



Court File No. CV-19-00616077-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE

CHIEF JUSTICE MORAWETZ

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THURSDAY, THE 13TH

DAY OF NOVEMBER, 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

QCC RESERVE PROTOCOL ORDER

THIS MOTION, made by FTI Consulting Canada Inc. (in its capacity as Monitor and CCAA Plan Administrator, "**FTI**"), in its capacity as Monitor (the "**Monitor**") and CCAA Plan Administrator of Imperial Tobacco Canada Limited ("**ITCAN**") and Imperial Tobacco Company Limited (together with ITCAN, "**Imperial**"), for an order approving the Quebec Class Counsel reserve protocol (the "**QCC Reserve Protocol**"), in the form attached hereto as **Schedule "A"** made on notice, was heard on November 13, 2025, via videoconference.

ON READING the Notice of Motion of FTI, the Monitor's Thirty-Third Report, dated November 4, 2025, filed, the materials filed by those other parties listed on the Participant Information Form, and **ON HEARING** the submissions of respective counsel for FTI, Imperial, and such other counsel as were present and listed on the Participation Information Form, no one appearing for any other person on the Common Service List,

although properly served with FTI's Motion Record dated November 4, 2025 (the "**Motion Record**"), as appears from the Affidavit of Service of Nicole Fedak, sworn November 4, 2025, filed:

SERVICE AND DEFINITIONS

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record herein is hereby validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that any capitalized terms used and not defined herein shall have the meanings ascribed thereto in the Fourth Amended and Restated Court-Appointed Mediator's and Monitor's Plan of Compromise and Arrangement concerning, affecting and involving Imperial, dated August 27, 2025, including all schedules thereto (the "**CCAA Plan**").

APPROVAL OF THE QCC RESERVE PROTOCOL

3. **THIS COURT ORDERS** that the QCC Reserve Protocol in the form attached hereto as **Schedule "A"** is hereby approved and FTI is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable in connection therewith, and shall be authorized to take all additional steps that it views as necessary or desirable in furtherance of its responsibilities under the QCC Reserve Protocol and the CCAA Plan in connection with the same.

CCAA PLAN ADMINISTRATOR/MONITOR

4. **THIS COURT ORDERS** that nothing in this Order shall require FTI, in its capacity as Monitor or CCAA Plan Administrator, to take possession or control of, or act in any way as a trustee of, Imperial's current or future assets, undertakings or properties of any nature or kind whatsoever and wherever situate including all proceeds thereof, including but not limited to the Total QCC Reserve and the Recovered Tax Amounts (each as defined in the QCC Reserve Protocol)(collectively, the "**Property**"), and that FTI, whether as CCAA Plan Administrator or as Monitor, shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control, or to have acted in any way as a trustee of the Property, or any part thereof, whether for tax purposes or otherwise.

5. **THIS COURT ORDERS** that the rights, protections, indemnities, charges, priorities and other provisions in favour of the Monitor and/or the CCAA Plan Administrator set out in any Order granted in these proceedings, the CCAA Plans, the CCAA or other applicable legislation shall continue to apply and extend to FTI in its capacities as Monitor and/or CCAA Plan Administrator in connection with its carrying out the provisions of this Order, including the provisions of paragraphs 28-33 of the CCAA Plan Administrator Appointment Order.

GENERAL

6. **THIS COURT ORDERS** that any interested Person may, from time to time, apply to this Court on notice to all affected parties to amend, vary, supplement or replace this Order or for advice and directions concerning the discharge of its powers and duties under

this Order, the interpretation or application of this Order, or any matters relevant to the QCC Reserve Protocol.

7. **THIS COURT ORDERS** that this Order and all of its provisions shall be effective as of 12:01 a.m. Eastern Time on the date of this Order without the need for issuance or entry.



Chief Justice G.B. Morawetz

Schedule "A"

QCC Reserve Protocol

See attached

Protocol for Treatment of QCC Reserve and Recovered Tax Amounts¹

November 4, 2025

BACKGROUND

1. Pursuant to the Quebec Class Counsel Fee Approval Order issued by the CCAA Court on August 25, 2025 (the “**QCC Fee Approval Order**”), the Quebec Class Counsel Fee was determined to be \$901,177,915, plus applicable Sales and Excise Taxes, subject to reduction, if any, not exceeding \$50,000,000 (the “**QCC Reserve**”).
2. The total aggregate Quebec Class Counsel Fee, including Sales and Excise Taxes thereon is \$978,641,807.77, being \$851,177,915 (\$901,177,915 less the \$50,000,000 QCC Reserve) plus applicable Sales and Excise Taxes thereon of \$127,463,892.77. To the extent any such Sales and Excise Taxes are refunded, credited or reimbursed to, or otherwise recovered by, Quebec Class Counsel or otherwise not remitted to the applicable tax authority, such amounts are to be returned by Quebec Class Counsel to the QCAP Trust Accounts, including any interest on an after-tax basis paid by the relevant tax authority (the “**Recovered Tax Amounts**”).
3. The QCC Fee Approval Order requires the QCC Reserve to be held back and retained in the Imperial QCAP Trust Account, the RBH QCAP Trust Account and the JTIM QCAP Trust Account (collectively, the “**QCAP Trust Accounts**”) in the proportionate shares of the Upfront Contributions made by each of Imperial, RBH and JTIM, pending release.
4. Sales and Excise Taxes on the QCC Reserve in the aggregate amount of \$7,487,500 (the “**Reserve Taxes**”) payable in respect of the QCC Reserve in the event the QCC Reserve is released to the Quebec Class Counsel have also been reserved in each of the QCAP Trust Accounts.
5. As of the Plan Implementation Date, the QCC Reserve, inclusive of potential Reserve Taxes was fully funded and is held in the following accounts:
 - (a) Imperial QCAP Trust Account - \$24,997,462.68 (being \$21,741,650.51 plus \$3,255,812.17 of Reserve Taxes)
 - (b) RBH QCAP Trust Account - \$24,826,307.01 (being \$21,592,787.14 plus \$3,233,519.87 of Reserve Taxes)
 - (c) JTIM QCAP Trust Account - \$7,663,730.31 (being \$6,665,562.35 plus \$998,167.96 of Reserve Taxes)
6. The QCC Reserve may accrue investment income in the QCAP Trust Accounts following its deposit on the Plan Implementation Date. Any such investment income (including for greater certainty, the amount of such investment income that is accumulated or capitalized in the QCAP Trust Accounts), net of applicable investment expenses and taxes (“**Net Income**”), shall be added to the QCC Reserve. The QCC Reserve, inclusive of potential

¹ Capitalized terms used but undefined herein have the meanings set out in the Fourth Amended and Restated Court-Appointed Mediator and Monitor’s CCAA Plan of Compromise and Arrangement of Imperial dated August 27, 2025 (the “**CCAA Plan**”).

Net Income earned on such amounts, and potential Reserve Taxes, is referred to herein as the “**Total QCC Reserve**”.

7. The QCC Fee Approval Order held that the terms and timing of the release of all or any portion of the QCC Reserve, either to Quebec Class Counsel or to *Blais* Class Members, and the return of any Recovered Tax Amounts is to be established by the Monitors, in consultation with the Court-Appointed Mediator and Quebec Class Counsel, or by further Order of the CCAA Court.

PROTOCOL

8. This protocol (the “**Protocol**”) was established by the Monitors, in consultation with the Court-Appointed Mediator and Quebec Class Counsel and governs the treatment of the Total QCC Reserve and the Recovered Tax Amounts.

QCC Reserve

9. The application deadline by which all Tobacco-Victim Claimants and Succession Claimants (each as defined in the Quebec Administration Plan) are required to submit their completed Proofs of Claim (as defined in the Quebec Administration Plan) to the Claims Administrator is 5:00 p.m. Eastern Time on August 31, 2026 (the “**Application Deadline**”), which Application Deadline is subject to extension jointly by the CCAA Court and the Quebec Superior Court, if it is deemed necessary and expedient to do so.
10. Following the Application Deadline, subject to the claimant response timelines set forth in paragraph 22.4 of the Quebec Administration Plan, the Claims Administrator, in consultation with the CCAA Plan Administrators, will determine the final aggregate amount payable to all Eligible *Blais* Class Members (the “**Compensation Payments**”). The determination of the Compensation Payments will occur no later than the earlier of (i) the date by which all Proofs of Claim have either been accepted or rejected by the Claims Administrator following the Application Deadline (the “**Determination Date**”) and (ii) the date that is 180 days after the Application Deadline (the “**Outside Date**”).
11. If, on the Determination Date or the Outside Date, whichever comes first, it is determined that the amount of the Compensation Payments is greater than the aggregate balance of funds in the QCAP Trust Accounts available to satisfy the Compensation Payments (excluding the Total QCC Reserve) by an amount that is equal to or greater than the Total QCC Reserve, all of the Total QCC Reserve will be allocated and paid to the Eligible *Blais* Class Members as determined by the Claims Administrator in accordance with the Quebec Administration Plan.
12. If, on the Determination Date or the Outside Date, whichever comes first, it is determined that the amount of the Compensation Payments is greater than the aggregate balance of funds in the QCAP Trust Accounts available to satisfy the Compensation Payments (excluding the Total QCC Reserve) by an amount that is less than the Total QCC Reserve, the portion of the Total QCC Reserve required to satisfy the Compensation Payments will be allocated to the Eligible *Blais* Class Members as determined by the Claims Administrator in accordance with the Quebec Administration Plan, and the remainder of the Total QCC Reserve will be paid to Quebec Class Counsel promptly thereafter. All such allocations and payments will be made *pro rata* from the Imperial QCAP Trust Account, RBH QCAP Trust Account and the JTIM QCAP Trust Account.

13. If, on the Determination Date or the Outside Date, whichever comes first, it is determined that the amount of the Compensation Payments is less than the aggregate balance of funds in the QCAP Trust Accounts available to satisfy the Compensation Payments (excluding the Total QCC Reserve), all of the Total QCC Reserve will be paid to Quebec Class Counsel promptly thereafter.
14. For the avoidance of doubt, any amount of the Total QCC Reserve which is paid to Quebec Class Counsel pursuant to this Protocol shall be inclusive of Sales and Excise Taxes.

Recovered Tax Amounts

15. Quebec Class Counsel shall reasonably monitor whether they receive or obtain the benefit of any Recovered Tax Amounts, and upon becoming aware of the receipt or benefit of any Recovered Tax Amounts, Quebec Class Counsel shall immediately inform the CCAA Plan Administrators in writing of the quantum thereof and deposit such Recovered Tax Amounts into the QCAP Trust Accounts in the proportionate shares of the Upfront Contributions made by each of Imperial, RBH and JTIM.
16. Any Recovered Tax Amounts and any Net Income earned on such amounts while held in the QCAP Trust Accounts shall be applied towards the satisfaction of the Compensation Payments or paid to the Provinces and Territories in accordance with paragraph 55.1 of the Quebec Administration Plan and shall not be returned to the Quebec Class Counsel under any circumstances.

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

ORDER

DAVIES WARD PHILLIPS & VINEBERG LLP
155 Wellington Street West
Toronto ON M5V 3J7

Natasha MacParland (LSO# 42383G)
Email: nmacParland@dwpv.com
Tel: 416.863.5567

Chanakya A. Sethi (LSO# 63492T)
Email: csethi@dwpv.com
Tel: 416.863.5516

**Lawyers for FTI Consulting Canada Inc., in its
capacity as Monitor and CCAA Plan
Administrator of Imperial Tobacco Canada
Limited and Imperial Tobacco Company
Limited**