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In its Capacity as Monitor and Foreign Representative for the Debtor*

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

In re:  
  
IMPERIAL TOBACCO CANADA  
LIMITED,  
  
Debtor in a Foreign Proceeding.

Chapter 15  
Case No. 19-10771( )

**VERIFIED CHAPTER 15 PETITION FOR  
RECOGNITION OF FOREIGN MAIN PROCEEDING AND RELATED RELIEF**

FTI Consulting Canada Inc. (“FTI,” or the “Monitor”) is the Court-appointed monitor for Imperial Tobacco Canada Limited (“ITCAN” or the “Debtor”) in a proceeding under Canada’s *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, pending before the Ontario Superior Court of Justice (Commercial List) at Toronto (the “Canadian Proceeding”). The Monitor is authorized to serve as the foreign representative of the Debtor as defined by section 101(24) of title 11 of the United States Code (the “Bankruptcy Code”).

On March 13, 2019, the Monitor commenced this Chapter 15 case (the “Chapter 15 Case”) by filing, on behalf of the Debtor and pursuant to sections 1504 and 1515 of the Bankruptcy Code, this Verified Chapter 15 Petition for Recognition of Foreign Main Proceeding and Related Relief (the “Verified Petition”) along with the Official Form 401 (*Chapter 15 Petition for Recognition of*



*a Foreign Proceeding*); the Application for an Order (I) Scheduling Recognition Hearing, (II) Specifying Deadline for Filing Objections and (III) Specifying Form and Manner of Notice (the “Notice Application”); and an Ex Parte Application for Temporary Restraining Order and Relief Pursuant to Sections 1519 and 105(a) of the Bankruptcy Code (the “Application for Provisional Relief” and, collectively with the Verified Petition and Notice Application, the “First Day Motions”).

In support of the First Day Motions, the Monitor has also filed a memorandum of law (the “Memorandum of Law”) and a Declaration of the Monitor in support of the First Day Motions (the “Bishop Declaration”).

### **PRELIMINARY STATEMENT**

1. The Monitor has commenced this Chapter 15 case ancillary to the Canadian Proceeding and respectfully files this Verified Petition with the required accompanying documentation pursuant to sections 1504 and 1515 of title 11 of the Bankruptcy Code. By this Verified Petition, the Monitor seeks (a) recognition of the Monitor as the foreign representative (the “Foreign Representative”), as defined in section 101(24) of the Bankruptcy Code, (b) recognition of the Canadian Proceeding as a foreign main proceeding pursuant to sections 1515, 1517 and 1520 of the Bankruptcy Code and (c) recognition and enforcement of the Initial Order of the Canadian Court dated March 12, 2019 (the “Canadian Order for Relief”) in the United States.<sup>1</sup>

2. The Monitor seeks recognition of the Canadian Proceeding and related relief from this Court to protect the Debtor’s assets in the United States and to ensure continuation

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<sup>1</sup> Alternatively, if the Court does not recognize the Canadian Proceeding as a foreign main proceeding, the Monitor requests that the Court grant the relief available under sections 1507 and 1521 of the Bankruptcy Code as a foreign non-main proceeding.

of the Debtor's supply chain and inventory management and distribution processes while the Debtor pursues a comprehensive restructuring in Canada. The Verified Petition satisfies all of the requirements set forth in section 1515 of the Bankruptcy Code. A certified copy of the Canadian Order for Relief is attached hereto as **Exhibit A**, in fulfillment of the requirement of Section 1515(b) of the Bankruptcy Code. A Statement Identifying Foreign Main Proceedings is attached hereto as part of **Exhibit B**, in fulfillment of the requirement of Section 1515(c) of the Bankruptcy Code. Pursuant to Rule 1007(a)(4) of the Federal Rules of Bankruptcy Procedure, a list containing the names and addresses of all persons or bodies authorized to administer foreign proceedings of the Debtor, and all parties to litigation pending in the United States in which the Debtor is a party at the time of the filing of this Verified Petition, is attached hereto as part of **Exhibit C**, and a corporate ownership statement is attached hereto as **Exhibit D**.

3. Based on the foregoing and for the reasons described herein, the Monitor submits it has satisfied the requirements for an order granting recognition of the Canadian Proceeding under Chapter 15 of the Bankruptcy Code.

#### **JURISDICTION AND VENUE**

4. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(P). Venue is proper in this district pursuant to 28 U.S.C. § 1410(1), as the Debtor maintains its principal place of business in the United States in this district and has a bank account in this district.

5. The statutory predicates for the relief requested herein are sections 105(a), 1504, 1507, 1515, 1517, 1520, and 1521 of the Bankruptcy Code.

## **BACKGROUND**

### **I. The Debtor's Business**

6. As more fully described in the Affidavit of Eric Thauvette of the Debtor (the "ITCAN Affidavit"),<sup>2</sup> the Debtor is a privately held corporation incorporated under the Canada Business Corporations Act, R.S.C., 1985, c. C-44 ("CBCA"). The Debtor is 100% owned by British American Tobacco International (Holdings) B.V. which is itself an indirect subsidiary of British American Tobacco, p.l.c. ("BAT").<sup>3</sup> The Debtor's registered head office is located in Brampton, Ontario. [ITCAN Aff. ¶ 17]

#### **A. The Debtor's Tobacco Business and U.S. Inventory**

7. The Debtor is primarily a tobacco importer. It purchases finished tobacco products from its affiliate British American Tobacco Mexico S.A. de C.V. ("BAT MX") and imports them, through the United States, into Canada.<sup>4</sup> [ITCAN Aff. ¶¶ 4, 19] The Debtor's tobacco products lead the industry in Canada with roughly 48% market share of all legal Canadian tobacco sales in 2018. [ITCAN Aff. ¶ 28]

8. The Debtor's subsidiary, Imperial Tobacco Company Limited ("ITCO"), is the exclusive distributor of the Debtor's tobacco products and PRRPs in Canada. ITCO buys finished products from the Debtor and sells them to wholesalers and retailers throughout Canada. In all, ITCO sells 15 brands of cigarette products and PRRPs under various trademarks to

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<sup>2</sup> The ITCAN Affidavit has been filed as Exhibit A to the Bishop Declaration. Dkt. No. [5].

<sup>3</sup> Copies of the Debtor's Certificate of Amalgamation and Certificate of Amendment are attached to the Bishop Declaration as Exhibit C.

<sup>4</sup> The Debtor also buys a small amount of tobacco finished goods from two BAT affiliated companies and imports tobacco heated products and vaping products (collectively, "PRRPs" or "the potentially reduced-risk products") for sale in Canada, albeit not through the United States.

approximately 26,825 retailers and 184 wholesalers. [ITCAN Aff. ¶ 4] ITCO also operates all of ITCAN's distribution centers in Canada. [ITCAN Aff. ¶ 20]

9. The Debtor acquires title to the product it purchases from BAT MX once it is loaded onto trucks in Mexico bound for the United States. The product is brought to the United States and warehoused in the Debtor's two free trade zone distribution centers located in Ohio and Montana and then transported on an "as needed" basis into Canada by ground with Ryder Dedicated (and/or Integrated Logistics, a division of Ryder Truck Rental Canada Ltd. (such Ryder entities, collectively with Ryder subcontractors, "Ryder")) or Baine Johnston Corporation ("BJC"). [ITCAN Aff. ¶¶ 41, 68] Some product is also transported by UPS. [ITCAN Aff. ¶ 76] Based on historical 2018 data, approximately four weeks' worth of finished product inventory is stored in the U.S. distribution centers, one and a half weeks' worth of inventory is in transit and eight to ten days' worth of inventory is in Canada at any given time. [ITCAN Aff. ¶ 68]

10. While ITCO is technically in charge of distribution of finished products in the Canadian distribution centers, day-to-day operations and management of ITCAN's distribution centers in both Canada and the United States are performed by either Ryder or BJC. [ITCAN Aff. ¶ 74]

11. As of December 31, 2018, the Debtor had total assets of approximately C\$5.53 billion and total liabilities of approximately C\$1.09 billion. [ITCAN Aff. ¶¶ 117, 123] As of December 31, 2018, the Debtor and ITCO employed approximately 466 full-time employees and 98 contract employees. [ITCAN Aff. ¶¶ 45, 46]

**B. The Debtor's U.S. Operations and Subsidiaries**

12. The Debtor is the direct or indirect corporate parent of several subsidiaries in the United States. These include Imasco Holdings Group, Inc. ("Imasco"), Imasco Holdings, Inc., ITL (USA) Limited and Genstar Pacific Corporation (collectively, the "U.S. Subsidiaries").

[ITCAN Aff. ¶ 25] The U.S. Subsidiaries are dormant but administer various legacy liabilities related to their former business operations, including workman’s compensation claims and pension and health plan liabilities. [ITCAN Aff. ¶ 25] Over the years, the Debtor has provided funding for the U.S. Subsidiaries on a monthly basis in the form of a capital contribution to Imasco. [ITCAN Aff. ¶ 25]

13. In 2015, the Debtor moved its principal and only place of business in the United States to New York, New York (the “New York Office”), where it is registered to do business. The Debtor leases the New York Office for the purpose of administering funding of the U.S. Subsidiaries and otherwise managing its interests in the United States. The Debtor has a U.S. bank account with Citibank N.A. in New York City, which is primarily used to fund Imasco. [ITCAN Aff. ¶¶ 40, 86]

14. Pursuant to an agreement dated April 2, 1986, ITCAN guaranteed payment of certain pension and retirement obligations of its U.S. Subsidiaries. [ITCAN Aff. ¶ 55] During the pendency of this case, ITCAN intends to continue to fund contributions to Imasco so that its U.S. Subsidiaries can make ordinary course payments in respect of their pension and retirement plan obligations, with the exception of (i) a non-U.S. tax qualified “deferred income plan” for approximately 53 individuals who are either former senior management employees of Genstar or their surviving spouses, (ii) a non-U.S. tax qualified ”supplemental executive retirement plan” for approximately 14 individuals who were either former Genstar employees or their surviving spouses, and (iii) a non-U.S. tax qualified “supplementary pension plan” for 3 individuals who were either former Genstar employees or their surviving spouses. [ITCAN Aff. ¶ 55]

## **II. Events Giving Rise to the Canadian Proceeding**

15. The Debtor and ITCO commenced the Canadian Proceeding as a result of mounting claims and ongoing product liability and consumer litigation across Canada (the

“Tobacco Litigation”). In the aggregate, the plaintiffs in the Tobacco Litigation seek hundreds of billions of dollars in damages, which exceed the Debtor’s total assets by many orders of magnitude. Recently, the Quebec Court of Appeal substantially upheld a trial judgment in the maximum amount of approximately C\$13.6 billion (the “Damages Award”) arising from the May 27, 2015 judgment in the Letourneau and Blais class actions (bearing court file numbers 500-06-00070-983 and 500-06-000076-80). [ITCAN Aff. ¶¶ 6, 133, 139] ITCAN’s share of the Damages Award alone is over C\$9 billion. [ITCAN Aff. ¶ 139]

16. The Quebec class actions are only two of approximately 20 significant lawsuits currently pending against the Debtor in Canada.<sup>5</sup> [ITCAN Aff. ¶ 143] Moreover, the ongoing proceedings do not represent all of the potential claims brought or that could be brought under applicable law in relation to the development, manufacturing, production, marketing, advertising of, representations made in respect of, the purchase, sale, and use of, or exposure to tobacco products (collectively, with the Tobacco Litigation, the “Tobacco Claims”). Although the Debtor and ITCO have tried for years to manage the Tobacco Litigation, in light of the magnitude of the Damages Award, the Debtor and ITCO were forced to initiate the Canadian Proceeding to obtain, among other things, a stay of proceedings while they develop and institute a fair and streamlined court-approved process for the quantification and resolution of all Tobacco Claims. [ITCAN Aff. ¶ 7]

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<sup>5</sup> A chart detailing the pending lawsuits is attached to the ITCAN Affidavit as Schedule A.

### **III. Commencement of the Canadian Proceeding**

17. On March 12, 2019, the Debtor and ITCO (together, the “CCAA Entities”) filed an application in the Canadian Court for an Initial Order and related relief under the CCAA. That same day, the Canadian Court issued the Canadian Order for Relief which, among other things, stays proceedings against the CCAA Entities. Canadian Order for Relief at ¶¶ 18-21. In addition, the Canadian Court expressly authorized the Monitor to seek the relief requested from this Court in aid of the Canadian Proceeding. *Id.* at ¶ 62.

18. As provided in the Bishop Declaration, the Monitor has been advised by counsel of the definition of a “foreign proceeding” under Bankruptcy Code section 101(23). As provided in the Bishop Declaration, to the best of the Monitor’s knowledge, the Monitor is not aware of any other “foreign proceeding” within the meaning of Bankruptcy Code section 101(23) with respect to the Debtor.

### **IV. Center of Main Interests of the Debtor**

19. The center of main interests, or “COMI,” for the Debtor is in Canada. The Debtor is organized under Canadian federal law pursuant to the CBCA and has its registered office in Canada. [ITCAN Aff. ¶ 17]

20. Further, the majority of the Debtor’s revenue is generated in Canada through Canadian sales to its subsidiary, ITCO. [ITCAN Aff. ¶ 4] The Debtor’s head office, its senior management, and virtually all of its employees are in Canada. [ITCAN Aff. ¶¶ 4, 17, 45] Also, the Debtor’s central decision-making function, both long-range and day-to-day, takes place in Canada. [ITCAN Aff. ¶ 17]

21. Accordingly, pursuant to Bankruptcy Code section 1516(c), the Debtor is entitled to the presumption that its COMI is Canada.

**RELIEF SOUGHT**

22. By this Verified Petition, the Monitor seeks the following relief:

- (a) recognition pursuant to section 1517 of the Bankruptcy Code of the Canadian Proceeding as a “foreign main proceeding” as defined in section 1502(4) of the Bankruptcy Code;
- (b) recognition that the Monitor is the “foreign representative” on a final basis (as defined in section 101(24) of the Bankruptcy Code);
- (c) all relief automatically available pursuant to section 1520 of the Bankruptcy Code, including a stay of execution against the Debtor’s assets in the United States and express authorization from the Court for the Debtor to maintain its supply chain, inventory management and distribution processes and otherwise continue its activities in the United States in the ordinary course, and barring, enjoining, and staying, pursuant to section 362 of the Bankruptcy Code, any action to interfere with these assets, business operations or processes;
- (d) the extension of any provisional relief granted under section 1519(a) of the Bankruptcy Code pursuant to section 1521(a)(6); and
- (e) such other and further relief as is appropriate under the circumstances pursuant to sections 105(a) and 1507 of the Bankruptcy Code.<sup>6</sup>

23. To the extent the relief requested herein exceeds the relief available to the Monitor with respect to the Debtor pursuant to section 1520 of the Bankruptcy Code, the Monitor requests this relief pursuant to sections 1507 and 1521(a)(1) and (2).

24. In the event the Court were to determine the Canadian Proceeding is not a foreign main proceeding, the Monitor requests that the Court nevertheless grant the relief requested above pursuant to sections 1521 and 1507 of the Bankruptcy Code.

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<sup>6</sup> The Monitor, on behalf of the Debtor, has filed separately its Application for Provisional Relief and declaration in support of the Application for Provisional Relief, but reserves the right to request provisional relief on an expedited basis in the event any actions are brought against the Debtor during the interim period, or as otherwise necessary.

### **BASIS FOR RELIEF**

25. For the reasons set forth herein and in the Memorandum of Law, the Canadian Proceeding is entitled to recognition under section 1517 of the Bankruptcy Code. The Canadian Proceeding is (i) a foreign proceeding within the meaning of Bankruptcy Code section 101(23) and (ii) a foreign main proceeding within the meaning of Bankruptcy Code section 1502(4). As described above, the Debtor's registered office and its principal place of business are located in Canada, which is the Debtor's center of main interests within the meaning of Bankruptcy Code section 1516(c). The Monitor is a foreign representative within the meaning of Bankruptcy Code section 101(24). Moreover, the Verified Petition meets the requirements of Bankruptcy Code section 1515.

26. The requested relief is also consistent with the goals of Chapter 15. The Monitor is informed and submits that granting the relief sought herein will aid the Canadian Proceeding and will best assure an opportunity for the Debtor to conduct an orderly reorganization of its financial affairs. Through the Canadian Proceeding, the Debtor is seeking to maximize value for the benefit of its stakeholders and to ensure the just treatment of all holders of claims against and interests in the Debtor. These goals are aligned with the objectives of Chapter 15. *See* 11 U.S.C. § 1501(a)(3).

27. Moreover, granting recognition will promote the U.S. public policy of respecting foreign proceedings as articulated in, *inter alia*, Bankruptcy Code sections 1501(a) and 1508 and does not violate section 1506. Thus, the conditions for recognition of the Monitor and the Canadian Proceedings under Bankruptcy Code section 1517 have been satisfied.

28. Finally, having both substantial assets within the United States and a place of business in the United States, the Debtor qualifies as a "debtor" under section 109(a) of the

Bankruptcy Code. Accordingly, the Debtor qualifies as a Chapter 15 debtor under applicable Second Circuit authority.

**NOTICE**

29. Notice of this Verified Petition will be provided to all parties listed on Exhibit C to the Notice Application filed contemporaneously herewith.

**NO PRIOR REQUEST**

30. The Monitor has not previously sought the relief requested herein from this or any other court.

**CONCLUSION**

WHEREFORE, the Monitor respectfully requests that this Court (a) grant the relief requested in this Verified Petition and enter an order in the form attached hereto as **Exhibit E** and (b) grant such other further relief and additional assistance as this Court may deem just and proper.

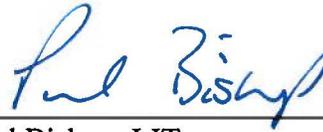
Dated: March 13, 2019  
New York, New York

By: /s/ Jennifer Feldsher  
Jennifer Feldsher  
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*Attorneys for FTI Consulting Canada Inc.  
In its Capacity as Monitor and Foreign  
Representative for the Debtor*

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct to the best of my knowledge, information and belief.

Date: March 13, 2019  
Toronto, Canada

A handwritten signature in blue ink that reads "Paul Bishop". The signature is written in a cursive style with a horizontal line underneath it.

Paul Bishop, LIT  
*Senior Managing Director*  
FTI Consulting Canada Inc.

**EXHIBIT A**

THIS IS TO CERTIFY THAT THIS DOCUMENT, EACH PAGE OF WHICH IS STAMPED WITH THE SEAL OF THE SUPERIOR COURT OF JUSTICE AT TORONTO, IS A TRUE COPY OF THE DOCUMENT ON FILE IN THIS OFFICE

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DATED AT TORONTO THIS 13 DAY OF March 20 19  
FAIT A TORONTO LE 13 JOUR DE MARCH 20 19

Ray Williams, Registrar  
REGISTRAR GREFFIER

ONTARIO

SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

Court File No.

CV-19-616077001

THE HONOURABLE  
JUSTICE MCEWEN

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TUESDAY, THE 12TH  
DAY OF MARCH, 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  
(the "Applicants")

INITIAL ORDER

THIS APPLICATION, made by the Applicants, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING (i) the affidavit of Eric Thauvette sworn March 12, 2019 and the exhibits thereto (the "**Thauvette Affidavit**"), (ii) the affidavit of Nancy Roberts sworn March 12, 2019, and (iii) the pre-filing report dated March 12, 2019 (the "**Monitor's Pre-Filing Report**") of FTI Consulting Canada Inc. ("**FTI**") in its capacity as the proposed Monitor of the Applicants, and on hearing the submissions of counsel for the Applicants, BAT (as defined herein), FTI and the Honourable Warren K. Winkler, Q.C. in his capacity as proposed Interim Tobacco Claimant Coordinator (as defined herein), and on reading the consent of FTI to act as the Monitor,

SERVICE

1. THIS COURT ORDERS that the time for service and filing of the Notice of Application and the Application Record is hereby abridged and validated so that this Application

is properly returnable today and hereby dispenses with further service thereof.

**APPLICATION**

2. THIS COURT ORDERS AND DECLARES that the Applicants are companies to which the CCAA applies.

**PLAN OF ARRANGEMENT**

3. THIS COURT ORDERS that the Applicants, individually or collectively, shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the “Plan”).

**DEFINITIONS**

4. THIS COURT ORDERS that for purposes of this Order:

- (a) “**BAT**” means British American Tobacco p.l.c.;
- (b) “**BAT Group**” means, collectively, BAT, BATIF, B.A.T Industries p.l.c., British American Tobacco (Investments) Limited, Carreras Rothmans Limited or entities related to or affiliated with them other than the Applicants and the ITCAN Subsidiaries;
- (c) “**BATIF**” means B.A.T. International Finance p.l.c.;
- (d) “**Deposit Posting Order**” means the order of the Quebec Court of Appeal granted October 27, 2015 or any other Order requiring the posting of security or the payment of a deposit in respect of the Quebec Class Actions;
- (e) “**ITCAN**” means Imperial Tobacco Canada Limited;
- (f) “**ITCAN Subsidiaries**” means the direct and indirect subsidiaries of the Applicants listed in Schedule “B”;
- (g) “**Pending Litigation**” means any and all actions, applications and other lawsuits existing at the time of this Order in which any of the Applicants is a named

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 DATED AT TORONTO THIS 13 DAY OF March 2019.  
 FAYE WILLIAMS  
 REGISTRAR  
 LA PRÉSENT ATTESTE QUE CE DOCUMENT, DONT CHACUNE DES PAGES EST REVELUE DU Sceau de la Cour Supérieure de Justice à Toronto, est une copie conforme du document conservé dans ce bureau.  
 LE 13 MARS 2019  
 FAYE WILLIAMS  
 GREFFIER

defendant or respondent (either individually or with other Persons (as defined below)) relating in any way whatsoever to a Tobacco Claim, including without limitation the litigation listed in Schedule "A";

(h) "Quebec Class Actions" means the proceedings in the Quebec Superior Court and the Quebec Court of Appeal in (i) *Cécilia Létourneau et al. v. JTI Macdonald Corp., Imperial Tobacco Canada Limited and Rothmans, Benson & Hedges Inc.* and (ii) *Conseil Québécois sur le Tabac et la Santé and Jean-Yves Blais v. JTI Macdonald Corp., Imperial Tobacco Canada Limited and Rothmans, Benson & Hedges Inc.* and all decisions and orders in such proceedings, including, without limitation, the Deposit Posting Order;

(i) "Sales & Excise Taxes" means all goods and services, harmonized sales or other applicable federal, provincial or territorial sales taxes, and all federal excise taxes and customs and import duties and all federal, provincial and territorial tobacco taxes;

(j) "Tobacco Claim" means any right or claim (including, without limitation, a claim for contribution or indemnity) of any Person against or in respect of the Applicants, the ITCAN Subsidiaries or any member of the BAT Group that has been advanced (including, without limitation, in the Pending Litigation), that could have been advanced or that could be advanced, and whether such right or claim is on such Person's own account, on behalf of another Person, as a dependent of another Person, or on behalf of a certified or proposed class, or made or advanced as a government body or agency, insurer, employer, or otherwise, under or in connection with:

(i) applicable law, to recover damages in respect of the development, manufacture, production, marketing, advertising, distribution, purchase or sale of Tobacco Products, the use of or exposure to Tobacco Products or any representation in respect of Tobacco Products, in Canada, or in the case of any of the Applicants, anywhere else in the world; or

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Ray Williams, Registrar  
GREGGIER

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DA TED AT TORONTO THIS 13 DAY OF March 20 19  
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 Kay Williams, Registrar  
 GREFFIER

- (k) (ii) the legislation listed on Schedule “C”, as may be amended or restated, or similar or analogous legislation that may be enacted in future, excluding any right or claim of a supplier relating to goods or services supplied to, or the use of leased or licensed property by, the Applicants, the ITCAN Subsidiaries or any member of the BAT Group; and
- “**Tobacco Products**” means tobacco or any product made or derived from tobacco or containing nicotine that is intended for human consumption, including any component, part, or accessory of or used in connection with a tobacco product, including cigarettes, cigarette tobacco, roll your own tobacco, smokeless tobacco, electronic cigarettes, vaping liquids and devices, heat-not-burn tobacco, and any other tobacco or nicotine delivery systems and shall include materials, products and by-products derived from or resulting from the use of any tobacco products.

**POSSESSION OF PROPERTY AND OPERATIONS**

5. THIS COURT ORDERS that the Applicants shall remain in possession and control of their respective current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the “**Property**”). Subject to further Order of this Court, the Applicants shall continue to carry on business in a manner consistent with the preservation of their business (the “**Business**”) and Property. The Applicants are authorized and empowered to continue to retain and employ the employees, independent contractors, consultants, agents, experts, accountants, counsel and such other persons (collectively “**Assistants**”) currently retained or employed by them, with liberty to retain such further Assistants as they deem reasonably necessary or desirable in the ordinary course of business, to preserve the value of the Property or Business or for the carrying out of the terms of this Order.

6. THIS COURT ORDERS that the Applicants shall be entitled to continue to utilize the central cash management system currently in place as described in the Thauvette Affidavit or replace it with another substantially similar central cash management system (the “**Cash Management System**”) and that any present or future bank or other Person providing the Cash

Management System (including, without limitation, BATIF and its affiliates, The Bank of Nova Scotia and Citibank, N.A.) shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Applicants of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person other than the Applicants, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under the Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

7. THIS COURT ORDERS that the Applicants shall be entitled but not required to pay the following expenses whether incurred prior to, on or after the date of this Order:

- (a) all outstanding and future wages, salaries, commissions, compensation, vacation pay, bonuses, incentive and share compensation plan payments, employee and retiree pension and other benefits and related contributions and payments (including, without limitation, expenses related to the Applicants' employee and retiree medical, dental, disability, life insurance and similar benefit plans or arrangements, employee assistance programs and contributions to or any payments in respect of the Applicants' other retirement programs), reimbursement expenses (including, without limitation, amounts charged to corporate credit cards), termination pay, salary continuance and severance pay payable to employees, independent contractors and other personnel, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements or with Monitor approval;
- (b) the fees and disbursements of any Assistants retained or employed by the Applicants, including without limitation in respect of any proceedings under Chapter 15 of the United States Bankruptcy Code, 11 U.S.C. §§ 101-1330, as amended, at their standard rates and charges;
- (c) with the consent of the Monitor, amounts for goods or services actually supplied to the Applicants prior to the date of this Order;

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 PAT A TORONTO LE  
 Ann Williams  
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 Le 13 jour de Mars 20 19  
 Ann Williams  
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RAY WILLIAMS, REGISTRAR

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LE 13 JOUR DE Mars 20 19  
RAY WILLIAMS, Greffier

- (i) by logistics or supply chain providers, including customs brokers and freight forwarders;
  - (ii) by providers of information technology, social media marketing strategies and publishing services; and
  - (iii) in respect of the Loyalty Program as set out in the Thauvette Affidavit;
- with the consent of the Monitor, amounts payable in respect of any Intercompany Transactions (as defined herein); and

- (e) by other third party suppliers, if, in the opinion of the Applicants, such payment is necessary or desirable to preserve the operations of the Business or the Property.

8. THIS COURT ORDERS that, except as otherwise provided to the contrary herein, the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services;
- (b) capital expenditures other than as permitted in clause (a) above to replace or supplement the Property or that are otherwise of benefit to the Business, provided that Monitor approval is obtained for any single such expenditure in excess of \$1 million or an aggregate of such expenditures in a calendar year in excess of \$5 million; and
- (c) payment for goods or services supplied or to be supplied to the Applicants on or after the date of this Order (including the payment of any royalties).

9. THIS COURT ORDERS that the Applicants are authorized to complete outstanding transactions and engage in new transactions with any member of the BAT Group and to continue, on and after the date hereof, to buy and sell goods and services and to allocate, collect

and pay costs, expenses and other amounts from and to the members of the BAT Group, including without limitation in relation to head office and shared services, finished, unfinished and semi-finished materials, personnel, administrative, technical and professional services, and royalties and fees in respect of trademark licenses (collectively, together with the Cash Management System and all transactions and all inter-company funding policies and procedures between any of the Applicants and any member of the BAT Group, the "Intercompany Transactions") in the ordinary course of business as described in the affidavit or as otherwise approved by the Monitor. All Intercompany Transactions in the ordinary course of business between the Applicants and any member of the BAT Group, including the provision of goods and services from any member of the BAT Group to any of the Applicants, shall continue on terms consistent with existing arrangements or past practice or as otherwise approved by the Monitor.

10. THIS COURT ORDERS that the Applicants shall remit, in accordance with legal requirements, or pay (whether levied, accrued or collected before, on or after the date of this Order):

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes;
- (b) all Sales & Excise Taxes required to be remitted by the Applicants in connection with the Business; and
- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicants.

11. THIS COURT ORDERS that the Applicants are, subject to paragraph 12, authorized to post and to continue to have posted, cash collateral, letters of credit, performance

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bonds, payment bonds, guarantees and other forms of security from time to time, in an aggregate amount not exceeding \$111 million (the “**Bonding Collateral**”), to satisfy regulatory or administrative requirements to provide security that have been imposed on the Applicants in the ordinary course and consistent with past practice in relation to the collection and remittance of federal excise taxes and customs and import duties and federal, provincial and territorial tobacco taxes, whether the Bonding Collateral is provided directly or indirectly by the Applicants as such security.

12. THIS COURT ORDERS that the Canadian federal, provincial and territorial authorities entitled to receive payments or collect monies from the Applicants in respect of Sales & Excise Taxes are hereby stayed during the Stay Period from requiring that any additional bonding or other security be posted by or on behalf of the Applicants in connection with Sales & Excise Taxes, or any other matters for which such bonding or security may otherwise be required.

13. THIS COURT ORDERS that until a real property lease is disclaimed or resiliated in accordance with the CCAA, the Applicants shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the relevant Applicant and the landlord from time to time (“**Rent**”), for the period commencing from and including the date of this Order, at such intervals as such Rent is usually paid in the ordinary course of business. On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

14. THIS COURT ORDERS that, except as specifically permitted herein, the Applicants are hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicants or claims to which they are subject to any of their creditors as of this date and to post no security in respect of such amounts or claims, including pursuant to an order or judgment; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of their Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

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FAIT À TORONTO LE 13 JOUR DE MARCH 20 19

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Ray Williams, Registrar  
GREFFIER

**RESTRUCTURING**

15. THIS COURT ORDERS that the Applicants shall, subject to such requirements as are imposed by the CCAA, have the right to:

- (a) permanently or temporarily cease, downsize or shut down any of their respective businesses or operations and to dispose of redundant or non-material assets not exceeding \$1,000,000 in any one transaction or \$5,000,000 in the aggregate;
- (b) terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate;
- (c) pursue all avenues of refinancing of the Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing; and
- (d) pursue all avenues to resolve any of the Tobacco Claims, in whole or in part,

all of the foregoing to permit the Applicants to proceed with an orderly restructuring of the Business (the “**Restructuring**”).

16. THIS COURT ORDERS that the Applicants shall provide each of the relevant landlords with notice of the relevant Applicant’s intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the relevant Applicant’s entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and such Applicant, or by further Order of this Court upon application by such Applicant on at least two (2) days’ notice to such landlord and any such secured creditors. If the relevant Applicant disclaims or resiliates the lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer or resiliation of the lease shall be without prejudice to such Applicant’s claim to the fixtures in dispute.

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THIS COURT ORDERS that if a notice of disclaimer or resiliation is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer or resiliation, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the relevant Applicant and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer or resiliation, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against such Applicant in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

**STAY OF PROCEEDINGS**

18. THIS COURT ORDERS that until and including April 11, 2019, or such later date as this Court may order (the "Stay Period"), no proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), including but not limited to any Pending Litigation and any other Proceeding in relation to any other Tobacco Claim, shall be commenced, continued or take place against or in respect of the Applicants, the ITCAN Subsidiaries, the Monitor, any of their respective employees and representatives acting in that capacity, the Interim Tobacco Claimant Coordinator, or affecting the Business or the Property or the funds deposited pursuant to the Deposit Posting Order except with the written consent of the Applicants and the Monitor, or with leave of this Court, and any and all Proceedings currently under way or directed to take place against or in respect of any of the Applicants or the ITCAN Subsidiaries, any of their respective employees and representatives acting in that capacity or affecting the Business or the Property or the funds deposited pursuant to the Deposit Posting Order are hereby stayed and suspended pending further Order of this Court. All counterclaims, cross-claims and third party claims of the Applicants in the Pending Litigation are likewise subject to this stay of Proceedings during the Stay Period.

19. THIS COURT ORDERS that, during the Stay Period, no Proceeding in Canada that relates in any way to a Tobacco Claim or to the Applicants, the Business or the Property, including the Pending Litigation, shall be commenced, continued or take place against or in respect of any member of the BAT Group except with the written consent of the Applicants and the Monitor, or with leave of this Court, and any and all such Proceedings currently underway or directed to take

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place against or in respect of any member of the BAT Group are hereby stayed and suspended pending further Order of this Court.

20. THIS COURT ORDERS that, to the extent any prescription, time or limitation period relating to any Proceeding against or in respect of the Applicants, the ITCAN Subsidiaries or any member of the BAT Group that is stayed pursuant to this Order may expire, the term of such prescription, time or limitation period shall hereby be deemed to be extended by a period equal to the Stay Period.

**NO EXERCISE OF RIGHTS OR REMEDIES**

21. THIS COURT ORDERS that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "Persons" and each being a "Person") against or in respect of the Applicants, the ITCAN Subsidiaries or the Monitor or their respective employees and representatives acting in that capacity, or affecting the Business or the Property or to obtain the funds deposited pursuant to the Deposit Posting Order (including, for greater certainty, any enforcement process or steps or other rights and remedies under or relating to the Quebec Class Actions against the Applicants, the Property or the ITCAN Subsidiaries), are hereby stayed and suspended except with the written consent of the Applicants and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Applicants or the ITCAN Subsidiaries to carry on any business which the Applicants or the ITCAN Subsidiaries are not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

**NO INTERFERENCE WITH RIGHTS**

22. THIS COURT ORDERS that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Applicants or the ITCAN Subsidiaries, except with the written consent of the Applicants and the Monitor, or leave of this Court.

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**CONTINUATION OF SERVICES**

23. THIS COURT ORDERS that during the Stay Period, all Persons having oral or written agreements with the Applicants or the ITCAN Subsidiaries or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility, customs clearing, warehouse or logistical services or other services to the Business, the Applicants or the ITCAN Subsidiaries, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Applicants or the ITCAN Subsidiaries, and that the Applicants and the ITCAN Subsidiaries shall be entitled to the continued use of their current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Applicants and the ITCAN Subsidiaries in accordance with normal payment practices of the Applicants and the ITCAN Subsidiaries or such other practices as may be agreed upon by the supplier or service provider and the respective Applicant or ITCAN Subsidiary and the Monitor, or as may be ordered by this Court.

**NON-DEROGATION OF RIGHTS**

24. THIS COURT ORDERS that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicants. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

**SALES AND EXCISE TAX CHARGE**

25. THIS COURT ORDERS that the Canadian federal, provincial and territorial authorities that are entitled to receive payments or collect monies from the Applicants in respect of Sales & Excise Taxes (including for greater certainty the Canada Border Services Agency) shall be entitled to the benefit of and are hereby granted a charge (the "Sales and Excise Tax Charge") on the Property, which charge shall not exceed an aggregate amount of \$580 million, as security

for all amounts owing by the Applicants in respect of Sales & Excise Taxes, after taking into consideration any Bonding Collateral posted in respect thereof. The Sales and Excise Tax Charge shall have the priority set out in paragraphs 45 and 47 hereof.

**PROCEEDINGS AGAINST DIRECTORS AND OFFICERS**

26. THIS COURT ORDERS that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicants with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Applicants whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations.

**DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE**

27. THIS COURT ORDERS that the Applicants shall indemnify their directors and officers against obligations and liabilities that they may incur as directors or officers of the Applicants after the commencement of the within proceedings, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

28. THIS COURT ORDERS that the directors and officers of the Applicants shall be entitled to the benefit of and are hereby granted a charge (the "Directors' Charge") on the Property, which charge shall not exceed an aggregate amount of \$16 million, as security for the indemnity provided in paragraph 27 of this Order. The Directors' Charge shall have the priority set out in paragraphs 45 and 47 herein.

29. THIS COURT ORDERS that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the Applicants' directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 27 of this Order.

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 REGISTRAR / GREFFIER

**APPOINTMENT OF MONITOR**

30. THIS COURT ORDERS that FTI Consulting Canada Inc. is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicants with the powers and obligations set out in the CCAA or set forth herein and that the Applicants and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicants pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

31. THIS COURT ORDERS that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the Applicants' receipts and disbursements;
- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (c) advise the Applicants in their preparation of the Applicants' cash flow statements;
- (d) advise the Applicants in their development of the Plan and any amendments to the Plan;
- (e) assist the Applicants, to the extent required by the Applicants, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
- (f) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicants, to the extent that is necessary to adequately assess the Applicants' business and financial affairs or to perform its duties arising under this Order;
- (g) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order;

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assist the Applicants, to the extent required by the Applicants, in its efforts to explore the potential for a resolution of any of the Tobacco Claims;

(i)

consult with the Interim Tobacco Claimant Coordinator in connection with the Interim Tobacco Claimant Coordinator’s mandate, including in relation to any negotiations to settle any Tobacco Claims and the development of the Plan;

be and is hereby appointed to serve as the “foreign representative” of the Applicants in respect of an application to the United States Bankruptcy Court for relief pursuant to Chapter 15 of the United States Bankruptcy Code, 11 U.S.C. §§ 101-1330, as amended; and

(k)

perform such other duties as are required by this Order or by this Court from time to time.

32. THIS COURT ORDERS that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

33. THIS COURT ORDERS that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, “**Possession**”) of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, the *Ontario Occupational Health and Safety Act*, the *Quebec Environment Quality Act*, the *Quebec Act Respecting Occupational Health and Safety* and any regulations under any of the foregoing statutes (the “**Environmental Legislation**”), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the

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Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

34. THIS COURT ORDERS that the Monitor shall provide any creditor of the Applicants and the Interim Tobacco Claimant Coordinator with information provided by the Applicants in response to reasonable requests for information made in writing by such person addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicants is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicants may agree.

35. THIS COURT ORDERS that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

36. THIS COURT ORDERS that the Monitor, counsel to the Monitor and counsel to the Applicants shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Applicants as part of the costs of these proceedings. The Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel to the Monitor and counsel to the Applicants on a bi-weekly basis and, in addition, the Applicants are hereby authorized, *nunc pro tunc*, to pay to the Monitor, counsel to the Monitor and counsel to the Applicants retainers to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

37. THIS COURT ORDERS that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

38. THIS COURT ORDERS that the Monitor, counsel to the Monitor and counsel to the Applicants shall be entitled to the benefit of and are hereby granted a charge (the "Administration Charge") on the Property, which charge shall not exceed an aggregate amount

of \$5 million, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 45 and 47 hereof.

**INTERIM TOBACCO CLAIMANT COORDINATOR**

39. THIS COURT ORDERS that the Hon. Warren K. Winkler Q.C. is hereby appointed, on an interim basis until April 30, 2019 or as may be agreed to by the Applicants and the Monitor (the “**Interim Period**”), as an officer of the Court and shall act as an independent third party (the “**Interim Tobacco Claimant Coordinator**”) to assist and to coordinate the interests of all Persons (other than any defendant or respondent, any of their respective affiliates, and the federal, provincial and territorial governments of Canada) in these proceedings (the “**Tobacco Claimants**”) in connection with the Pending Litigation and any Tobacco Claim (the “**Interim Duties**”).

40. THIS COURT ORDERS that, during the Interim Period, the Interim Tobacco Claimant Coordinator shall be at liberty to, among other things:

(a) retain independent legal counsel and such other advisors and persons as the Interim Tobacco Claimant Coordinator considers necessary or desirable to assist him in relation to the Interim Duties;

(b) consult with Tobacco Claimants, the Monitor, the Applicants and other creditors and stakeholders of the Applicant, including in connection with any recommendations that the Interim Tobacco Claimant Coordinator has in respect of the (i) establishment of a committee of Tobacco Claimants (the “**Tobacco Claimant Committee**”) to consult with and provide input to the Interim Tobacco Claimant Coordinator and the procedures to govern the formation and operation of the Interim Tobacco Claimant Committee; and (ii) procedural mechanisms to be implemented to facilitate the resolution of the Tobacco Claims;

accept a court appointment of similar nature to represent claimants with interests similar to the Tobacco Claimants in any proceedings under the CCAA commenced by a company that is a co-defendant with any of the Applicants in any action

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**VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER**

45. THIS COURT ORDERS that the priorities of the Administration Charge, the Interim Tobacco Claimant Coordinator Charge, the Directors' Charge, and the Sales and Excise Tax Charge (collectively, the "Charges"), as among them, shall be as follows:

- (a) First – Administration Charge (to the maximum amount of \$5 million) and the Interim Tobacco Claimant Coordinator Charge (to the maximum amount of \$1 million), *pari passu*;
- (b) Second – Directors' Charge (to the maximum amount of \$16 million); and
- (c) Third – the Sales and Excise Tax Charge (to the maximum amount of \$580 million).

46. THIS COURT ORDERS that the filing, registration or perfection of the Charges shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

47. THIS COURT ORDERS that each of the Charges shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges encumbrances, and claims of secured creditors, statutory or otherwise (collectively, the "Encumbrances") in favour of any Person in respect of such Property save and except for:

- (a) purchase-money security interests or the equivalent security interests under various provincial legislation and financing leases (that, for greater certainty, shall not include trade payables);
- (b) statutory super-priority deemed trusts and liens for unpaid employee source deductions;
- (c) deemed trusts and liens for any unpaid pension contribution or deficit with respect to the DB Plans, the DC Plan (as such terms are defined in the Thauvette Affidavit) and any of the Applicants' other pension plans, but only to the extent that any such

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DATED AT TORONTO THIS 13 DAY OF March 2019  
 FAIT À TORONTO LE 13 JOUR DE Mars 2019

Registrar: *[Signature]*  
 Greffier: *[Signature]*

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FATA TORONTO LE JOUR DE March 2021

REGISTRAR  
GREFFIER

deemed trusts and liens are statutory super-priority deemed trusts and liens afforded priority by statute over all pre-existing Encumbrances granted or created by contract; and

liens for unpaid municipal property taxes or utilities that are given first priority over other liens by statute.

48. THIS COURT ORDERS that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges unless the Applicants also obtain the prior written consent of the Monitor and the beneficiaries of the Charges affected thereby (collectively, the “Charges”), or further Order of this Court.

49. THIS COURT ORDERS that each of the Charges shall not be rendered invalid or unenforceable and the rights and remedies of the Chargees thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to the *Bankruptcy and Insolvency Act* (“BIA”), or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an “Agreement”) which binds the Applicants, and notwithstanding any provision to the contrary in any Agreement:

- (a) the creation of the Charges shall not create or be deemed to constitute a breach by the Applicants of any Agreement to which it is a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charges; and

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(c) the payments made by the Applicants pursuant to this Order and the granting of the Charges do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

THIS COURT ORDERS that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Applicants' interest in such real property leases.

**SERVICE AND NOTICE**

51. THIS COURT ORDERS that the Monitor shall (i) without delay, publish in The Globe and Mail (National Edition) and La Presse a notice containing the information prescribed under the CCAA as well as the date of the Comeback Motion (as defined below) and advising of the appointment of the Interim Tobacco Claimant Coordinator, (ii) within five days after the date of this Order or as soon as reasonably practicable thereafter, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice (which shall include the date of the Comeback Motion) to every known creditor who has a claim (contingent, disputed or otherwise) against the Applicants of more than \$5,000, except with respect to (I) Tobacco Claimants, in which cases the Monitor shall only send a notice to the Interim Tobacco Claimant Coordinator and to counsel of record in the applicable Pending Litigation (if any) and (II) in the case of beneficiaries of the DB Plans, the DC Plan (as such terms are defined in the Thauvette Affidavit) and any of the Applicants' other pension plans, in which case the Monitor shall only send a notice to the trustees of each of the DB Plans, the DC Plan and the Applicants' other pension plans, and the Retraite Québec, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder. The list referenced in subparagraph (C) above shall not include the names, addresses or estimated amounts of the claims of those creditors who are individuals or any personal information in respect of an individual.

52. THIS COURT ORDERS that notice of the appointment of the Interim Tobacco Claimant Coordinator shall be provided to the Tobacco Claimants by:

- (a) notice on the Case Website (as defined herein) posted by the Monitor;

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 REGISTRAR *Angela Bellini*  
 GREFFIER

(b)

advertisements published without delay by the Monitor in The Globe and Mail (National Edition) and La Presse, which advertisements shall be in addition to the advertisement required under paragraph 51 hereof, and which shall be run on two non-consecutive days following the day on which the advertisement set out in paragraph 51 is run; and

delivery by the Applicants of a copy of this Order to counsel of record in the applicable Pending Litigation, who shall thereafter (i) post notice of the appointment of the Interim Tobacco Claimant Coordinator on their respective websites and (ii) deliver notice of the appointment of the Interim Tobacco Claimant Coordinator to each representative plaintiff;

53. THIS COURT ORDERS that notice of any motions or other proceedings to which the Tobacco Claimants are entitled or required to receive in these CCAA proceedings and in respect of which the Interim Tobacco Claimant Coordinator has the authority to represent the Tobacco Claimants may be served on the Interim Tobacco Claimant Coordinator and, unless the Court has ordered some other form of service, such service will constitute sufficient service and any further service on Tobacco Claimants is dispensed with.

54. THIS COURT ORDERS that the E-Service Guide of the Commercial List (the "Guide") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Guide (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/eservice-commercial/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 13 of the Guide, service of documents in accordance with the Guide will be effective on transmission. This Court further orders that a Case Website shall be established by the Monitor in accordance with the Guide with the following URL: <http://cfcanada.fticonsulting.com/imperialtobacco> ("Case Website").

55. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Guide is not practicable, the Applicants and the Monitor are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, and any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier,

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*Roy Wilton*  
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GREFFIER

personal delivery, facsimile or other electronic transmission to the Applicants' creditors or other interested parties at their respective addresses as last shown on the records of the Applicants and that any such service or distribution by courier, personal delivery, facsimile or other electronic transmission shall be deemed to be received on the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

56. THIS COURT ORDERS that the Applicants are authorized to rely on the notice provided in paragraph 51 to provide notice of the comeback motion to be heard on a date to be set by this Court upon the granting of this Order (the "Comeback Motion") and shall only be required to serve motion materials relating to the Comeback Motion, in accordance with the Guide, upon those parties who serve a Notice of Appearance in this proceeding prior to the date of the Comeback Motion.

57. THIS COURT ORDERS that the Monitor shall create, maintain and update as necessary a list of all Persons appearing in person or by counsel in this proceeding (the "Service List"). The Monitor shall post the Service List, as may be updated from time to time, on the Case Website as part of the public materials to be recorded thereon in relation to this proceeding. Notwithstanding the foregoing, the Monitor shall have no liability in respect of the accuracy of or the timeliness of making any changes to the Service List. The Monitor shall manage the scheduling of all motions that are brought in these proceedings.

58. THIS COURT ORDERS that the Applicants and the Monitor and their counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the Applicants' creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of clause 3(c) of the Electronic Commerce Protection Regulations, Reg. 8100 2-175 (SOR/DORS).

**GENERAL**

59. THIS COURT ORDERS that the Applicants or the Monitor may from time to time apply to this Court to amend, vary, supplement or replace this Order or for advice and directions

DATED AT TORONTO THIS 13 DAY OF March 20 19  
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concerning the discharge of their respective powers and duties under this Order or the interpretation or application of this Order.

60. THIS COURT ORDERS that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Applicants, the Business or the Property.

61. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, in the United States or any other country, 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.

62. THIS COURT ORDERS that each of the Applicants and the Monitor be at liberty and is 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.

63. THIS COURT ORDERS that any interested party (including the Applicants, BAT, BATIF, and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

64. 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 (the "Effective Time") and that from the Effective Time to the time of the granting of this Order any action taken or notice given by any creditor of the Applicants or by any other Person to commence or continue any enforcement, realization, execution or other remedy of any kind whatsoever against the Applicant,

the Property, the Business or the funds deposited pursuant to the Deposit Posting Order shall be deemed not to have been taken or given, as the case may be.



SUPERIOR COURT OF JUSTICE  
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*Kay Williams*  
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*[Signature]*  
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**SCHEDULE "A"  
PENDING LITIGATION**

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*Russ Mullins*  
REGISTRAR GREFFIER

**A. Medicaid Claim Litigation**

	Jurisdiction	File Date & Court File No.	Plaintiff(s)	Defendant(s)
1.	Alberta	June 8, 2012; 1201-07314 (Calgary)	Her Majesty in Right of Alberta	Altria Group, Inc.; B.A.T Industries p.l.c.; British American Tobacco (Investments) Limited; British American Tobacco p.l.c.; Canadian Tobacco Manufacturers Council; Carreras Rothmans Limited; Imperial Tobacco Canada Limited; JTI-MacDonald Corp.; Philip Morris International, Inc.; Philip Morris USA, Inc.; R.J. Reynolds Tobacco Company; R.J. Reynolds Tobacco International, Inc.; Rothmans, Benson & Hedges Inc.; and Rothmans Inc.
2.	British Columbia	January 24, 2001, further amended February 17, 2011; S010421 (Vancouver)	Her Majesty the Queen in right of British Columbia	Imperial Tobacco Canada Limited, Rothmans, Benson & Hedges Inc., Rothmans Inc., JTI-Macdonald Corp., Canadian Tobacco Manufacturers' Council, B.A.T Industries p.l.c., British American Tobacco (Investments) Limited, Carreras Rothmans Limited, Philip Morris Incorporated, Philip Morris International, Inc., R. J. Reynolds Tobacco Company, R. J. Reynolds Tobacco International, Inc., Rothmans International Research Division and Ryesekks p.l.c.
3.	Manitoba	May 31, 2012, amended October 16, 2012; CI 12-01-78127 (Winnipeg)	Her Majesty the Queen in right of the Province of Manitoba	Rothmans, Benson & Hedges Inc., Rothmans, Inc., Altria Group, Inc., Philip Morris U.S.A. Inc., Philip Morris International, Inc., JTI-MacDonald Corp., R.J. Reynolds Tobacco Company, R.J. Reynolds Tobacco International Inc., Imperial Tobacco Canada Limited, British American Tobacco p.l.c., B.A.T Industries p.l.c., British American Tobacco (Investments) Limited, Carreras Rothmans Limited, and Canadian Tobacco Manufacturers' Council
4.	New Brunswick	March 13, 2008; F/C/88/08 (Fredericton)	Her Majesty the Queen in right of the Province of New Brunswick	Rothmans Inc., Rothmans, Benson & Hedges Inc., Carreras Rothmans Limited, Altria Group, Inc., Phillip Morris U.S.A. Inc., Phillip Morris International Inc., JTI-MacDonald Corp., R.J. Reynolds Tobacco Company, R.J. Reynolds Tobacco International Inc., Imperial Tobacco Canada Limited, British American Tobacco p.l.c., B.A.T Industries p.l.c., British American Tobacco (Investments) Limited and Canadian Tobacco Manufacturers' Council

	Jurisdiction	File Date & Court File No.	Plaintiff(s)	Defendant(s)
5.	Newfoundland and Labrador	February 8, 2011, amended June 4, 2014; 01G. No. 0826 (St. John's)	Attorney General of Newfoundland and Labrador	Rothmans Inc., Rothmans, Benson & Hedges Inc., Carreras Rothmans Limited, Altria Group, Inc., Philip Morris USA Inc, Philip Morris International Inc., JTI-MacDonald Corp., RJ Reynolds Tobacco Company, RJ Reynolds Tobacco International Inc., Imperial Tobacco Canada Limited, British American Tobacco p.l.c., B.A.T Industries p.l.c, British America Tobacco (Investments) Limited and Canadian Tobacco Manufacturers' Council
6.	Nova Scotia	January 2, 2015; 434868/737868 (Halifax)	Her Majesty The Queen in Right of the Province of Nova Scotia	Rothmans, Benson & Hedges Inc., Rothmans Inc., Altria Group, Inc., Philip Morris U.S.A. Inc, Philip Morris International Inc., JTI-MacDonald Corp., R.J. Reynolds Tobacco Company, R.J. Reynolds Tobacco International Inc., Imperial Tobacco Canada Limited, British American Tobacco p.l.c., B.A.T Industries p.l.c., British American Tobacco (Investments) Limited, Carreras Rothmans Limited and Canadian Tobacco Manufacturers' Council.
7.	Ontario	Amended December 11, 2009, amended as amended August 25, 2010, fresh as amended March 28, 2014, amended fresh as amended, April 20, 2016; CV-09-387984 (Toronto)	Her Majesty the Queen in right of Ontario	Rothmans Inc., Rothmans, Benson & Hedges Inc., Carreras Rothmans Limited, Altria Group, Inc., Phillip Morris U.S.A. Inc., Phillip Morris International Inc., JTI-MacDonald Corp., R.J. Reynolds Tobacco Company, R.J. Reynolds Tobacco International Inc., Imperial Tobacco Canada Limited, British American Tobacco p.l.c., B.A.T Industries p.l.c., British American Tobacco (Investments) Limited and Canadian Tobacco Manufacturers' Council
8.	Prince Edward Island	September 10, 2012, amended October 17, 2012; SI GS-25019 (Charlottetown)	Her Majesty the Queen in right of the Province of Prince Edward Island	Rothmans, Benson & Hedges Inc., Rothmans Inc., Altria Group, Inc., Philip Morris U.S.A. Inc., Philip Morris International, Inc., JTI-MacDonald Corp., R.J. Reynolds Tobacco Company, R.J. Reynolds Tobacco International Inc., Imperial Tobacco Canada Limited, British American Tobacco p.l.c., B.A.T Industries p.l.c., British American Tobacco (Investments) Limited, Carreras Rothmans Limited, and Canadian Tobacco Manufacturers' Council
9.	Québec	June 8, 2012; 500-17-	Procureur général du Québec	Impérial Tobacco Canada Limitée, B.A.T Industries p.l.c., British American Tobacco (Investments) Limited, Carreras Rothmans Limited, Rothmans, Benson & Hedges, Philip Morris USA Inc., Philip Morris International

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 REGISTRAR GREFFIER

	Jurisdiction	File Date & Court File No.	Plaintiff(s)	Defendant(s)
				Inc., JTI-MacDonald Corp., R.J. Reynolds Tobacco Company, R.J. Reynolds Tobacco International, Inc., et Conseil Canadien de Fabricants des Produits du Tabac
10.	Saskatchewan	Amended October 5, 2012; Q.B. 8712012 (Saskatoon)	The Government of Saskatchewan	Rothmans, Benson & Hedges Inc., Rothmans Inc., Altria Group, Inc., Philip Morris International, Inc., JTI-Macdonald Corp., R.J. Reynolds Tobacco Company, R.J. Reynolds Tobacco International Inc., Imperial Tobacco Canada Limited, British American Tobacco p.l.c., B.A.T Industries p.l.c., British American Tobacco (Investments) Limited, Carreras Rothmans Limited, and Canadian Tobacco Manufacturers' Council

**B. Tobacco Claim Litigation – Certified and Proposed Class Actions**

	Jurisdiction	Date Filed; Court File No.	(Representative) Plaintiff	Defendant(s)
1.	Alberta	June 15, 2009; 0901-08964 (Calgary)	Linda Dorion	Canadian Tobacco Manufacturers' Council, B.A.T Industries p.l.c., British American Tobacco (Investments) Limited, British American Tobacco p.l.c., Imperial Tobacco Canada Limited, Altria Group, Inc., Phillip Morris Incorporated, Phillip Morris International, Inc., Phillip Morris U.S.A. Inc., R.J. Reynolds Tobacco Company, R.J. Reynolds Tobacco, International, Inc., Carreras Rothmans Limited, JTI-MacDonald Corp., Rothmans, Benson & Hedges Inc., Rothmans Inc., Ryesekks p.l.c.
2.	British Columbia	May 8, 2003; L 031300 (Vancouver)	John Smith (a.k.a., Kenneth Knight)	Imperial Tobacco Canada Ltd.
3.	British Columbia	June 25, 2010; 10-2780 (Victoria)	Barbara Bourassa on behalf of the Estate of Mitchell David Bourassa	Imperial Tobacco Canada Limited, B.A.T Industries p.l.c., British American Tobacco (Investments) Limited, British American Tobacco p.l.c., Altria Group, Inc. Phillip Morris International, Inc., Phillip Morris U.S.A. Inc., R.J. Reynolds Tobacco Company, R.J. Reynolds Tobacco International, Inc., Carreras Rothmans Limited, JTI-MacDonald Corp., Rothmans, Benson & Hedges Inc., Rothmans Inc., Ryesekks p.l.c. and Canadian Tobacco Manufacturers' Council <sup>1</sup>

<sup>1</sup> British American Tobacco p.l.c. and Carreras Rothmans Limited have been released from

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*Kary Williams*  
 REGISTRAR  
*Paul Williams*  
 GREFFIER

	Jurisdiction	Date Filed; Court File No.	(Representative) Plaintiff	Defendant(s)
4.	British Columbia	June 25, 2010; 10-2769 (Victoria)	Roderick Dennis McDermid	Imperial Tobacco Canada Limited, B.A.T Industries p.l.c., British American Tobacco (Investments) Limited, British American Tobacco p.l.c., Altria Group, Inc., Phillip Morris International, Inc., Phillip Morris U.S.A. Inc., R.J. Reynolds Tobacco Company, R.J. Reynolds Tobacco International, Inc., Carreras Rothmans Limited, JTI-MacDonald Corp., Rothmans, Benson & Hedges Inc., Rothmans Inc., Ryesekks p.l.c. and Canadian Tobacco Manufacturers' Council <sup>2</sup>
5.	Manitoba	June 2009; CI09-01-61479 (Winnipeg)	Deborah Kunta	Canadian Tobacco Manufacturers' Council, B.A.T Industries p.l.c., British American Tobacco (Investments) Limited, British American Tobacco p.l.c., Imperial Tobacco Canada Limited, Altria Group, Inc., Phillip Morris Incorporated, Phillip Morris International Inc., Phillip Morris U.S.A. Inc., R.J. Reynolds Tobacco Company, R.J. Reynolds Tobacco, International, Inc., Carreras Rothmans Limited, JTI-MacDonald Corp., Rothmans, Benson & Hedges Inc., Rothmans Inc and Ryesekks p.l.c.
6.	Nova Scotia	June 18, 2009; 312869 2009 (Halifax)	Ben Semple	Canadian Tobacco Manufacturers' Council, B.A.T Industries p.l.c., British American Tobacco (Investments) Limited, British American Tobacco p.l.c., Imperial Tobacco Canada Limited, Altria Group, Inc., Phillip Morris Incorporated, Phillip Morris International, Inc., Phillip Morris U.S.A. Inc., R.J. Reynolds Tobacco Company, R.J. Reynolds Tobacco, International, Inc., Carreras Rothmans Limited, JTI-MacDonald Corp., Rothmans, Benson & Hedges Inc., Rothmans Inc., Ryesekks p.l.c.
7.	Ontario	December 2, 2009; 64757 (London)	The Ontario Flue-Cured Tobacco Growers' Marketing Board, Andy J. Jacko, Brian Baswick, Ron Kichler and Arpad Dobrentey	Imperial Tobacco Canada Limited, which is to be heard together with similar actions against Rothmans, Benson & Hedges Inc., and JTI-MacDonald Corp.
8.	Ontario	June 27, 2012; 53794/12 (St. Catharines)	Suzanne Jacklin	Canadian Tobacco Manufacturers' Council, B.A.T Industries p.l.c., British American Tobacco (Investments) Limited, British American Tobacco p.l.c., Imperial Tobacco Canada Limited, Altria Group, Inc., Phillip Morris Incorporated, Phillip Morris International Inc., Phillip Morris U.S.A. Inc.,

<sup>2</sup> British American Tobacco p.l.c. and Carreras Rothmans Limited have been released

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*Kay Williams*  
 REGISTRAR  
 GREFFIER



		183165-CP00 (Toronto)		
4.	Ontario	June 30, 2003; 1442/03 (London)	Scott Landry	Imperial Tobacco Canada Limited
5.	Ontario	June 12, 1997; 21513/97 (North York)	Joseph Battaglia	Imperial Tobacco Canada Limited
6.	Quebec	December 8, 2016; 750-32- 700014-163 (Saint- Hyacinthe)	Roland Bergeron	Imperial Tobacco Canada Limited

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REGISTRAR

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**SCHEDULE "B"**  
**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.  
Liggett & Myers Tobacco Company of Canada Limited

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**SCHEDULE "C"**  
**HEALTH CARE COSTS RECOVERY LEGISLATION**

Jurisdiction	Statute
Alberta	<i>Crown's Right of Recovery Act, SA 2009, c C-35</i>
British Columbia	<i>Tobacco Damages and Health Care Costs Recovery Act, SBC 2000, c 30</i>
Manitoba	<i>The Tobacco Damages Health Care Costs Recovery Act, SM 2006, c 18</i>
New Brunswick	<i>Tobacco Damages and Health Care Costs Recovery Act, SNB 2006, c T-7.5</i>
Newfoundland and Labrador	<i>Tobacco Health Care Costs Recovery Act, SNL 2001, c T-4.2</i>
Nova Scotia	<i>Tobacco Health-Care Costs Recovery Act, SNS 2005, c 46</i>
Northwest Territories	Proclaimed but not yet in force: <i>Tobacco Damages and Health Care Costs Recovery Act, SNWT 2011, c 33</i>
Nunavut	Proclaimed but not yet in force: <i>Tobacco Damages and Health Care Costs Recovery Act, SNu 2010, c 31</i>
Ontario	<i>Tobacco Damages and Health Care Costs Recovery Act, 2009, SO 2009, c 13</i>
Prince Edward Island	<i>Tobacco Damages and Health Care Costs Recovery Act, SPEI 2009, c 22</i>
Québec	<i>Tobacco-related Damages and Health Care Costs Recovery Act, 2009, CQLR c R-2.2.0.0.1</i>
Saskatchewan	<i>The Tobacco Damages and Health Care Costs Recovery Act, SS 2007, c T-14.2</i>
Yukon	N/A

THIS IS TO CERTIFY THAT THIS DOCUMENT, EACH PAGE OF WHICH IS STAMPED WITH THE SEAL OF THE SUPERIOR COURT OF JUSTICE AT TORONTO, IS A TRUE COPY OF THE DOCUMENT ON FILE IN THIS OFFICE

LA PRÉSENT ATTEST QUE CE DOCUMENT, DONT CHACUNE DES PAGES EST REVÊTUE DU SCEAU DE LA COUR SUPÉRIEURE DE JUSTICE A TORONTO, EST UNE COPIE CONFORME DU DOCUMENT CONSERVÉ DANS CE BUREAU

DATED AT TORONTO THIS 13 DAY OF March 20 19  
FAIT A TORONTO LE 13 JOUR DE March 20 19

*[Signature]*  
REGISTRAR

GREFFIER

IN THE MATTER OF the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended Court File No:

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

INITIAL ORDER

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

Deborah Glendinning (LSO# 31070N)  
Marc Wasserman (LSO# 44066M)  
John A. MacDonald (LSO# 25884R)  
Michael De Lellis (LSO# 48038U)

Tel: (416) 362-2111  
Fax: (416) 862-6666

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

Matter No: 1144377

**EXHIBIT B**

**STATEMENT IDENTIFYING FOREIGN  
PROCEEDINGS PURSUANT TO 11 U.S.C. § 1515(c)**

**Bracewell LLP**

1251 Avenue of the Americas  
New York, NY 10020-1100  
Telephone: (212) 508-6100  
Facsimile: (212) 508-6101  
Jennifer Feldsher  
Mark E. Dendinger

*Attorneys for FTI Consulting Canada Inc.  
In its Capacity as Monitor and Foreign Representative for the Debtor*

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

In re:

IMPERIAL TOBACCO CANADA LIMITED,

Debtor in a Foreign Proceeding.

Chapter 15

Case No. 19-10771 (\_\_\_)

**STATEMENT IDENTIFYING FOREIGN  
PROCEEDINGS PURSUANT TO 11 U.S.C. § 1515(c)**

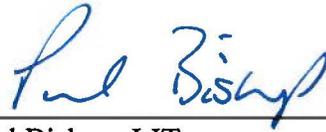
FTI Consulting Canada Inc. (the “Monitor”) is the Canadian Court-appointed monitor for Imperial Tobacco Canada Limited (“Debtor”) in a proceeding under Canada’s *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, pending before the Ontario Superior Court of Justice (Commercial List) at Toronto (the “Canadian Proceeding”). The Monitor is the duly authorized foreign representative of the Debtor as defined by section 101(24) of title 11 of the United States Code (the “Bankruptcy Code”). On March 13, 2019, the Monitor commenced this Chapter 15 case (the “Chapter 15 Case”) by filing, on behalf of the Debtor and pursuant to sections 1504 and 1515 of the Bankruptcy Code, the *Verified Chapter 15 Petition for Recognition of Foreign Main Proceeding and Related Relief* along with the Official Form 401 (*Chapter 15 Petition for Recognition of a Foreign Proceeding*).

Pursuant to 11 U.S.C. § 1515(c), the Monitor respectfully represents that the Canadian Proceeding is the only foreign proceeding (as such term is defined in section 101(23) of the Bankruptcy Code) pending with respect to the Debtor that is known to the Monitor.

*[Remainder of Page Intentionally Left Blank]*

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct to the best of my knowledge, information and belief.

Date: March 13, 2019  
Toronto, Canada



---

Paul Bishop, LIT  
*Senior Managing Director*  
FTI Consulting Canada Inc.

**EXHIBIT C**

**Bracewell LLP**

1251 Avenue of the Americas  
New York, NY 10020-1100  
Telephone: (212) 508-6100  
Facsimile: (212) 508-6101  
Jennifer Feldsher  
Mark E. Dendinger

*Attorneys for FTI Consulting Canada Inc.  
In its Capacity as Monitor and Foreign Representative for the Debtor*

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

In re:

IMPERIAL TOBACCO CANADA  
LIMITED,

Debtor in a Foreign Proceeding.

Chapter 15

Case No. 19-10771 (\_\_\_)

**LIST PURSUANT TO BANKRUPTCY RULE 1007(a)(4)**

FTI Consulting Canada Inc. (the “Monitor”) is the Court-appointed monitor for Imperial Tobacco Canada Limited (the “Debtor”) in a proceeding under Canada’s *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, pending before the Ontario Superior Court of Justice (Commercial List) at Toronto (the “Canadian Proceeding”). The Monitor is the duly authorized foreign representative of the Debtor as defined by section 101(24) of title 11 of the United States Code (the “Bankruptcy Code”). On March 13, 2019, the Monitor commenced this Chapter 15 case (the “Chapter 15 Case”) by filing, on behalf of the Debtor and pursuant to sections 1504 and 1515 of the Bankruptcy Code, the *Verified Chapter 15 Petition for Recognition of Foreign Main Proceeding and Related Relief* along with Official Form 401 (*Chapter 15 Petition for Recognition of a Foreign Proceeding*).

The Monitor hereby files this list pursuant to Rule 1007(a)(4) of the Federal Rules of Bankruptcy Procedure and respectfully states as follows:

**Administrators in Foreign Proceeding Concerning the Debtor**

1. The Monitor is the foreign representative, as that term is defined in section 101(24) of the Bankruptcy Code, because it has been authorized by court order in the Canadian Proceeding to act as the foreign representative for the Debtor and to prosecute this Chapter 15 Case. Canadian Order for Relief ¶ 63.

2. The Monitor believes that, other than the Canadian Proceeding and this Chapter 15 Case, there are no foreign proceedings pending with respect to the Debtor.

3. The Monitor's address is:

TD South Tower  
79 Wellington Street West  
Suite 2010, P.O. Box 104  
Toronto ON M5K 1G8  
Canada

**Parties to Litigation Pending in the United States in Which the Debtor is a Party**

4. There are currently no cases in the United States to which the Debtor is a Party, however, the Debtor's subsidiary, Imperial Tobacco Company Limited, is a party to *Ashlynn Mktg. Grp., Inc. v. Imperial Tobacco Ltd. et al.*, Docket No. 3:16-cv-01001 (S.D. Cal. Apr. 25, 2016).

**Entities Against Which Provisional Relief Is Sought Pursuant to 11 U.S.C. § 1519**

5. The Monitor seeks provisional relief on behalf of the Debtor to stay the execution of assets of the Debtor and the application of section 362 of the Bankruptcy Code in the Debtor's Chapter 15 Case on a provisional basis, against all known creditors of the Debtor and other interested parties, including without limitation, the following persons:

- Celadon Trucking Services, Inc.  
One Celadon Drive

9503 East 33<sup>rd</sup> Street  
Indianapolis, IN 46235  
Attn: Chase Welsh, Executive Vice President, General Counsel and Secretary  
Attn: Kenneth L. Core, Registered Agent

- DIAMOND CENTER ONE, LLC  
4832 Richmond Road Suite 100  
Cleveland, OH 44128  
Attn: General Counsel

*With copy to:*

1932 Service Corp.  
1301 E. Ninth Street, Suite 3500  
Cleveland, OH 44114

- D S D PROPERTIES, LLC  
300 Main Street  
Shelby, MT 59474  
Attn: Stuart Howell, Registered Agent

*With copy to:*

Cleveland FTZ  
30339 Diamond Parkway  
Glenwillow, Ohio  
44139

*And to:*

Shelby FTZ  
400 North Industrial Park Rd  
Shelby, MT 59474

- Ryder Dedicated  
30 Pedigree Court, Unit 1  
Brampton, ON L6T 5T8  
Canada  
Attn: Legal Counsel
- Ryder Integrated Logistics, a division of Ryder Truck Rental Canada Ltd.

*Notice to:*

Ryder Truck Rental Canada Ltd.  
2233 Argentia Road

Suite 302  
Mississauga, Ontario  
L5N 2X7  
Attention: Vice-President and General Manager

*With a copy to:*

Ryder Truck Rental Canada Ltd.  
2233 Argentia Road  
Suite 300  
Mississauga, Ontario  
L5N 2X7  
Attention: General Counsel

*And to:*

Ryder System, Inc.  
11690 NW 105 Street  
Miami, FL  
33178-1103  
Attention: General Counsel

- UPS-SCS  
1221 32<sup>nd</sup> Avenue  
Bureau 401  
Lachine, QC H8T 3H2  
Canada  
Attn: Legal Counsel

*With copy to:*

UPS Supply Chain Solutions  
12380 Morris Road  
Alpharetta, GA 30005  
Attn: Legal Counsel

*And to:*

Corporation Service Company  
40 Technology Parkway South, Suite 300  
Norcross, GA 30092  
Attn: Registered Agent for UPS-SCS

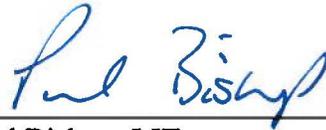
- New York State Department of Environmental Conservation  
c/o Commissioner  
625 Broadway

Albany, New York 12233-0001

- BKK Working Group  
c/o Douglas Gravelle  
Hinson Gravelle & Adair LLP  
28470 Avenue Stanford  
Suite 350  
Valencia, CA 91355  
Counsel for BKK Working Group: Douglas Gravelle
- PointTrade Services, Inc.  
Corporate Office  
1518 Jenks Avenue  
Panama City, FL 32405
- Trudel Johnston & Lespérance  
750, Côte de la Place d'Armes  
Bureau 90, Montréal QC H2Y 2X8
- Kugler Kandestin  
1 Place Ville-Marie  
Suite 1170  
Montréal, Québec  
Canada H3B 2A7
- Fishman Flanz Meland Paquin LLP  
1250 boul. René-Lévesque Ouest  
Suite 4100  
Montreal, QC H3B 4W8  
Avram Fishman
- Chaitons LLP  
5000 Yonge Street, 10th Floor Toronto, ON M2N 7E9  
Attention: Harvey Chaiton  
Tel: (416) 218-1129
- The Individual Provisional Relief List, *filed separately*

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct to the best of my knowledge, information and belief.

Date: March 13, 2019  
Toronto, Canada



---

Paul Bishop, LIT  
*Senior Managing Director*  
FTI Consulting Canada Inc.

**EXHIBIT D**

**Bracewell LLP**

1251 Avenue of the Americas  
New York, NY 10020-1100  
Telephone: (212) 508-6100  
Facsimile: (212) 508-6101  
Jennifer Feldsher  
Mark E. Dendinger

*Attorneys for FTI Consulting Canada Inc.  
In its Capacity as Monitor and Foreign Representative for the Debtor*

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

In re:

IMPERIAL TOBACCO CANADA LIMITED,

Debtor in a Foreign Proceeding.

Chapter 15

Case No. 19-10771(\_\_\_\_)

**CORPORATE OWNERSHIP STATEMENT  
PURSUANT TO BANKRUPTCY RULES 1007(a)(4) and 7007.1**

FTI Consulting Canada Inc., (the “Monitor”) is the Court-appointed monitor for Imperial Tobacco Canada Limited (the “Debtor”) in a proceeding under Canada’s *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, pending before the Ontario Superior Court of Justice (Commercial List) at Toronto (the “Canadian Proceeding”). The Monitor is the duly authorized foreign representative of the Debtor as defined by section 101(24) of title 11 of the United States Code (the “Bankruptcy Code”). On March 13, 2019, the Monitor commenced this Chapter 15 case (the “Chapter 15 Case”) by filing, on behalf of the Debtor and pursuant to sections 1504 and 1515 of the Bankruptcy Code, the *Verified Chapter 15 Petition for Recognition of Foreign Main Proceeding and Related Relief* and Official Form 401 (*Chapter 15 Petition for Recognition of a Foreign Proceeding*).

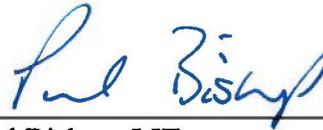
The Monitor hereby files this Corporate Ownership Statement pursuant to Rules 1007(a)(4) and 7007.1 of the Federal Rules of Bankruptcy Procedure and states that the following “corporations,” as such term is defined in the Bankruptcy Code, are known to the Monitor to directly or indirectly own 10% or more of any class of the Debtor’s equity interests:

- British American Tobacco International (Holdings) B.V. *(100% owner of Debtor)*
- Weston Investment Co. Ltd. *(100% owner of British American Tobacco International (Holdings) B.V.)*
- Weston (2009) Ltd. *(100% owner of Weston Investment Co. Ltd.)*
- British American Tobacco (2009) Ltd. *(100% owner of Weston (2009) Ltd.)*
- British American Tobacco (2012) Ltd. *(100% owner of British American Tobacco (2009) Ltd.)*
- British American Tobacco (1998) Ltd. *(100% owner of British American Tobacco (2012) Ltd.)*
- British American Tobacco, p.l.c. *(100% owner of British American Tobacco (1998) Ltd.)*

*[Remainder of Page Intentionally Left Blank]*

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct to the best of my knowledge, information and belief.

Date: March 13, 2019  
Toronto, Canada

A handwritten signature in blue ink that reads "Paul Bishop". The signature is written in a cursive style with a horizontal line underneath it.

Paul Bishop, LIT  
*Senior Managing Director*  
FTI Consulting Canada Inc.

**EXHIBIT E**

**Bracewell LLP**

1251 Avenue of the Americas  
New York NY 10020-1100  
Telephone: (212) 508-6100  
Facsimile: (212) 508-6101  
Jennifer Feldsher  
Mark E. Dendinger

*Attorney for FTI Consulting Canada Inc.  
In its Capacity as Monitor and Foreign Representative for the Debtor*

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

In re:

IMPERIAL TOBACCO CANADA  
LIMITED,

Debtor in a Foreign Proceeding.

Chapter 15

Case No. 19-10771( )

**ORDER RECOGNIZING FOREIGN MAIN  
PROCEEDING AND GRANTING RELATED RELIEF**

This matter was brought by FTI Consulting Canada Inc., in its capacity as the Court-appointed monitor<sup>1</sup> (the “Monitor”) and duly authorized foreign representative for Imperial Tobacco Canada Limited (the “Debtor”), upon its filing, on behalf of the Debtor, of the *Verified Chapter 15 Petition for Recognition of Foreign Main Proceeding* (the “Verified Petition”)<sup>2</sup> pursuant to sections 1504 and 1515 of title 11 of the United States Code (the “Bankruptcy Code”), commencing the above-captioned Chapter 15 case (the “Chapter 15 Case”).

<sup>1</sup> FTI was appointed as Monitor pursuant to Canada’s *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, by order dated March 12, 2019.

<sup>2</sup> Capitalized terms used but not otherwise defined herein have the meaning ascribed to them in the Verified Petition.

The Court has reviewed the Verified Petition along with the other papers, pleadings and exhibits submitted by the Monitor in support of the Verified Petition (collectively, the “Supporting Papers,”) including, among other things, (a) the Declaration of Paul Bishop in Support of (I) Verified Chapter 15 Petition for Recognition of Foreign Main Proceeding and Related Relief, (II) Application for an Order Scheduling Recognition Hearing, Specifying Deadline for Filing Objections and Specifying Form and Manner of Notice (the “Notice Application”) and, (III) *Ex Parte* Application for Temporary Restraining Order and Relief Pursuant to Sections 1519 and 105(a) of the Bankruptcy Code (the “Bishop Declaration”) and the (b) Memorandum of Law in support of the Verified Petition.

For good cause shown, including the record created at the March [ ], 2019 Recognition Hearing, the Court finds and concludes as follows:

- A. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334.
- B. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(P).
- C. Venue is proper before this Court pursuant to 28 U.S.C. § 1410.
- D. Good, sufficient, appropriate and timely notice of the filing of the Verified Petition and the hearing on the Verified Petition has been given pursuant to Local Rules 2002-4 and 9078-1 and Rule 2002(q)(1) of the Federal Rules of Bankruptcy Procedure.
- E. The Chapter 15 Case was properly commenced pursuant to sections 1504 and 1515 of the Bankruptcy Code.
- F. Pursuant to section 1517(a)(2) of the Bankruptcy Code, the Monitor is a “person” within the meaning of section 101(41) of the Bankruptcy Code, and the Monitor is the duly appointed foreign representative of the Debtor within the meaning of section 101(24) of the Bankruptcy Code.

G. The Canadian Proceeding currently pending before the Canadian Court is a “foreign proceeding” within the meaning of section 101(23) of the Bankruptcy Code.

H. The Canadian Proceeding is pending in Canada, where the Debtor’s “center of main interests,” as that term is used in section 1517(b)(1) of the Bankruptcy Code, is located, and, accordingly, the Canadian Proceeding is a “foreign main proceeding” pursuant to section 1502(4) of the Bankruptcy Code and is entitled to recognition pursuant to sections 1517(a) and 1517(b)(1) of the Bankruptcy Code.

I. The Debtor is entitled to all of the relief provided under sections 1520 and 1521(a)(1) and (2) of the Bankruptcy Code, without limitation, because those protections are necessary to effectuate the purposes of Chapter 15 of the Bankruptcy Code and to protect the assets of the Debtor and the interests of the Debtor’s creditors and stakeholders.

Therefore, it is hereby ordered that:

1. The Verified Petition is **GRANTED**.
2. The Verified Petition meets the requirements of section 1515 of the Bankruptcy Code and Bankruptcy Rule 1007(a)(4).
3. The Canadian Proceeding is recognized as a “foreign main proceeding” (as defined in section 1502(a)(4) of the Bankruptcy Code) pursuant to sections 1517(a) and 1517(b)(1) of the Bankruptcy Code.
4. The Monitor is recognized, on a final basis, as the “foreign representative” as defined in section 101(24) of the Bankruptcy Code.
5. The Debtor is entitled to all of the relief provided under sections 1520 and 1521 of the Bankruptcy Code, without limitation.

6. Pursuant to sections 1520 and 1521 of the Bankruptcy Code, and, as necessary, sections 105(a) and 1507 of the Bankruptcy Code, the Canadian Order for Relief is hereby given full force and effect in the United States.

7. The Debtor is authorized to maintain its U.S. assets, business operations, supply chain, inventory management and distribution processes in the ordinary course of the Debtor's business, pursuant to section 1520(a) of the Bankruptcy Code.

8. The relief granted hereby is necessary and appropriate, in the interests of the public and of international comity, not inconsistent with any public policy of the United States, warranted pursuant to sections 1507(a), 1509(b)(2)-(3), 1520, 1521(a), and 1522 of the Bankruptcy Code, and will not cause hardship to creditors of the Debtor, or to any other parties in interest, in each case that is not outweighed by the benefits of granting such relief.

9. Pursuant to section 1521(a)(6), any additional relief granted under section 1519(a) is hereby extended.

10. Any action to interfere with the Debtor's assets, business, operations, or its supply chain, inventory management or distribution processes are hereby barred, enjoined, and stayed, pursuant to sections 362, 1520(a), and 1521(a)(1) and (2) of the Bankruptcy Code.

11. This Court shall retain jurisdiction with respect to the enforcement, amendment or modification of this Order, any requests for additional relief, any adversary proceeding in and through this Chapter 15 Case, and any request by an entity for relief from the provisions of this Order, for cause shown, that is properly commenced within the jurisdiction of this Court.

12. The Monitor shall provide service and notice of this Order by first class mail, postage prepaid, upon the Chapter 15 Notice Parties as defined in the Notice Application.

Dated: \_\_\_\_\_, 2019  
New York, New York

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UNITED STATES BANKRUPTCY JUDGE