

**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

**AFFIDAVIT OF WILLIAM E. AZIZ
(Sworn February 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. (the “**Applicant**” or “**JTIM**”) to provide my services as the Chief Restructuring Officer (“**CRO**”) of JTIM.
2. My appointment as the CRO of JTIM was approved pursuant to the Initial Order (as amended and restated from time to time, the “**Initial Order**”) granted by the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) on March 8, 2019, under the *Companies' Creditors Arrangement Act* (“**CCAA**”).
3. As the CRO of JTIM, I have knowledge of the matters to which I herein depose, except where I have obtained information from others. In preparing this affidavit, I have consulted with other members of JTIM's senior management team, legal advisors, and representatives of Deloitte Restructuring Inc. (the “**Monitor**”). Where I have obtained

information from others, I have stated the source of the information and believe it to be true.

4. All capitalized terms used herein and not otherwise defined have the meanings set forth in the Initial Order.

I. INTRODUCTION

5. This affidavit is sworn in support of a motion brought by the Monitor for an Order to approve and sanction the Third Amended and Restated Mediator's and Monitor's CCAA Plan of Compromise and Arrangement in respect of JTIM dated February 27, 2025.
6. The Applicant, through its predecessor corporations and other related business entities, has been a manufacturer and distributor of tobacco products in Canada since 1858. JTIM is a private company, headquartered in Mississauga, Ontario, and it is the smallest tobacco company subject to the Pending Litigation based on annual volume sales in Canada.
7. As described in previous affidavits sworn in these CCAA proceedings, JTIM is subject to: (a) HCCR Actions by each province in Canada seeking an aggregate of over \$600 billion relating to the recovery of alleged health care costs, (b) the judgment in the Quebec Class Actions (the "**QCA Judgment**") on a joint and several basis with Imperial and RBH (each as defined below), and (c) certain class action proceedings that have been commenced, but not certified, in six provinces in Canada (the "**Consumer Class Actions**").
8. The Applicant sought the protections afforded under the CCAA in order to: (a) maintain the *status quo* of its operations, (b) preserve going concern value, and (c) provide the Applicant with a period of stability within which to attempt to find a global resolution to

all of the Tobacco Claims being asserted against it and provide the Applicant with a fresh start. But for the QCA Judgment and other contingent claims asserted in the Pending Litigation, the Applicant is a profitable and viable corporation.

9. On March 8, 2019, the Applicant was granted protection from its creditors under the CCAA pursuant to the Initial Order. Deloitte Restructuring Inc. was appointed as the Monitor of the Applicant in these CCAA proceedings.
10. On March 12, 2019, and March 22, 2019, respectively, Imperial Tobacco Canada Limited and Imperial Tobacco Company Limited (together, “**Imperial**”) and Rothmans, Benson & Hedges Inc. (“**RBH**”) each filed for creditor protection under the CCAA. Imperial and RBH are defendants under each of the HCCR Actions, the QCA Judgment and the Consumer Class Actions. I understand that there is currently a similar stay of all proceedings in respect of JTIM, Imperial and RBH (collectively, the “**Tobacco Companies**”).
11. On April 5, 2019, pursuant to the Amended and Restated Initial Order, the Honourable Warren K. Winkler, K.C., was appointed as an officer of the Court and a third-party mediator (the “**Court-Appointed Mediator**”) to mediate a global settlement of the Tobacco Claims against the Tobacco Companies.
12. The Initial Order provides for a Court-ordered stay of proceedings. That stay of proceedings has been extended many times during these CCAA proceedings. Pursuant to the Stay Extension Order dated January 31, 2025 (the “**Stay Extension Order**”), the stay of proceeding was recently extended up to and including March 3, 2025, or until such time as the Court’s decision with respect to the Sanction Hearing has been released.

II. THE M&M PLAN

13. On October 31, 2024, the Court granted the Meeting Order (the “**Meeting Order**”) pursuant to which the Court-Appointed Mediator’s and Monitor’s CCAA Plan of Compromise and Arrangement in respect of JTIM dated October 17, 2024 (as amended from time to time, the “**M&M Plan**”) was accepted for filing, and scheduled a creditors’ meeting for the claimants to consider and vote on the M&M Plan (the “**Meeting**”) on December 12, 2024. The Meeting Order was granted over the objection of JTIM.
14. On December 5, 2024, the Monitor served the First Amended and Restated M&M Plan, for consideration and approval by the claimants. On December 12, 2024, the Monitor held the Meeting. The claimants who were eligible to participate at the Meeting and vote on the M&M Plan unanimously voted to approve the M&M Plan.
15. Following the Meeting, the Monitor sought and obtained the Sanction Protocol Order dated December 23, 2024, that, among other things, scheduled the Court hearing to approve and sanction the M&M Plan (the “**Sanction Hearing**”) to commence on January 29, 2025. The Sanction Protocol Order set out an intensive litigation schedule for the delivery of court materials associated with the Sanction Hearing. During this process, JTIM filed two responding affidavits objecting to the M&M Plan.
16. On January 27, 2025, the Monitor served the Second Amended and Restated M&M Plan.
17. At the Sanction Hearing, JTIM continued to object to the Second Amended and Restated M&M Plan.

18. Following submissions made between January 29 and 31, 2025, Chief Justice Morawetz reserved his decision with respect to sanctioning the M&M Plan (the “**Sanction Decision**”).

III. AGREEMENT AMONG TOBACCO COMPANIES AND THE THIRD AMENDED & RESTATED CCAA PLAN

19. After submissions had concluded, an agreement was reached in principle among the Tobacco Companies with respect to the allocation issues raised by RBH. The Third Amended and Restated Plan of Compromise and Arrangement in respect of each of the Tobacco Companies (the “**Third A&R CCAA Plan**”) reflects this agreement in principle.
20. JTIM supports the sanctioning of the Third A&R CCAA Plan, and otherwise withdraws its previous objections, subject to the Court agreeing to the amendments and accepting the Third A&R CCAA Plan.
21. I am also advised by Scott Bomhof, counsel to PricewaterhouseCoopers Inc. (“**PwC**”), in its capacity as private receiver of JTI-Macdonald TM Corp. (“**TM**”) that PwC, on behalf of TM, withdraws its objection to the M&M Plan.

IV. PURPOSE

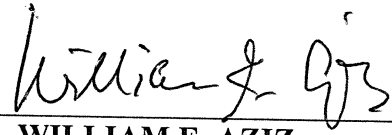
22. This affidavit is sworn in support of the Monitor’s motion for an order approving and sanctioning the Third A&R CCAA Plan.

SWORN BEFORE ME at the City of Toronto,
in the Province of Ontario, this 27th day of
February, 2025.



Commissioner for Taking Affidavits

REBEKAH O'HARE
LSO #87983G



WILLIAM E. AZIZ

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

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Proceedings commenced at Toronto

AFFIDAVIT OF WILLIAM E. AZIZ
(Sworn February 27, 2025)

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