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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

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

Applicant

FOURTH REPORT TO THE COURT OF DELOITTE RESTRUCTURING INC., IN ITS CAPACITY AS CCAA PLAN ADMINISTRATOR

INTRODUCTION[1]

1. On March 8, 2019, JTI-Macdonald Corp. ("**JTIM**", the "**Company**" or the "**Applicant**") applied for and obtained an initial order (the "**Initial Order**") under the *Companies' Creditors Arrangement Act* that, amongst other things, (i) granted a stay of proceedings in favour of the Applicant and a limited stay of proceedings in favour of certain affiliates of the Applicant in relation to certain proceedings, and (ii) appointed Deloitte Restructuring Inc. ("**Deloitte**") as monitor (in such capacity, the "**Monitor**") of the Applicant in this CCAA proceeding (the "**CCAA Proceeding**").

2. On April 25, 2019, this Court (the "**CCAA Court**") issued a further amended and restated Initial Order (the "**Second Amended and Restated Initial Order**") that, amongst other things, extended a limited stay of proceedings to the Other Defendants (as defined in the Second Amended and Restated Initial Order).

3. Pursuant to Orders dated October 31, 2024, this Court, among other things, approved the filing of a plan of compromise or arrangement dated October 17, 2024 (as further amended and restated on December 5, 2024 and January 27, 2025, the "**CCAA Plan**") in respect of

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[1] Capitalized terms used but not otherwise defined have the meanings ascribed to them in the Court-Appointed Mediator's and Monitor's Fourth Amended and Restated Plan of Compromise and Arrangement in respect of the Applicant dated August 27, 2025 (as amended from time to time, the "**Fourth A&R JTIM Plan**").

the Applicant, set the meeting of creditors for December 12, 2024 (the "**JTIM Meeting**") for affected creditors to vote on the CCAA Plan (such creditors, the "**Eligible Voting Creditors**") and approved a claims procedure to identify affected claims against the Applicant for purposes of voting on the CCAA Plan.

4. On March 6, 2025, the CCAA Court issued:

   i) an Order sanctioning the CCAA Plan and appointing Epiq Class Actions Services Canada, Inc. as the Claims Administrator (in such capacity, the "**Claims Administrator**") in respect of the PCC Compensation Plan (the "**PCC Claims Administration**") and the Quebec Class Action Administration Plan (the "**QCAP Claims Administration**" and together, the "**Claims Administration**"); and

   ii) an Order appointing Deloitte as the CCAA Plan Administrator in respect of JTIM (the "**CCAA Plan Administrator**").

5. On August 27, 2025, the CCAA Court issued an Order approving the Fourth A&R JTIM Plan, which further amended the CCAA Plan. The Fourth A&R JTIM Plan was implemented on August 29, 2025 (the "**Plan Implementation Date**").

6. Also on August 27, 2025, the CCAA Court issued an Order (the "**Original Claims Administrator Order**") that, among other things, appointed Epiq Class Actions Services Canada, Inc. as agent for the PCC Representative Counsel in respect of the PCC Compensation Plan (in such capacity, the "**PCC Agent**" and, together in its capacity as Claims Administrator, "**Epiq**").

PURPOSE

7. The purpose of this fourth report of the CCAA Plan Administrator (the "**Fourth Report**") is to provide information to this Court with respect to the Monitor and the CCAA Plan Administrator's motion for an Order (the "**Amended and Restated Claims Administrator Order**"), amending and restating the Original Claims Administrator Order.

TERMS OF REFERENCE

8. In preparing this Fourth Report and making the comments herein, the CCAA Plan Administrator has been provided with, and has relied upon information provided by and discussions held with the Applicant and Epiq (collectively, the "**Information**").

9. Unless otherwise indicated, the CCAA Plan Administrator's understanding of factual matters expressed in this Fourth Report concerning the Applicant and its business and the PCC Claims Administration and QCAP Claims Administration is based on the Information, and not independent factual determinations made by the CCAA Plan Administrator.

10. Copies of the Monitor/CCAA Plan Administrator's prior reports and all motion records and Orders in the CCAA Proceeding are available on the Monitor/CCAA Plan Administrator's website at http://www.insolvencies.deloitte.ca/en-ca/JTIM. The Monitor/CCAA Plan Administrator has also established a toll-free phone number that is referenced on the Monitor/CCAA Plan Administrator's website so that parties may contact the CCAA Plan Administrator if they have questions with respect to the CCAA Proceeding.

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

THE AMENDED AND RESTATED CLAIMS ADMINISTRATOR ORDER

12. The Claims Administration has been ongoing since the Plan Implementation Date. It has become apparent during this period that certain amendments to the Original Claims Administrator Order are required to, among other things, ensure stakeholders are provided sufficiently frequent opportunities to review the implementation of the Claims Administration and increase efficiencies regarding the allocation of common Costs.

Claims Administration Budget Reporting

13. Pursuant to the Original Claims Administrator Order Epiq, among other things, is required to prepare budgets during the Claims Administration, setting out the anticipated Costs

thereof (each, a "**Claims Administration Budget**"). The Original Claims Administrator Order contemplates that each Claims Administration Budget will cover a twelve-calendar month period and is required to be submitted by Epiq to the CCAA Court and Quebec Superior Court for joint approval: (i) in the first instance, within fifteen calendar days following the expiry of the Weekly Reporting Period (as defined in the Original Claims Administrator Order); and (ii) thereafter, within forty-five calendar days following the end of the previous twelve calendar month period.

14. The CCAA Plan Administrators and Epiq have determined that it is necessary and appropriate for updated budgets to be provided on a more frequent basis, to ensure that stakeholders have adequate opportunity to monitor the implementation of the Claims Administration.

15. Accordingly, the Amended and Restated Claims Administrator Order contemplates that Claims Administration Budgets will be provided on a recurring three-calendar month basis throughout the duration of the Claims Administration, with each budget covering a three-calendar month period (rather than a twelve-calendar month period). The "First Quarterly Claims Administration Costs Budget" will cover the period commencing September 1, 2026 and ending on November 30, 2026 and the "Subsequent Quarterly Claims Administration Costs Budgets" will cover the three calendar month periods following November 30, 2026.

16. The Claims Administration Budgets are required to be submitted by Epiq to the CCAA Court and Quebec Superior Court for joint approval: (i) in the first instance, within forty-five calendar days of the issuance of the Amended and Restated Claims Administrator Order; and (ii) for each subsequent budget thereafter, no later than fifteen calendar days prior to the commencement of the next three calendar month period.

17. The Amended and Restated Claims Administrator Order also contemplates that, following the completion of the administration of the Quebec Administration Plan, Epiq will not be required to file any subsequent Claims Administration Budget with the Quebec Superior Court or seek its approval thereof, as Epiq will no longer be providing services within the Quebec Superior Court's purview.

18. This amendment to the Original Claims Administrator Order is intended to ensure stakeholders have reasonably frequent opportunities to review the budgeted Costs and monitor the implementation of the Claims Administration.

19. In light of the increased frequency of filing of the Claims Administration Budgets (from twelve months to three months), the Amended and Restated Claims Administrator Order removes Costs variance limits provided for in the Original Claims Administrator Order (the "**Variance Limits**"). The Variance Limits were initially included to provide a reasonable means of ensuring the Costs did not significantly exceed those forecasted in the Claims Administration Budgets without providing stakeholders an opportunity to monitor such Costs. As the Amended and Restated Claims Administrator Order will provide stakeholders opportunities on three-month intervals to review the actual and projected Costs of the Claims Administration, the Variance Limits are no longer required.

Claims Administration Reporting Obligations

20. The Original Claims Administrator Order provides that Epiq is required to deliver various weekly reports during the first three calendar months following Plan Implementation. This included a weekly report setting out, among other things, the number of claims received and reviewed in the Claims Administration in the applicable period (such reports, the "**Claims Administration Reports**"). The Claims Administration Reports are required to be provided: (i) for the first three calendar months following the Plan Implementation Date, on a weekly basis; and (ii) thereafter, on a monthly basis.

21. The Claims Administration Reports are to be provided to the CCAA Plan Administrators, Tobacco Companies, Court-Appointed Mediator, Administrative Coordinator, PCC Representative Counsel and Quebec Class Counsel.

22. As the Claims Administration has progressed, the CCAA Plan Administrators, Tobacco Companies and certain of the Impacted Claimants have requested that Epiq continue to provide the Claims Administration Reports on a weekly basis throughout the duration of the Claims Administration.

23. The Amended and Restated Claims Administrator Order requires Epiq, throughout the duration of the Claims Administration, to provide Claims Administration Reports: (i) on a weekly basis, covering the immediately preceding week; and (ii) on a monthly basis, covering the immediately preceding month. The delivery of the Claims Administration Reports on a weekly and monthly basis ensures stakeholders are given sufficient ongoing insight to monitor the implementation of the Claims Administration.

24. In light of the increased frequency of filing of the Claims Administration Budgets and the continued delivery of the Claims Administration Reports on a weekly basis throughout the duration of the Claims Administration, the Amended and Restated Claims Administrator Order removes the obligation for the Claims Administrator to file Weekly Reports and Monthly Reports (each as defined in the Original Claims Administrator Order) with the CCAA Court.

Allocation of Costs

25. Certain of the Costs incurred by Epiq cannot be directly attributed to solely one of the PCC Claims Administration, QCAP Claims Administration or PCC Agent services.

26. With respect to any such Costs, the Amended and Restated Claims Administrator Order authorizes Epiq to divide and equally allocate the Costs between the applicable roles, or as may otherwise be determined to be appropriate by Epiq based on the circumstances.

Overview and Recommendation

27. The amendments to the Original Claims Administrator Order, as provided for in the Amended and Restated Claims Administrator Order, are intended to, among other things: (i) protect stakeholders and ensure they have sufficiently frequent opportunities to review the current and anticipated costs and status of the implementation of the Claims Administration; and/or (ii) improve the efficiency of the Claims Administration.

28. The CCAA Plan Administrator supports the granting of the Amended and Restated Claims Administrator Order and submits that it ought to be granted.

All of which is respectfully submitted this 28th day of August, 2026.

Deloitte Restructuring Inc.
In its capacity as CCAA Plan Administrator of
JTI-Macdonald Corp.

Per:

Todd Ambachtsheer
Senior Vice-President