procedure Order dated May 14, 2019 was issued by the court, a notice was provided to the class (the "**Member Notice**"), and on June 26, 2019 the court approved the settlement (the "**Settlement Order**").

Para. 2 of the Settlement Agreement provides that:

2. All Affected Members shall retain an unsecured claim in the CCAA Proceedings for all remaining unpaid amounts under the Genstar US Plans (less the USD \$1.44 million payment contemplated by this Agreement) in the event of a plan of compromise or arrangement (the "Unsecured Claim").

Para. 5 of the Settlement Approval Order provides that:

5. THIS COURT ORDERS that, notwithstanding anything to the contrary in this Order, each Genstar Beneficiary will retain an unsecured claim for purposes of these CCAA Proceedings for all remaining unpaid amounts under the Genstar Plans owing to that Genstar Beneficiary less the payment received by that Genstar Beneficiary pursuant to paragraph 3 of this Order. Representative Counsel may, at the appropriate time, prove such Unsecured Claims on behalf of all Genstar Beneficiaries, no one having opted out of representation under the Representation Order in the context of the CCAA Proceedings.

The October 17, 2024 plan of compromise and arrangement (the "**CCAA Plan**") contemplates and accommodates the Unsecured Claim (referred to below as the "**Genstar Retiree Claim**"), "for purposes of these CCAA Proceedings" within the meaning of Para. 5 of the Settlement Order.

It is our position that the Genstar Retiree Claim is and must be an "**Unaffected Claim**" pursuant to the CCAA Plan, and the Genstar pensions must be reinstated after the Applicants emerge from CCAA. Alternatively, the Genstar Retiree Claim must be a "**Miscellaneous Claim**", in which case the Affected Members are eligible to share in distributions from the Miscellaneous Claim Fund.

We assert our reasoning below.

(1) The Genstar Retiree Claim is an Unaffected Claim

a. The Genstar Retiree Claim is a Non-Compromised Non-Tobacco Claim

Art. 1.1 of the CCAA Plan defines "**Unaffected Claim**" as including, "(r) any Claim by any Person under any contract with Imperial that has not been disclaimed and which Claim is not a Tobacco Claim."

The Genstar Retiree Claim arises from the Guarantee, which, as stated above, is a "contract with Imperial" in which ITCAN guaranteed the Genstar pensions payable pursuant to the April 2, 1986

agreement between Genstar and Imasco. This obligation has not been disclaimed², nor is it a Tobacco Claim.³ The Genstar Retiree Claim also comes within definition (r) of Unaffected Claim pursuant to the Settlement Agreement, which is a contract between ITCAN and the Court-appointed Representatives on behalf of the Genstar Beneficiaries.⁴

Because the Genstar Retiree Claims are Unaffected Claims, each Affected Member is an “**Unaffected Creditor**” (i.e., “a Person who has an Unaffected Claim”). Art. 3.6 of the Plan provides that Unaffected Creditors do not vote on the Plan nor attend the Meeting; however, they retain a “right to have its Unaffected Claim addressed in accordance with Article 3, Section 3.7 of the CCAA Plan.” Art. 3.7 (“Treatment of Unaffected Claims”) states:

Unaffected Claims are not compromised by the CCAA Plan and shall remain in full force and effect in accordance with their terms. Subject to Article 5, Section 5.15,⁵ Unaffected Claims shall be paid by Imperial in the normal course of operations as and when they become due, further subject only to Imperial's rights and defences, both legal and equitable, with respect to any Unaffected Claim, including any entitlement to set-off, compensation or recoupment.

In accordance with the express and unambiguous language in Art. 3.7 of the Plan, the Genstar Retiree Claim is determined to be “not compromised” by the Plan. We strongly assert that the Genstar pensions shall be reinstated “in the normal course of operations as and when they become due,” retroactive to when they ceased in March 2019, plus interest, less and subject to the Applicants’ right to claim a set-off on account of amounts

² ITCAN has previously insisted that the Genstar Retiree Claim has not been disclaimed, see e.g., ITCAN Factum, April 25, 2019:

6. The Applicants have merely suspended their capital contributions that were being made to IHGI to fund the Genstar US Plans. There has been no disclaimer of their guarantee obligation. ...

61. ... As a factual matter, the Applicants are not parties to the Genstar US Plans and could not disclaim them even if they wished to do so.

62. The Applicants have merely suspended their monthly capital contributions to IHGI made pursuant to the Guarantee that permitted IHGI to make required payments under the Genstar US Plans. The Applicants have not disclaimed either the Guarantee or the agreement establishing the Guarantee.

³ The Genstar Retiree Claim has nothing to do with Tobacco Products: Plan, Art. 1.1, “Tobacco Claim”.

⁴ Settlement Agreement, p. 2, final recital identifies the parties to the contract:

AND WHEREAS the Applicants and the Representatives (on behalf of the Affected Members) wish to compromise and settle between themselves all matters related to the Applicants’ payment obligations – and the Affected Members’ entitlements – under the Genstar US Plans, on the terms herein (the “Settlement”).

⁵ Art. 5.15 concerns Intercompany Claims and is not applicable herein.

previously paid under the Settlement Agreement and Settlement Order, all of which is expressly contemplated and provided for by all of those documents and the CCAA Plan.

b. The Genstar Retiree Claim is a Non-Released Claim

Art. 1.1 of the Plan defines “**Non-Released Claims**” as meaning “all Claims that are not Released Claims and, for greater certainty, includes all Unaffected Claims.” Correspondingly, “**Released Claims**” is defined as “excluding Unaffected Claims” and, “[f]or greater certainty, Released Claims include all Tobacco Claims ...”. As Unaffected Claimants, the Genstar Beneficiaries have Non-Released Claims and do not have Released Claims.

Similarly, the definition of “**Releasers**” excludes the Genstar Beneficiaries because they are not Tobacco Claimants (subclauses (a) through (e)) and because the definition residually includes “(f) every other Person having an Affected Claim or a Released Claim”, which is not them.

The Settlement Agreement also explicitly frames the scope of the release given to the Applicants to the amounts paid under the settlement. Paras. 5 and 9 of the Settlement Agreement state:

5. The Applicants and the Representatives hereby agree that the Settlement Approval Order shall include the following relief (*inter alia*), an order: ... (b) releasing the Applicants from any further liabilities in respect of the Genstar US Plans (save and except for the Unsecured Claim) ...

9. The Representatives hereby forever release and discharge the Applicants and their respective affiliates (including their respective officers, directors, successors and assigns) from any and all actions, causes of action, claims, complaints or demands for payment, and potential actions, causes of action, claims, complaints or demands for payment, whether at law or in equity, in relation to the Genstar US Plans (save and except for the Unsecured Claim).

The Settlement Order similarly carves out from the release and discharge given to the Applicants the claim preserved at para. 5 of the Order, i.e., the claim “for all remaining unpaid amounts under the Genstar Plans owing to that Genstar Beneficiary less the payment received by that Genstar Beneficiary pursuant to paragraph 3 of this Order”. Paras. 7 and 8 of the Settlement Order state:

7. THIS COURT ORDERS that, except as provided in paragraph 5 of this Order, no person or entity, including without limitation, the Representatives, the Committee, and the Genstar Beneficiaries, shall directly or indirectly assert, advance, re-assert or re-file any claim or initiate any legal proceedings or actions of any nature or kind in these proceedings or in any subsequent receivership or bankruptcy proceedings, or in any other proceedings, or in any other forum whatsoever concerning their entitlements under the Genstar Plans (including any motion or other proceeding seeking to recommence payments under the Genstar Plans), and shall not assert or advance any claim, directly or indirectly, that their entitlements related to the Genstar Plans, or any part thereof, are secured or rank as a priority or preferential claim over the claims of ordinary unsecured creditors, including, without limitation, that it is the subject of a trust (whether deemed or otherwise) or

a lien or charge, or under other legal or equitable theory, and all such secured, priority, trust, lien or charge claims are hereby forever bared, enjoined, released and extinguished as against the Applicants, the ITCAN subsidiaries, and their respective officers, directors, subsidiaries and affiliates, as well as the employees, agents, members, legal counsel, financial advisors, administrators, legal representatives, successors and assigns of each of the foregoing.

8. THIS COURT ORDERS that, except as provided in paragraph 5 of this Order, the Monitor, the Monitor's counsel, the Applicants, the ITCAN Subsidiaries, and their respective officers, directors, subsidiaries and affiliates, as well as the employees, agents, members, legal counsel, financial advisors, administrators, legal representatives, successors and assigns of each of the foregoing, are hereby released, discharged and remised from any and all direct and indirect claims (contingent, liquidated or unliquidated, proven or unproven, known or unknown, in the nature of damages or otherwise, whether or not asserted and whether arising by contract, agreement (whether written or oral), under statute, civil law, common law, or in equity, or otherwise in any jurisdiction) related to the Genstar Plans or the Settlement Agreement.

The exceptions and carve outs in the releases given in the Settlement Agreement and Settlement Order literally track the language in the CCAA Plan to the exceptions and carve out of releases regarding the Unaffected Claims of Unaffected Creditors. To give just one example, Art. 18.1.10 of the CCAA Plan states:

18.1.10 Releases are Final and Binding

The releases and injunctions in favour of the Released Parties, the Monitors, the CCAA Plan Administrators, the Court-Appointed Mediator and the Administrative Coordinator and their respective Representatives shall be final and binding on all the Releasers, Released Parties, Affected Creditors and Unaffected Creditors (except to the extent of their Unaffected Claims) as applicable, including any Claims resulting, directly or indirectly, from the consequences and effects relating to the acceptance of the CCAA Plan, the sanction thereof by the CCAA Court, or its implementation. The aforesaid final and binding effect of the CCAA Plan on the Releasers, Released Parties, Affected Creditors and Unaffected Creditors (except to the extent of their Unaffected Claims) shall operate for all legal purposes as and from the Effective Time.

As such, and in accordance with the Settlement Agreement, the Settlement Order and the CCAA Plan, Affected Members have not released the Applicants in respect of the Genstar Retiree Claim.

A purposive interpretation of the CCAA Plan also supports that the Genstar Retiree Claim is neither compromised nor a Released Claim. Art. 2.2 of the CCAA Plan provides that: “The purposes of the CCAA Plan are to: (a) Effect a full and final settlement and irrevocable compromise of all Tobacco Claims; (b) Effect a release, discharge and bar of all Released Claims; ... [and] (g) Permit Imperial to exit this CCAA Proceeding and continue to carry on its business as a going concern.”

c. The Genstar Retiree Claim is Intended to be Preserved

The Applicants and all parties understood that the Genstar Retiree Claim would be preserved, and they represented as such to the Court at the Settlement Approval Motion in June 2019.

First, ITCAN characterized the pension obligations as “unsecured, pre-filing obligations”.⁶

Second, ITCAN asserted that a feature of the settlement is that “The Genstar Beneficiaries retain an unsecured claim for remaining unpaid amounts under the Genstar Plans, less the Notice Amount (the “Unsecured Claim”), and that the “Releases” being sought are for “releasing the Applicants from any further liabilities in respect of the Genstar Plans except for the Unsecured Claim.””⁷ See also, para. 20 (“the Genstar Beneficiaries retain ... the Unsecured Claim”), and para. 40, where Affected Members were told that “your rights as unsecured claimants are preserved”.

Third, ITCAN characterized for the Court the releases provided for in the Settlement Order as **narrowly confined because the consideration given for the settlement preserves the claim:**

58. Third, and again like the releases in *Nortel*, the Imperial-Affiliate Release is not overly broad or offensive to public policy because the claims being released specifically relate to the subject matter of the Settlement, and the parties granting the release receive consideration in the form of both direct compensation and the preservation of their residual Unsecured Claim.⁸

The Representatives similarly gave real consideration for the benefit of the Unsecured Claim by settling the reinstatement motion for an interim payment equal to approximately three months’ pension payments, or less than 5% of the present value of the claim.

In the Court’s endorsement granting the Settlement Order, on June 27, 2019, Justice McEwen acknowledged the Unsecured Claim and that the releases as drafted are “reasonably connected to the settlement” terms and strike an “appropriate balancing of interests” of the parties and all other creditors. He observed, in full, as follows:

On June 26/19, I granted the Order approving the Genstar settlement with reasons to follow. I am now providing those reasons.

In my view, the settlement reached by the parties is fair and reasonable. The Notice Amount and remaining terms reflect, accurately, the risk faced by the parties if the matter proceeded to a hearing. Furthermore,

⁶ ITCAN Factum, June 20, 2019, paras. 2, 15, and 42. See also, footnote 1 referencing Affidavit of Eric Thauvette sworn June 18, 2019 at paras. 3 – 5 and 10, Motion Record of the Applicants (Motion for Genstar Settlement Approval) dated June 18, 2019 at Tab 2.

⁷ ITCAN Factum, June 20, 2019, para. 4.

⁸ ITCAN Factum, June 20, 2019, para. 58.

ongoing litigation would have been protracted and expensive. The disputes were complicated and in some instances, novel.

I am satisfied that the settlement represents an appropriate balancing of the interests of both sides. It further benefits the other stakeholders in a general sense and none oppose the settlement. It this since, it is consistent with the purpose and intent of the Companies' Creditors Arrangement Act ("CCAA").

Further, in this regard, the law is settled that this Court has the jurisdiction to approve this settlement, which binds all Genstar Beneficiaries.

Insofar as the Genstar Beneficiaries are concerned it is noteworthy that they have been represented throughout by court-appointed counsel and Representatives. Amongst the Genstar Beneficiaries there have been no opt-outs or objections. All of them received the court-approved documents in or about May 15, 2019 concerning the settlement proposal and this hearing.

Insofar as the distributions between the Genstar Beneficiaries is concerned I am also of the view that the Distribution Formula is fair and reasonable. The distributions are being allocated in proportion to each beneficiary's projected future payments.

I further agree with counsel that the Releases proposed should be granted as drafted and are reasonably connected to the settlement.

With respect to the issue of the payments to the Representatives and counsel are concerned I have reviewed the proposed amounts – \$2,000 USD for each Representative and \$160,000 USD for counsel. These amounts are very fair and reasonable given the significant efforts that have been expended.

Last, counsel indicated that the Genstar Beneficiaries reserved their rights to pursue any Unsecured Claim on a pari passu basis. I note the observation but make no order in this regard.

For all the reasons above, the Order approving the Genstar Settlement was granted.

McEwen J.

There can be no doubt that the intention of the parties, consistent with all communication and documentation related to the settlement, including the agreement, court documents, Member Notices, and the Court order and endorsement sought to preserve the balance of unpaid Genstar pensions.

Moreover, this CCAA Plan carefully, logically, literally and purposively treats the Genstar Retiree Claim as an unaffected, non-released, uncompromised claim because it is like every other Unaffected Claim having nothing to do with Tobacco and being part of the Applicants' normal course business operations. That is the only fair interpretation.

To the extent that any party seeks to dispute the Genstar Retiree Claim, or otherwise seeks to extinguish it, we will be seeking declarations and orders from the Court and reserve the right to claim distributions and/or equitable orders, or to sue and enforce the rights preserved in the Genstar Retiree Claim during or after the CCAA Proceeding.

(2) The Genstar Retiree Claim is a Miscellaneous Claim – In The Alternative

In the exceptional event that the Genstar Retiree Claim is not an uncompromised Unaffected Claim that must be administered pursuant to Art. 3.7 of the CCAA Plan, and we put it to the Monitor or any other party to strictly prove otherwise, then it must be a **Miscellaneous Claim** and, thereby, the Affected Members may share in the Miscellaneous Claim Fund once proven.

If the Genstar pensions are not Unaffected Claims, then they can only be Affected Claims, which include Miscellaneous Claims:

“Affected Claim” means any Claim, other than an Unaffected Claim, against Imperial. For greater certainty, all Tobacco Claims, including the Provincial HCCR Claims, Territorial HCCR Claims, QCAP Claims, PCC Claims, Knight Claims, Tobacco Producers Claims and Miscellaneous Claims are Affected Claims.

As mentioned above, the Genstar Retiree Claim is not a Tobacco Claim, nor it appears to be one of the other named claims defined as an Affected Claim. As such, in the event the Genstar Retiree Claim is not an Unaffected Claim, it can only be a Miscellaneous Claim.

Miscellaneous Claim is defined in Art. 1.1 of the CCAA Plan as follows:

“Miscellaneous Claims” means, collectively: (a) any Pre-Implementation Miscellaneous Claim; (b) any Section 5.1(2) Claim, in respect of which the Person holding such Claim, or an authorized Person on their behalf, has not executed and delivered, or will not execute and deliver, a Claimant Contractual Release; (c) any Section 19(2) Claim in regard to which the compromise or arrangement in respect of Imperial explicitly provides for the Section 19(2) Claim's compromise, and the Person holding such Claim, or an authorized Person on their behalf, has not voted, or will not vote, for the acceptance of the compromise or arrangement, or otherwise execute and deliver a Claimant Contractual Release; and (d) any other Claim in respect of Imperial (excluding any Unaffected Claim) which is received by the Monitor and asserted against any Released Party based on, arising from or in respect of any conduct, act, omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing, fact, matter, or occurrence existing or taking place at or prior to the Effective Time (whether or not continuing thereafter) by a Person who asserts that such Claim will not be or, if asserted after the Effective Time, has not been compromised and fully, finally and irrevocably and unconditionally released and forever discharged, and permanently barred and enjoined pursuant to the terms of the CCAA Plan, the Claims Procedure Order, the Sanction Order or any other Order made

in the CCAA Proceeding, and in accordance with Article 18, Section 18.2.3 of the CCAA Plan, the CCAA Court grants leave for such Person to bring such Claim for determination on its merits by the CCAA Court. The existence of any such Miscellaneous Claims is not admitted but is expressly denied by Imperial, its Tobacco Company Group and the Claimants. For greater certainty, no Claimant or Individual Claimant may assert a Miscellaneous Claim.

First, the Genstar Beneficiaries are not barred from asserting a Miscellaneous Claim because they are neither “**Claimants**” nor “**Individual Claimants**” as defined in the CCAA Plan.⁹

Second, if the Genstar Retiree Claim is an Affected Claim, then it is a “**Pre-Implementation Miscellaneous Claim**”.¹⁰

Third, the Genstar Retiree Claim also falls within **subsection (d)** of Miscellaneous Claims, namely (and subject to the Sanction Order and Art. 18.2.3 of the CCAA Plan): “any other Claim in respect of Imperial (excluding any Unaffected Claim) [that] has not been compromised and fully, finally and irrevocably and unconditionally released and forever discharged, and permanently barred and enjoined pursuant to the terms of the CCAA Plan.” Even if and to the extent the Genstar Retiree Claim has or can be seen to be partially compromised (which can only occur if Art. 3.7 does not apply herein, i.e. if it is not an Unaffected Claim), then and in any event the claim has not been compromised and fully released and discharged. As demonstrated above, the Genstar Retiree Claim is explicitly not fully released and discharged in respect of the preserved balance of the Genstar pensions owing.

In the letter prepared by Representative Counsel dated May 15, 2019 that was distributed to Affected Members by the Applicants, along with the Member Notice, it was communicated that if there was a CCAA Plan, then to the extent the Genstar Retiree Claim was partially compromised, it was not fully released and would thereby share in distributions with other unsecured creditors. This letter, also referenced above in the Applicants Factum at para. 40 and put before the Court in support of the Settlement Order by the Applicants, stated on p. 5:

⁹ CCAA Plan, Art. 1.1 defines as follows: “**Claimants**” means the Provinces and Territories, Quebec Class Action Plaintiffs, Pan-Canadian Claimants, *Knight* Class Action Plaintiffs and Tobacco Producers, and “**Claimant**” means any one of them. “**Individual Claimants**” means all individuals who have asserted or may be entitled to assert a Tobacco Claim, which individuals are either Pan-Canadian Claimants or Quebec Class Action Plaintiffs and are represented in this CCAA Proceeding by either the PCC Representative Counsel or the Quebec Class Counsel respectively.

¹⁰ CCAA Plan, Art. 1.1 defines as follows: “**Pre-Implementation Miscellaneous Claim**” means an Affected Claim by a Person who is not an Individual Claimant and which Affected Claim is not a: (a) Provincial HCCR Claim, (b) Territorial HCCR Claim, (c) QCAP Claim, (d) PCC Claim, (e) Tobacco Producers Claim, or (f) *Knight* Claim.

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.

As such, all parties understood the expectation that in the event there was a CCAA Plan and there were distributions made to unsecured creditors as part of the Plan, the Genstar Beneficiaries would share *pro rata* in that distribution. **This CCAA Plan provides for distributions to unsecured Tobacco Claimants and other unsecured claimants in the Miscellaneous Claim process. It would be highly unfair and inequitable to exclude pensioners from this distribution, who are wholly innocent parties having nothing to do with the reason why the Applicants filed for CCAA.**

In accordance with the foregoing, we hereby submit together with this letter a Miscellaneous Claim Form. If the Monitor and/or Court do not accept our submission that the Genstar Beneficiaries are Unaffected Creditors entitled to the relief at Art. 3.7 of the CCAA Plan, and related distributions or orders sought pursuant to the foregoing, then we intend in the alternative to pursue the Genstar Retiree Claim as Putative Miscellaneous Claimants, and attend the Meeting as an Eligible Voting Creditor within the meaning of the October 31, 2024 Meeting Order.

Pursuant to the Representation Order, I will be the representative at the Meeting on behalf of all Genstar Beneficiaries. To repeat para. 5 of the Settlement Approval Order:

Representative Counsel may, at the appropriate time, prove such Unsecured Claims on behalf of all Genstar Beneficiaries, no one having opted out of representation under the Representation Order in the context of the CCAA Proceedings.

We reserve the right to supplement the Miscellaneous Claim Form submitted with additional supporting material after the date it has been submitted.

(3) Conclusion and Resolution

To summarize, the Genstar Beneficiaries are Unaffected Creditors with an Unaffected Claim who under Art. 3.7 of the CCAA Plan are entitled to have their Genstar pensions treated as uncompromised, in full force and effect in accordance with their terms and the terms of the Genstar Retiree Claim and paid by Imperial in the normal course of operations. In the alternative,

the Genstar Beneficiaries have a Miscellaneous Claim entitled to distributions as determined by the Court subject to proof with leave of the Court after voting as an Eligible Voting Creditor.

As I told the Chief Justice during my brief appearance at the motions on October 31, 2024, the Individual Claimants with Tobacco Claims are not the only vulnerable persons caught up in this CCAA Proceeding. My clients are *very elderly* pensioners whose only misfortune was working for a going concern that was eventually bought by a Tobacco company. They gave real and material consideration for their pensions with their decades of labour and commitment. They gave real consideration for their Settlement shares including the right to their Unsecured Claim which is unambiguously provided for fairly, equitably and purposively in this CCAA Plan.

The Genstar Retiree Claim is currently worth over \$30 Million USD plus interest from 2017, less payments made. The interim payment in the settlement was for \$1.44 million USD, equal to less than 5% of the total value of their aggregate pensions.

We are prepared to discuss with the Applicants a fair and good faith compromise for a full and final settlement of the Genstar Retiree Claim in the CCAA Proceeding. As Representative Counsel, I will recommend to my clients a reasonable resolution subject to Court approval that will give certainty and finality to all parties having regard to the real merits, equities and fairness of the matter.

However, in the event this matter does not resolve to our satisfaction, we put you on notice that we intend to bring a motion at the appropriate time for declarations and orders under the CCAA and the CCAA Plan and in accordance with the foregoing and to seek costs in any event of the cause. We also reserve the right to supplement or modify our positions above or advance further submissions as more information becomes available.

Yours truly,

KAPLAN • LAW



Ari Kaplan

c. C. Lockwood, Osler (for the Applicants)

**THIS IS EXHIBIT "D" REFERRED TO IN THE
AFFIDAVIT OF VIVIAN BRENNAN-DOLEZAR
SWORN BEFORE ME ON JUNE 11, 2025**



A COMMISSIONER FOR TAKING OATHS, ETC.

ARI KAPLAN

_____, 2025

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, or a beneficiary or survivor of one of them.

You may recall that the last time I wrote to you was in May 2019. In summer 2019, the Canadian Court approved a settlement with the company and pensioner representatives. In autumn 2019, settlement payments were completed.

I am writing now to inform you that a second settlement has been reached as between the company and your representatives and approved by the Canadian Court. Accompanying this letter is a check payable to you for your share of the settlement, and the court approval order.

This settlement concerns your remaining payments under the Genstar U.S. Plans. *The settlement is a compromise of your vested rights to future payments under the plans.* Under the court order approving this settlement, you are no longer general unsecured creditors or claimants in the Canadian Court Proceedings. The payment you are receiving at this time is in final and complete satisfaction of all obligations owed to you in connection with the Genstar U.S. Plans. This settlement binds all Affected Members and releases Imperial Tobacco and its affiliates and subsidiaries, and the representative pensioners, member committee and counsel from any further claims or liabilities in respect of the Genstar U.S. Plans and the Canadian Court Proceeding.

Please note that *there is no active step that you must take regarding the settlement.* The Canadian Court has approved the settlement and you are bound to the order approving it.

You may recall that under the 2019 settlement, the company paid out USD \$1.44 million to the 59 Affected Members. Under the additional settlement the company is paying out an additional USD \$700,000 to the Affected Members.

The formula used to allocate the settlement funds amongst the Affected Members is the same as was used in 2019. That distribution formula allocated funds in proportion to each beneficiary's projected total payments under the Genstar U.S. Plans, with a minimum payment of USD \$5,000.

The current settlement is allocated to each Affected Member on a proportional basis to the amount received under the 2019 settlement. This means that your additional settlement payment is equal to approximately 48% of what you received under the 2019 Settlement. For example, if you received \$5,000 in 2019, the current payment is equal to approximately \$2,430.

If you are a beneficiary, survivor or estate executor of one of the Genstar pensioners who received a share of the 2019 settlement, you are advised to seek professional advice on how to cash the check or to whom to direct the payment.

The settlement additionally provides that each of the three pensioner representatives will receive \$1,000 as a stipend for their labor and efforts (which is in addition to the \$2,000 that each representative received under the 2019 settlement.)

Separately, my firm as representative counsel will receive \$150,000 from the company on account of legal fees and disbursements covering time and costs incurred between 2019 to the present.

IRS tax documentation is expected to be issued next year, as was done in the 2019 settlement.

The materials filed in the Canadian Court Proceeding, and the court orders, can be viewed at the "case website" maintained by the court-appointed Monitor, FTI Consulting, here:

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

In summary, as your representative counsel, I and the representatives supported and advocated for the best possible resolution of your previously unsecured claims. I am satisfied that the present settlement is fair and reasonable and in the overall best interests of all Affected Members. In approving the settlement, the Canadian Court was similarly satisfied.

If you would like more information, please contact me at info@kapanlaw.ca or 416.565.4656.

I wish to acknowledge the efforts of your representatives committee in getting us to the place we are at today. We could not have achieved this settlement without their contributions.

Yours truly,

KAPLAN • LAW

Ari Kaplan

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, *et al.*

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

PROCEEDING COMMENCED AT
TORONTO

**AFFIDAVIT OF
VIVIAN BRENNAN-DOLEZAR
(Sworn June 11, 2025)**

KAPLAN LAW
393 University Av., Suite 2000
Toronto ON M5G 1E6

Ari Kaplan (LSO #42042S)

Tel: 416 565.4656

Fax: 416 352.1544

Email: ari@kaplanlaw.ca

Representative Counsel to the
Genstar Beneficiaries

TAB 4

**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 PLAN OF COMPROMISE OR
ARRANGEMENT OF IMPERIAL TOBACCO CANADA
LIMITED AND IMPERIAL TOBACCO COMPANY LIMITED

APPLICANTS

**ORDER
(CRA/RQ Settlement Approval)**

THIS MOTION, made by the Applicants, for an order, *inter alia*, approving and giving effect to the settlement agreement (the “**CRA/RQ Settlement Agreement**”) attached as Exhibit “A” to the Affidavit of Eric Thauvette sworn June 13, 2025 (the “**Thauvette Affidavit**”) was heard by videoconference on June 18, 2025.

ON READING the Motion Record of the Applicants, the Thauvette Affidavit, and on hearing the submissions of counsel for the Applicants, counsel for the Monitor, counsel for the Canada Revenue Agency, counsel for Revenu Québec and those other parties present, no one else appearing although duly served as appears from the Affidavit of Service of Marleigh Dick affirmed June ●, 2025,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

SETTLEMENT APPROVAL

2. **THIS COURT ORDERS** that the CRA/RQ Settlement Agreement, including the amounts to be paid in accordance with the terms thereof, is hereby approved, with such minor amendments as the parties to the CRA/RQ Settlement Agreement may agree upon in writing, and that Imperial Tobacco Canada Limited is hereby authorized and empowered to execute the CRA/RQ Settlement Agreement, *nunc pro tunc*, and to comply with the terms thereof, as applicable.

3. **THIS COURT ORDERS** that Imperial Tobacco Canada Limited is hereby authorized and empowered to take such additional steps and execute such additional documents as may be necessary or desirable for the implementation of the CRA/RQ Settlement Agreement.

4. **THIS COURT ORDERS** that the releases granted pursuant to paragraph 7 of the CRA/RQ Settlement Agreement are hereby approved.

GENERAL

5. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada.

6. **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, 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 the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

7. **THIS COURT ORDERS** that each of the Applicants and the Monitor be at liberty and are hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

8. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order without the need for entry or filing.

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
COMMERCIAL LIST**

Proceeding commenced at Toronto

ORDER
(CRA/RQ Settlement Approval)

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Deborah Glendinning (LSO# 31070N)
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Lawyers for the Applicants, Imperial Tobacco
Canada Limited and Imperial Tobacco Company
Limited

TAB 5

**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 PLAN OF COMPROMISE OR
ARRANGEMENT OF IMPERIAL TOBACCO CANADA
LIMITED AND IMPERIAL TOBACCO COMPANY LIMITED

APPLICANTS

**ORDER
(Genstar Settlement Approval)**

THIS MOTION, made by the Applicants, for an order, *inter alia*, approving and giving effect to the settlement agreement attached as Exhibit “D” to the Affidavit of Eric Thauvette sworn June 13, 2025 (the “**Thauvette Affidavit**”) was heard by videoconference on June 18, 2025.

ON READING the Motion Record of the Applicants, the Thauvette Affidavit, the affidavit of Vivian Brennan-Dolezar sworn June 11, 2025 (the “**Dolezar Affidavit**”), and on hearing the submissions of counsel for the Applicants, counsel for the Monitor, counsel for Representative Counsel, and those other parties present, no one else appearing although duly served as appears from the Affidavit of Service of Marleigh Dick affirmed June ●, 2025,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record herein is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

DEFINITIONS

2. **THIS COURT ORDERS** that for purposes of this Order:

- (a) “**2019 Approval Order**” means the Order made by this Court on June 26, 2019;
- (b) “**2019 Settlement**” means the settlement agreement between the Applicants and the Representatives dated May 10, 2019;
- (c) “**Affected Members**” means the beneficiaries of the Genstar Plans, namely all persons with entitlements under the Genstar Plans, including survivors and beneficiaries of such persons and any other person claiming an interest under or on behalf of a Genstar Beneficiary;
- (d) “**Applicants**” means Imperial Tobacco Canada Limited and Imperial Tobacco Company Limited;
- (e) “**Committee**” means the Former Genstar U.S. Retiree Group Committee, the surviving member of which is Richard D. Paterson, which previously also included Angus A. MacNaughton, Ross J. Turner, and J. Ernest Hartz before they deceased;
- (f) “**Distribution Formula**” has the meaning ascribed in paragraph 3 of this Order;
- (g) “**Genstar Plans**” means the Genstar Corporation deferred income plan, supplemental executive retirement plan, and supplementary pension plan;
- (h) “**ITCAN Subsidiaries**” means the direct and indirect subsidiaries of the Applicants listed in Schedule “B” of the Second Amended and Restated Initial Order dated March 12, 2019;
- (i) “**Monitor**” means FTI Consulting Canada Inc. in its capacity as the court-appointed Monitor in these CCAA proceedings;
- (j) “**Plan Implementation Date**” has the meaning ascribed to it in the third amended and restated CCAA Plan dated February 27, 2025 attached as Appendix B to the Twenty-Eighth Report of the Monitor dated February 27, 2025 filed in these CCAA proceedings;

- (k) “**Representative Counsel**” means Ari Kaplan and Kaplan Law in their capacity as representative counsel under the Representation Order;
- (l) “**Representation Order**” means the Representation Order made by this Court on April 25, 2019;
- (m) “**Representatives**” means Robert M. Brown, George A. Foster, and Vivian Brennan-Dolezar in their capacity as representatives under the Representation Order;
- (n) “**Settlement Agreement**” means the Settlement Agreement between the Applicants and the Representatives, dated as of January 17, 2025 and amended as of May 7, 2025. The settlement described therein is defined herein as the “**Settlement**”;
- (a) “**Unsecured Claim**” means the claim retained by the Affected Members pursuant to paragraph 2 of the 2019 Settlement and paragraph 5 of the 2019 Approval Order for all remaining unpaid amounts under the Genstar Plans (less the payment contemplated by the 2019 Settlement and made pursuant to the 2019 Approval Order) in the event of a plan of compromise or arrangement in these CCAA proceedings.

SETTLEMENT

3. **THIS COURT ORDERS** that the Applicants shall pay, or cause to be paid, USD \$850,000 on or prior to the Plan Implementation Date as follows:

- (a) USD \$700,000 shall be allocated and paid by ITCAN to each Affected Member as a lump sum payment according to a fair and equitable distribution formula (the “**Distribution Formula**”), as determined by Representative Counsel and as instructed by the Representatives in consultation with the Committee, specifically, on a proportional basis to the amount which each Affected Member received under the 2019 Settlement (which allocation was based on the Affected Members’ historical pension entitlements), which distribution will include a payment of USD \$1,000 to each of the three Representatives as a stipend for their labours and efforts

(which will be paid out of the USD \$700,000 referred to above), subject to any necessary or reasonable adjustments; and

- (b) USD \$150,000 to Kaplan Law in Trust, on account of legal fees, third party professional fees, and disbursements.

4. **THIS COURT ORDERS** that, in the absence of proof satisfactory to the Applicants to the contrary, the Applicants may rely on the most recent records in their possession for purposes of calculating entitlements and making the payments to the Affected Members under the Settlement Agreement, and for purposes of providing notice as detailed in paragraph 6 of this Order. The Representatives and Representative Counsel shall also be entitled, without independent investigation, to rely on the books and records of the Applicants and any information provided by the Applicants for the purposes of determining the Distribution Formula, and shall not be liable for any claims or damages resulting from any errors or omissions in the Applicants' books, records or information.

5. **THIS COURT ORDERS** that the Settlement shall be binding on all Affected Members.

6. **THIS COURT ORDERS** that the Applicants shall transmit, or cause to be communicated, to each Affected Member, based on the most recent contact information in their possession, (a) a copy of this Order, and (b) the letter from Representative Counsel attached as Exhibit "D" to the Dolezar Affidavit, which communication and transmission as set out herein shall constitute good and sufficient notice to the Affected Members of the within Settlement and no other form of service or notice need be made by any of the Applicants or Representative Counsel to any person, and no other documents or materials need be served on any person in respect of the process detailed herein.

RELEASES

7. **THIS COURT ORDERS** that no person or entity, including without limitation, the Representatives, the Committee, and the Affected Members, shall directly or indirectly assert, advance, re-assert or re-file any claim or initiate any legal proceedings or actions of any nature or kind in these proceedings or in any subsequent receivership or bankruptcy proceedings, or in any other proceedings, or in any other forum whatsoever concerning their entitlements under the Genstar Plans (including any motion or other proceeding seeking to recommence payments under

the Genstar Plans), and shall not assert or advance any claim, directly or indirectly, that their entitlements related to the Genstar Plans (including in respect of the Unsecured Claim), or any part thereof, are secured or rank as a priority or preferential claim over the claims of ordinary unsecured creditors, including, without limitation, that it is the subject of a trust (whether deemed or otherwise) or a lien or charge, or under other legal or equitable theory, and all such secured, priority, trust, lien or charge claims are hereby forever barred, enjoined, released and extinguished as against the Applicants, the ITCAN subsidiaries, and their respective officers, directors, subsidiaries and affiliates, as well as the employees, agents, members, legal counsel, financial advisors, administrators, legal representatives, successors and assigns of each of the foregoing.

8. **THIS COURT ORDERS** that the Monitor, the Applicants, the ITCAN Subsidiaries, and their respective officers, directors, subsidiaries and affiliates, as well as the employees, agents, members, legal counsel, financial advisors, administrators, legal representatives, successors and assigns of each of the foregoing, are hereby released, discharged and remised from any and all direct and indirect claims (contingent, liquidated or unliquidated, proven or unproven, known or unknown, in the nature of damages or otherwise, whether or not asserted and whether arising by contract, agreement (whether written or oral), under statute, civil law, common law, or in equity, or otherwise in any jurisdiction) related to the Genstar Plans (including in respect of the Unsecured Claim) or the Settlement Agreement.

9. **THIS COURT ORDERS** that the Settlement Agreement is fair, reasonable and in the overall best interests of the Affected Members, and the Representatives, Representative Counsel, and the members of the Committee, and their respective successors, assigns and representatives (including, without limitation, their estates, heirs and beneficiaries), are hereby released, discharged and remised from any and all direct and indirect claims in respect of the Unsecured Claim, these CCAA proceedings, and the Settlement, including the manner or method of determining or making any distributions pursuant to paragraph 3 of this Order, and shall have no liability as a result of entering into the Settlement Agreement, performing any of their obligations set forth in the Settlement Agreement or taking any actions contemplated by the Settlement Agreement or this Order, except for any claims, demands, or proceedings due to wilful misconduct, gross negligence or fraud arising from any act or omission in the performance of such obligations or in the taking of any such action.

10. **THIS COURT ORDERS** that no person or entity, including without limitation, the Representatives, the Committee, and the Affected Members, shall assert, advance or make any claims of any nature whatsoever against any person or entity whatsoever that could reasonably be expected to result in a claim over (including, without limitation, a claim for contribution or indemnity) being made against any of the Applicants or the ITCAN Subsidiaries with respect to the subject matter of the release provisions hereof.

GENERAL

11. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada.

12. **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 of America, to give effect to this Order and to assist the Applicants, 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, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

13. **THIS COURT ORDERS** that each of the Applicants and the Monitor be at liberty and are hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

14. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order without the need for entry or filing.

**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
COMMERCIAL LIST**

Proceeding commenced at Toronto

ORDER
(Genstar Settlement Approval)

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Canada Limited and Imperial Tobacco Company
Limited

TAB 6

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
LIMITED

Applicants

ORDER
(Imperial Insurance Settlement and Bar Order)

THIS MOTION, made by Imperial Tobacco Canada Limited and Imperial Tobacco 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**”); and (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 together with Northumberland and Northbridge, 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**”) and (iii) an agreement entitled “Settlement Agreement and Release” by and between the Applicants and Wausau dated June 12, 2025 (together with the Northumberland Settlement Agreement and the Northbridge 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 “**Thauvette Affidavit**”), 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; and
- (c) \$250,000 to be paid by Wausau.

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 (y) 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 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

“**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, CIGNA Insurance Company of Canada, Commercial Union Assurance Company of Canada, Employer's, Guardian Insurance Company of Canada, HIH Cotesworth Canada Limited, INA Insurance Company of Canada, 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
Imasco Limited	XCP6975	INA Insurance Company of Canada
Imasco Limited	XCP6982	INA Insurance Company of Canada
Imasco Limited	XCP7072	INA Insurance Company of Canada
Not certain	AER1036	CIGNA Insurance Company of Canada
Not certain	AER1036	CIGNA Insurance Company of Canada

First Named Insured	Policy Number	Other Carrier
Imasco Limited	XCP007153	CIGNA Insurance Company of Canada
Imasco Limited	XCB599502	CIGNA Insurance Company of Canada
Imasco Limited	XCB601520	CIGNA Insurance Company of Canada
Imasco Limited	XCB601520	CIGNA Insurance Company of Canada
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
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

First Named Insured	Policy Number	Other Carrier
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
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

First Named Insured	Policy Number	Other Carrier
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
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

First Named Insured	Policy Number	Other Carrier
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
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.

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
COMMERCIAL LIST**

Proceeding commenced at Toronto

ORDER

(Imperial Insurance Settlement and Bar Order)

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Limited

**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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MOTION RECORD OF THE APPLICANTS

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