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

Imperial Tobacco Canada Limited and Imperial Tobacco Company Limited

SUPPLEMENTAL REPORT TO THE THIRD REPORT OF THE CCAA PLAN ADMINISTRATOR

September 7, 2026

F T I CONSULTING

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

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 AND ARRANGEMENT OF **IMPERIAL TOBACCO CANADA LIMITED** AND **IMPERIAL TOBACCO COMPANY LIMITED**

Applicants

Court File No. 500-06-000076-980

PROVINCE DE QUÉBEC
DISTRICT DE MONTRÉAL
COUR SUPÉRIEURE

(Chambre des actions collectives)

CONSEIL QUÉBECOIS SUR LE TABAC ET LA SANTE et JEAN-YVES BLAIS

Demandeurs

c.

JTI-MACDONALD CORP., IMPERIAL TOBACCO CANADA LIMITEE et ROTHMANS, BENSON & HEDGES INC.

Défendeurs

- et –

FTI CONSULTING INC., ERNST & YOUNG INC. et DELOITTE RESTRUCTURING INC.

Intervenants

SUPPLEMENTAL REPORT TO THE THIRD REPORT OF THE CCAA PLAN ADMINISTRATOR

September 7, 2026

1. The purpose of this supplement (the "**Supplemental Third Report**") to the Third Report of the CCAA Plan Administrator of Imperial Tobacco Canada Limited and Imperial Tobacco Company Limited dated August 28, 2026 (the "**Third Report**") is to provide additional information to the CCAA Court and the Quebec Superior Court in connection with the submissions set out in the Aide-Mémoire of the Attorney General of Quebec dated September 4, 2026 (the "**Quebec AG Aide Memoire**").

2. All capitalized terms used herein but not defined shall have the meanings given to them in the Third Report and this Supplemental Third Report is subject to the same terms of reference and disclaimer as set out in the Third Report in all respects.

3. The Quebec AG Aide Memoire raises three issues: (i) that weekly and monthly reports were not filed by Epiq as contemplated by the Original Claims Administrator Order; (ii) the removal of the 10% Variance Limit in the proposed Amended and Restated Claims Administrator Order; and (iii) Epiq's request to have its activities approved in the proposed First Quarterly Budget Approval Order. The CCAA Plan Administrator's response to each of these concerns is set out below.

4. This Supplemental Third Report was prepared in coordination with the CCAA Plan Administrators of the other Tobacco Companies. The CCAA Plan Administrator understands that the reports to be filed by such other CCAA Plan Administrators will be substantially the same as this Supplemental Third Report.

(i) FILING OF WEEKLY AND MONTHLY REPORTING

5. The weekly and monthly reporting included in the Original Claims Administrator Order was to be based on (i) costs incurred and (ii) Claims received. It was expected that the Claims filed shortly after Plan Implementation would establish critical Claims data to be used for the weekly and monthly reporting and budgeting. However, as the Claims Administration progressed, the real-time cadence of Claims filings was significantly lower than anticipated and as a result, the anticipated Claims data did not materialize.

6. The CCAA Plan Administrators worked with stakeholders, including Epiq, to adapt to these new circumstances and explored amending the Original Claims Administrator

Order to better reflect the reality of the Claims Administration and ensure costs were mitigated as best as possible.

7. In addition, following discussions between the CCAA Plan Administrators and stakeholders, it was determined that without the crucial Claims data, the weekly and monthly reporting would not provide meaningful analysis or a complete picture of the Claims Administration. As such, Epiq proceeded to provide modified reporting to the Plan Administrators and did not file formal reports with the Court.

8. In addition, since Plan Implementation the PTLC Members have been kept regularly apprised of the Claims Administration including the cadence of Claims filed, costs incurred and budgets provided by Epiq.

9. The Fourth A&R Imperial CCAA Plan explicitly provides for the establishment of the PTLC by the Provinces and Territories to "coordinate and facilitate" the participation in the administration of the CCAA Plans "including their communication in an efficient and concerted manner with the CCAA Plan Administrators."[1]

10. The Province of Quebec designated an individual as a PTLC Member.

11. The CCAA Plan Administrators have held meetings with the PTLC Members (including the PTLC Member designated by the Province of Quebec) quarterly and within 15 days after the CCAA Plan Administrators posted information into the applicable Virtual Data Rooms in accordance with the Fourth A&R Imperial CCAA Plan. The CCAA Plan Administrators also held *ad hoc* meetings with the PTLC Members and provided written updates regarding the ongoing Claims Administration.

12. Since Plan Implementation, nine virtual meetings have been held with the PTLC Members, and the CCAA Plan Administrators have also provided additional written updates.

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[1] Schedule "X" of the Fourth Amended and Restated Plan of Arrangement.

13. During these meetings in addition to other information, the CCAA Plan Administrators provided financial and operational information pertaining to:

i) volume and cadence of Claims filed;

ii) total forecasted and actual costs incurred;

iii) delineation of costs between the PCC Compensation Plan and Quebec Administration Plan and shared costs between different workstreams;

iv) additional time and expense required for certain claims which required specific medical evidence;

v) Epiq's reporting which included actual and projected fees incurred to date and anticipated amounts to be incurred; and

vi) approval of Epiq invoices from time to time including those approved by Quebec Class Counsel.

14. Despite participating in the PTLC Member meetings, at no point has the Province of Quebec or its PTLC Member previously raised any concerns regarding the reporting provided by the CCAA Plan Administrators or requested additional reporting.

15. The CCAA Plan Administrators understand that on September 4, 2026 counsel for Epiq provided all of the weekly and monthly reporting directly to counsel for the Province of Quebec.

16. As a result, the CCAA Plan Administrators are satisfied that the Province of Quebec has had sufficient access to information about the Epiq costs and expenses.

(ii) REMOVAL OF VARIANCE LIMITS

17. The Original Claims Administrator Order contemplated that each Claims Administration Budget will cover a twelve-calendar month period. The CCAA Plan Administrators and Epiq have determined that it is necessary and appropriate for budgets to be provided on a more frequent recurring three-calendar month basis

throughout the Claims Administration, with each budget covering a three-calendar month period (rather than a twelve-calendar month period).

18. As noted above, the CCAA Plan Administrators and stakeholders worked together to formulate revised information disclosure processes which would provide more practical and useful information for stakeholders.

19. Given the proposed increase in the frequency of Claims Administration Budget reporting from annually to quarterly, and the requirement that such budgets be approved by the CCAA Court and the Quebec Superior Court in advance, the CCAA Plan Administrators and stakeholders determined that the removal of the 10% Variance Limit was appropriate. The quarterly budget approval process will provide stakeholders with greater oversight and more frequent opportunities to review and scrutinize both the actual and projected costs of the Claims Administration than the annual variance limit mechanism contemplated by the Original Claims Administrator Order.

(iii) APPROVAL OF EPIQ ACTIVITIES

20. The relief sought by Epiq to have its activities approved is not supported by the CCAA Plan Administrator. Epiq is not a court-appointed officer, and it is not appropriate in the circumstances that its activities be approved and ratified. Such relief is typically reserved for court officers such as monitors and receivers, and Epiq, as a third-party claims administrator, does not hold that status.

CONCLUSION

21. A representative of the Province of Quebec is a PTLC Member, therefore the Province of Quebec received all reporting information provided to the PTLC and it is the CCAA Plan Administrator and Monitor's view that there is no need for an adjournment of the motions returnable September 9, 2026.

All of which is respectfully submitted this 7th day of September 2026.

FTI Consulting Canada Inc.

FTI CONSULTING CANADA INC.

In its capacity as CCAA Plan Administrator of Imperial Tobacco Canada Limited and Imperial Tobacco Company Limited

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PROCEEDING COMMENCED AT TORONTO

SUPPLEMENTAL THIRD REPORT

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