

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

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF **JTI-MACDONALD CORP.**

Applicant

**REPLY MOTION RECORD OF JTI-MACDONALD CORP.
(Returnable January 29, 2025)**

January 27, 2025

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Court File No. 19-CV-615862-00CL
Court File No. 19-CV-616077-00CL
Court File No. 19-CV-616779-00CL

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ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF **JTI-MACDONALD CORP.**

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF **ROTHMANS, BENSON & HEDGES INC.**

Applicants

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

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF **JTI-MACDONALD CORP.**

Applicant

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Tab	Description
1.	Affidavit of William E. Aziz sworn January 27, 2025
Exhibit "A"	Proposed Amendments to the JTIM M&M Plan

Tab 1

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

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF **JTI-MACDONALD CORP.**

Applicant

**REPLY AFFIDAVIT OF WILLIAM E. AZIZ
(Sworn January 27, 2025)**

I, **WILLIAM E. AZIZ**, of the Town of Oakville, in the Province of Ontario, MAKE OATH
AND SAY:

1. I am the President of BlueTree Advisors Inc., which has been retained by JTI-Macdonald Corp. ("**JTIM**") to provide my services as the Chief Restructuring Officer ("**CRO**") of JTIM.
2. I previously swore an affidavit on January 20, 2025 (the "**Sanction Affidavit**") in response to the Motion Record of Deloitte Restructuring Inc. (the "**JTIM Monitor**") seeking, among other things, a Sanction Order. In the Sanction Affidavit, I set out the reasons why JTIM objects to the Sanction Order. This affidavit should be read in conjunction with the Sanction Affidavit.
3. Since the Sanction Affidavit, many parties have filed affidavit evidence and facta setting out their respective positions with respect to the upcoming sanction hearing. The purpose of this affidavit is to reply to certain statements made and positions taken by some of the parties. The failure to reply to any other material filed should not be construed as an admission by JTIM of the accuracy of any statement or position taken by any other party in this proceeding.

I. VIABLE ALTERNATIVE TO THE M&M PLAN

4. In the Joint Factum of the Imperial and RBH Monitors dated January 22, 2025, the Monitors of Imperial and RBH conclude that there is no viable alternative to the CCAA Plans that has the consent of the Affected Creditors.
5. However, there is a viable alternative to the current version of the JTIM M&M Plan. That viable alternative would have the following minor amendments that should be acceptable to the Affected Creditors because it does not materially impact them: (a) the revision of Section 5.2 to delete the statement that the allocation issue is unresolved and to allocate the Working Capital Carve Out equally (i.e. \$250 million) among each of JTIM, Imperial and RBH, (b) allowing JTIM to pay its accrued but unpaid post-filing royalties to JTI-TM as part of the Restructuring Steps, (c) making relatively small amendments to the acceleration concept in the JTIM M&M Plan to make it workable, (d) adding in additional clarification language regarding the scope of the release that has been already agreed among the Tobacco Companies and the Mediator and Monitors, which clarification does not affect the Affected Creditors, and (e) a minor amendment to the definition of “Normal Reassessment Period” to address a potential tax issue.
6. On January 27, 2025, counsel to JTIM presented these amendments to the Mediator and the Monitors as a viable alternative to the JTIM M&M Plan. These amendments to the M&M Plan have previously been articulated but are now presented in one document given the Monitors’ conclusions that there is no viable alternative to the JTIM M&M Plan. Attached hereto as **Exhibit “A”** is a copy of the document with the proposed amendments.
7. JTIM is prepared to accept and support the JTIM M&M Plan if the proposed amendments are made. I also understand, from discussions with Mr. Scott Bomhof, counsel for the TM Receiver,

that, if these amendments are made, the TM Receiver is prepared to support the JTIM M&M Plan and enter into a subordination agreement substantially in the form of the JTIM Subordination Agreement.

II. REQUESTS MADE BY THE CANADIAN CANCER SOCIETY AND THE HEART & STROKE FOUNDATION

8. I have also read the materials filed by the Canadian Cancer Society and the Heart & Stroke Foundation. Both the Canadian Cancer Society and the Heart & Stroke Foundation request changes to the CCAA Plans that are not part of the global settlement and are unacceptable to JTIM.

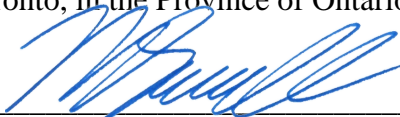
III. FOUNDATIONAL PRINCIPLES OF THE GLOBAL SETTLEMENT

9. In the Affidavit of Milena Trentadue sworn January 20, 2025 (the “**RBH Affidavit**”), Ms. Trentadue concludes that RBH would contribute approximately \$6.923 billion more under the CCAA Plans than it would be responsible to pay if the allocation was as set out in the Decision of Justice Riordan of the Quebec Superior Court of Justice dated May 27, 2015 (the “**Riordan Judgment**”). The RBH Affidavit also says that the Allocation Issue (as used in the RBH Affidavit) has been a significant issue through these CCAA proceedings.
10. However, at the outset of these CCAA proceedings, the Tobacco Companies agreed to a set of foundational principles as part of the negotiation process. One of those principles was that any settlement must be based on the Tobacco Companies’ **collective** ability to pay. The Tobacco Companies did not agree that responsibility for the Global Settlement Amount should be based on any determination of relative liability or culpability (whether as set out in the Riordan Judgment or otherwise) or based on any concept of market share. Ability to pay was the cornerstone of the negotiations.

V. PURPOSE

11. This affidavit is sworn in connection with the Sanction Order hearing, and for no other or improper purpose.

**SWORN BEFORE ME BY VIDEO
CONFERENCE** by William E. Aziz on January
27, 2025, in accordance with *O. Reg. 431/20,
Administering Oath or Declaration Remotely*.
The affiant was in the City of Naples, in the State
of Florida and the commissioner was in the City
of Toronto, in the Province of Ontario.



Commissioner for Taking Affidavits
MITCHELL W. GROSSELL
LSO # 69993I



WILLIAM E. AZIZ

This is Exhibit "A" referred to in the Affidavit of William E. Aziz sworn January 27, 2025 by William E. Aziz on January 27, 2025, in accordance with *O. Reg. 431/20, Administering Oath or Declaration Remotely*. The affiant was in the City of Naples, in the State of Florida and the commissioner was in the City of Toronto, in the Province of Ontario.



A Commissioner for taking affidavits

MITCHELL W. GROSSELL'
LSO# 69993I

**AMENDMENTS TO FIRST AMENDED AND RESTATED COURT-APPOINTED
MEDIATOR'S AND MONITOR'S CCAA PLAN OF COMPROMISE AND
ARRANGEMENT CONCERNING, AFFECTING AND INVOLVING JTI-MACDONALD
CORP.**

WHEREAS:

- A. On March 8, 2019, JTI-Macdonald Corp. ("**JTIM**") was granted protection from its creditors under the CCAA pursuant to the Initial Order of the Honourable Justice Hailey dated March 8, 2019 (the "**Initial Order**");
- B. The Initial Order appointed Deloitte Restructuring Inc. as the monitor of JTIM (in such capacity, the "**Monitor**");
- C. Pursuant to the Amended and Restated Initial Order dated April 5, 2019 (the "**ARIO**"), the Court appointed the Honourable Warren K. Winkler, K.C. (the "**Court-Appointed Mediator**") as an officer of the Court to act as a neutral party to mediate a global settlement of Tobacco Claims (as defined in the ARIO);
- D. Pursuant to an Order dated September 27, 2023, Chief Justice Morawetz directed the Monitor to work with the Court-Appointed Mediator to develop a plan of compromise and arrangement concerning JTIM;
- E. On October 17, 2024, the Monitor brought a motion for a Meeting Order that, among other things, accepted for filing with the Court the Court-Appointed Mediator's and Monitor's CCAA Plan of Compromise and Arrangement Concerning, Affecting and Involving JTIM dated October 17, 2024 (the "**Initial M&M Plan**");
- F. JTIM objected to the Monitor's motion for a Meeting Order for several reasons, including: (a) the M&M Plan does not comply with the statutory provisions of the CCAA, (b) the M&M Plan is not fair and reasonable to JTIM or JTI-Macdonald TM Corp. ("**TM**"), and (c) the M&M Plan is unworkable;
- G. Pursuant to the Endorsement of Chief Justice Morawetz dated November 4, 2024, Chief Justice Morawetz encouraged the parties to continue to negotiate to turn unresolved issues with respect to the M&M Plan into resolved issues and, failing resolution, such issues could be addressed as part of the Sanction Hearing;
- H. On December 5, 2024, the Court-Appointed Mediator and the Monitor provided notice of the First Amended and Restated Mediator's and Monitor's CCAA Plan of Compromise and Arrangement Concerning, Affecting and Involving JTIM dated December 5, 2025 (the "**Amended M&M Plan**");
- I. The Amended M&M Plan does not resolve the outstanding issues of JTIM;
- J. On January 15, 2025, the Monitor brought a motion originally returnable on January 29, 2025, for a Sanction Order that, among other things, sanctions the Amended M&M Plan;

- K. On January 20, 2025, JTIM served its Responding Motion Record objecting to the Sanction Order, and on January 24, 2025, JTIM served its Responding Factum objecting to the Sanction Order;
- L. JTIM requires certain amendments to the Amended M&M Plan that, if accepted by the Court-Appointed Mediator, the Monitor and the Claimants, will permit JTIM to support the sanctioning of a Second Amended and Restated CCAA Plan of Compromise and Arrangement Concerning, Affecting and Involving JTIM (the “**Second Amended M&M Plan**”);
- M. Such amendments are set out below.

ARTICLE 1 INTERPRETATION

1.1 Defined Terms.

Capitalized terms used herein that are not otherwise defined shall have the meaning given to them in: (a) the recitals, or (b) the Amended M&M Plan, as applicable.

1.2 Headings.

The headings of the Articles and Sections are inserted for convenience of reference only.

1.3 Interpretation of Amendments.

Any amendments made in Article 2 shall apply throughout the Amended M&M Plan, including any necessary additional amendments to the Amended M&M Plan that are not described below to give effect to Article 2.

ARTICLE 2 AMENDMENTS TO THE AMENDED M&M PLAN

2.1 Amendment to Article 1, Section 1.1

Article 1, Section 1.1 of the Amended M&M Plan shall revise the definition of “Normal Reassessment Period” and insert the following new defined term “Working Capital Carve Out”. For greater certainty, no other changes shall be made to section 1.1:

“**Intercompany Claim**” means any Claim, other than an Intercompany Services Claim, that may be asserted against JTIM by or on behalf of any member of JTIM’s Tobacco Company Group and, for greater certainty, includes ~~all arrears of royalty and license fees as well as~~ principal and interest due on loans made by any member of JTIM’s Tobacco Company Group to JTIM.

“**Normal Reassessment Period**” has the meaning ascribed by subsection 152(3.1) of the ITA (and any analogous provisions of provincial or territorial law), taking into account any applicable extension under the *Taxation Act* (Quebec) resulting from a reassessment made

by the CRA or another provincial Tax Authority, except that in the case of a Tax Refund Cash Payment, the extended period provided by subparagraph 152(4)(b)(i) of the ITA (and any analogous provisions of provincial or territorial law) will apply, and where the CCAA Plan Administrators and JTIM have agreed to file a waiver, the extended period provided by subparagraph 152(4)(a)(ii) of the ITA (or the relevant analogous provisions of provincial or territorial law) shall apply.

“Working Capital Carve Out” has the meaning given to it in Article 5, Section 5.4.

2.2 Amendment to Article 5, Section 5.2

Article 5, Section 5.2 of the Amended M&M Plan shall be deleted in its entirety and replaced with the following:

5.2 Allocation of the Working Capital Carve Out

The Working Capital Carve Out shall be allocated as follows: (a) \$250 million to JTIM, (b) \$250 million to Imperial, and (c) \$250 million to RBH.

~~**5.2 Allocation among the Tobacco Companies of the Global Settlement Amount**~~

~~The issue of allocation of the Global Settlement Amount as between the Tobacco Companies in the three CCAA Proceedings remains unresolved.~~

2.3 Amendment to Article 4, Section 4.1

Article 4, Section 4.1 of the Amended M&M Plan shall be amended as follows:

4.1 Restructuring Steps

At the Effective Time, the following will occur and be deemed to have occurred in the order set out below unless otherwise specified in this Article 4 and become effective without any further act or formality:

- (a) JTIM shall pay all outstanding post-filing royalty arrears (including interest on such arrears) to JTI TM, which is currently estimated to be approximately \$100 million as of March 31, 2025;
- (b) JTIM shall deposit its Upfront Contribution into the Global Settlement Trust Account;
- (c) The Contribution Security Agreement and the Deeds of Hypothec and JTIM Subordination Agreement will become effective;
- (d) The Sales and Excise Tax Charge and Directors' Charge will be terminated, discharged, expunged and released;

(e) The amount of \$25.0 million shall be paid out of JTIM's Upfront Contribution and deposited into the CCAA Plan Administration Reserve Account to establish the CCAA Plan Administration Reserve;

(f) The amount of \$5.0 million shall be paid out of the total Upfront Contributions from all of the Tobacco Companies and deposited into the PCC Compensation Plan Reserve Account to establish the PCC Compensation Plan Reserve;

(g) The distributions that are required to be paid to the Claimants on the Plan Implementation Date shall be paid in full as set forth in the CCAA Plan;

(h) All Affected Claims and Released Claims will be fully, finally, irrevocably and forever released, discharged, barred and enjoined in accordance with Article 3, Section 3.8 and Article 18, Sections 18.1 to 18.1.11, and all notes, certificates and other instruments evidencing Affected Claims and Released Claims (and all guarantees associated with each of the foregoing) will be deemed cancelled and extinguished and be null and void in accordance with Article 17, Section 17.9;

(i) The Claimant Contractual Release will become effective in accordance with its terms; and

(j) The Stay Period will terminate,

(collectively, the "**Restructuring Steps**"). The failure of the CCAA Plan to incorporate any provision of a document evidencing a Restructuring Step will not derogate from the enforceability of such provision.

2.4 Amendment to Article 5, Section 5.4

Article 5, Section 5.4 of the Amended M&M Plan shall be amended as follows:

5.4 Upfront Contributions

On or before the Plan Implementation Date, each Tobacco Company shall make a cash contribution which shall be deposited into the Global Settlement Trust Account (collectively, the "**Upfront Contributions**"). The Upfront Contributions shall equal the aggregate of each Tobacco Company's cash and cash equivalents generated from all sources by each Tobacco Company as at the month end prior to the Plan Implementation Date, plus the Cash Security Deposits, less the sum of \$750 million (the "**Working Capital Carve Out**") which shall be deducted from the aggregate amount. The ~~aforsaid sum of \$750 million~~ Working Capital Carve Out shall be inclusive of all amounts pledged by the Tobacco Companies to cash collateralize any outstanding letters of credit, surety or bonding obligations to the issuers thereof.

2.5 Amendment to Article 5, Section 5.14

Article 5, Section 5.14 of the Amended M&M Plan shall be amended as follows:

5.14 Subordination of Security in respect of JTIM

At least 10 Business Days prior to the Plan Implementation Date, JTIM TM shall enter into a subordination agreement to subordinate its existing security over JTIM's assets, undertakings and properties to the Collateral Agent and to defer exercising any recourses until the Global Settlement Amount has been paid in full (the "**JTIM Subordination Agreement**"). For greater certainty, the JTIM Subordination Agreement shall provide that, during the Contribution Period, JTIM shall be permitted to pay all principal and interest (including default interest and fees) on its debentures owing to JTIM TM solely from JTIM's share of the Net After-Tax Income and any amounts released from the Supplemental Trust Account to JTIM that, pursuant to the Metric, remain with JTIM subject, however, to the terms of Article 5, Section 5.11 that govern JTIM's retention of its cash, cash equivalents and investments in Canada until such time as the Annual Contributions and Reserved Amounts owing in respect of each fiscal year, as applicable, have been deposited into the Global Settlement Trust Account or Supplemental Trust Account, as applicable to pay, as of and from the Plan Implementation Date, from amounts generated from its ongoing operations, the royalties and license fees in respect of trademark licenses pursuant to its existing license arrangements that are in place on the Plan Implementation Date, save during the pendency of a Standstill Period as that term is defined in the JTIM Subordination Agreement; ~~and (b) to pay any arrears of royalty and license fees that accrued prior to the Effective Time, solely from JTIM's share of the Net After-Tax Income and any amounts released from the Supplemental Trust Account to JTIM that, pursuant to the Metric, remain with JTIM subject, however, to the terms of Article 5, Section 5.11.~~

The JTIM Subordination Agreement is attached to the CCAA Plan as Schedule "I".

2.6 Amendment to Article 5, Section 5.15

5.15 Parent and Tobacco Company Group Support through Intercompany Transactions

During the Contribution Period, JTIM's Parent and the relevant Affiliates within its Tobacco Company Group shall continue to provide to JTIM and its Subsidiaries shared services and other operational support ("Intercompany Services") pursuant to the Intercompany Transactions that are in place on the Plan Implementation Date, or new Intercompany Services that are part of a broader operational restructuring among JTIM's Tobacco Company Group.

...

For greater certainty, JTIM shall be permitted to pay any arrears of royalty and license fees that accrued both prior to and after JTIM's Filing Date of March 8, 2019, ~~solely from JTIM's share of the Net After-Tax Income and any amounts released from the Supplemental Trust Account to JTIM that, pursuant to the Metric, remain with JTIM subject, however, to the terms of Article 5, Section 5.11 herein that govern JTIM's retention of its cash, cash equivalents and investments in Canada until such time as the~~

~~Annual Contributions and Reserved Amounts owing in respect of each fiscal year have been deposited into the Global Settlement Trust Account or Supplemental Trust Account, as applicable.~~

2.7 Amendment to Article 11, Section 11.1(h)

Article 11, Section 11.1(h) of the Amended M&M Plan shall be amended as follows:

(h) Except: (i) for an Ordinary Course Divestiture made in accordance with Article 11, Section 11.4 herein, or (ii) with the consent of the Provinces and Territories and any Impacted Claimants, which consent shall not be unreasonably withheld (collectively, **“Permitted Transfers”**), in the event that JTIM or its Material Subsidiary seeks to transfer any or all of its assets and business to any other entity (the **“Purchasing Entity”**) including an unrelated company, a Canadian Affiliate of its Parent, or a Canadian Subsidiary of any other company within its Tobacco Company Group (**“Canada Newco”**), pursuant to its CCAA Plan or otherwise (except, for greater certainty, its assets, Indebtedness, liabilities and business relating to its Alternative Products): (A) the Purchasing Entity must agree to assume all JTIM’s obligations in the CCAA Plan, and (B) the CCAA Plan Administrators have determined that the Purchasing Entity is suitable to assume JTIM’s obligations in the CCAA Plan. If either (A) or (B) are not satisfied, JTIM shall not be permitted to transfer or sell any or all of its assets and business, except for the Permitted Transfers.

~~then upon the effective date of any such transfer, the balance then remaining owing by JTIM in respect of its share of the Annual Contributions and Reserved Amounts shall accelerate and become due and payable in full upon such effective date without any further action being required to be taken by the Claimants. In the event that an Impacted Claimant seeks to invoke the acceleration clause and any other Impacted Claimant or any Tobacco Company, including the defaulting Tobacco Company, take exception to such action, then the Impacted Claimant seeking to invoke the acceleration clause or the Tobacco Company may bring the issue before the CCAA Court for determination;~~

2.8 Amendment to Article 13, Section 13.11

Article 13, Section 13.11 of the Amended M&M Plan shall be amended as follows:

Upon the occurrence of any Event of Default, an Aggrieved Party shall be immediately entitled to exercise all rights and remedies available pursuant to the CCAA Plan and any other Definitive Documents and the laws of Ontario and the laws of Canada, including applying to the CCAA Court for such relief as the CCAA Court finds appropriate.

In addition, upon the occurrence of any of the Events of Default enumerated in Article 12, Sections

12.2(d) to 12.2(i) herein, the CCAA Plan Administrator shall also be entitled to apply to the CCAA Court for such relief as the CCAA Court finds appropriate.

The CCAA Court shall have the exclusive jurisdiction to determine all proceedings regarding Events of Default. The CCAA Court shall have exclusive jurisdiction to

determine all matters related to the enforcement of the terms of the Contribution Security Agreement and the exercise of any rights, remedies and powers that the Collateral Agent may have under the Contribution Security Agreement, at law, in equity or under the PPSA.

During the pendency of any proceeding in the CCAA Court relating to the occurrence of an Event of Default, JTIM shall continue to comply with its obligations pursuant to the Definitive Documents, including the obligation to pay the Annual Contributions and Reserved Amounts for deposit into the Global Settlement Trust Account and Supplemental Trust Account.

Upon the occurrence of:

- (a) An Event of Default referred to in Article 12, Section 12.3(a) herein, or
- (b) An Event of Default referred to in Article 12, Section 12.3(b) or Section 12.3(c) herein, where either JTIM fails to cure such Event of Default within the Monetary Cure Period, Non-Monetary Cure Period or Extended Cure Period, as applicable, or such Event of Default is incapable of being cured,

the terms of Article 5, Section 5.11 shall govern, and JTIM shall fulfill its obligations thereunder. If JTIM fails to deposit into the Global Settlement Trust Account or the Supplemental Trust Account, as applicable, any amount at all on account of its respective share of any of the Upfront Contribution, any Annual Contribution or any Reserved Amounts, the amounts required to be paid by JTIM under this CCAA Plan shall accelerate and be deemed to be due and payable in accordance with this section. Upon the date of acceleration (the “Acceleration Date”), the CCAA Plan Administrator shall calculate the percentage of the unpaid Global Settlement Amount that is to accelerate as follows:

- (a) Should the Acceleration Date occur before the first Annual Contribution has been made, the percentage to be paid shall be the percentage of JTIM’s share of the Upfront Contributions (less the Working Capital Carve Out allocated to JTIM) applied against the balance of the Global Settlement Amount that remains unpaid; and
- (b) Should the Acceleration Date occur after one or more Annual Contributions have been made, the percentage to be paid shall be the percentage of JTIM’s share of the Annual Contributions made to date (after the resolution of any disputed amounts) applied against the balance of the Global Settlement Amount that remains unpaid.

~~full without any further action being required to be taken by any Aggrieved Party, and any and all amounts owing by JTIM under or in respect of the CCAA Plan or Definitive Documents shall bear interest at the rate of interest payable pursuant to sections 127 and 129 of the Courts of Justice Act, R.S.O. 1990, c. C.43 as amended. In the event that an Impacted Claimant seeks to invoke the acceleration clause and any other Impacted Claimant or any Tobacco Company, including the defaulting Tobacco Company, take exception to such action, then the Impacted Claimant seeking to invoke the acceleration~~

~~clause or the Tobacco Company may bring the issue before the CCAA Court for determination.~~

2.9 Amendment to Article 18, Section 18.1.2

Article 18, Section 18.1.2 of the Amended M&M Plan shall be amended as follows:

At the Effective Time, each of the Released Parties shall be, and shall be deemed to be, fully, finally, irrevocably and unconditionally released and forever discharged of and from any and all of the Released Claims that any of the Releasers has ever had, now has, or may hereafter have against the Released Parties or any of them (either individually or with any other Person), whether or not based on conduct continuing after the Effective Time and whether or not presently known to any of the Releasers.

Nothing herein does release (and the Released Parties agree hereby that they will not assert otherwise), or is intended to release, any Claim of a Released Party (including its Representatives) that has been, could have been or could be advanced, directly or indirectly, against any other Released Party (including its Representatives) other than the Tobacco Companies and their respective Subsidiaries and Representatives (such other Released Parties, not including the Tobacco Companies and their respective Subsidiaries and Representatives, collectively, the "Other Released Parties"), in respect of:

- (a) the development, design, manufacture, production, marketing, advertising, distribution, purchase, sale or disposition of Tobacco Products outside of Canada,
- (b) the use of or exposure (whether directly or indirectly) to Tobacco Products or their emissions outside of Canada,
- (c) the development of any disease related to the use of Tobacco Products outside of Canada,
- (d) any representation or omission in respect of Tobacco Products outside of Canada, or conduct of the Other Released Parties not related to Canada;

provided that such Claim is not, in whole or in part, based on or related to the assets, obligations, business or affairs of the Tobacco Companies or conduct of the Other Released Parties related to Canada (and it is agreed that to the extent such Claim is based on or related to the assets, obligations, business or affairs of the Tobacco Companies or conduct of the Other Released Parties related to Canada, then that same extent of the Claim will be hereby released).

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 **JTI-MACDONALD CORP.**

Court File No.: CV-19-615862-00CL

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

Proceedings commenced at Toronto

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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 **JTI-MACDONALD CORP.**

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**REPLY MOTION RECORD OF
JTI-MACDONALD CORP.
(Returnable January 29, 2025)**

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