

CANADA

SUPERIOR COURT

PROVINCE OF QUÉBEC
DISTRICT OF
MONTREAL

Commercial Division
*Sitting as a court designated pursuant to the
Companies' Creditors Arrangement Act,
R.S.C., c. C-36, as amended*

No.: 500-11-036133-094

**IN THE MATTER OF THE PLAN OF COMPROMISE OR
ARRANGEMENT OF:**

ABITIBIBOWATER INC., a legal person incorporated under the laws of the State of Delaware, having its principal executive offices at 1155 Metcalfe Street, in the City and District of Montréal, Province of Quebec, H3B 5H2;

And

ABITIBI-CONSOLIDATED INC., a legal person incorporated under the laws of Canada, having its principal executive offices at 1155 Metcalfe Street, in the City and District of Montréal, Province of Quebec, H3B 5H2;

And

BOWATER CANADIAN HOLDINGS INC., a legal person incorporated under the laws of the Province of Nova Scotia, having its principal executive offices at 1155 Metcalfe Street, in the City and District of Montréal, Province of Quebec, H3B 5H2;

And

the other Petitioners listed on Appendices "A", "B" and "C";

Petitioners

And

ERNST & YOUNG INC., a legal person under the laws of Canada, having a place of business at 800 René-Lévesque Blvd. West, Suite 1900, in the City and District of Montréal, Province of Quebec, H3B 1X9;

Monitor

**SEVENTY-NINTH REPORT OF THE MONITOR
December 12, 2011**

INTRODUCTION

1. On April 17, 2009, Abitibi-Consolidated Inc. (“**ACI**”) and its subsidiaries listed in Appendix “A” hereto (collectively with ACI, the “**ACI Petitioners**”) and Bowater Canadian Holdings Incorporated (“**BCHI**”) and its subsidiaries and affiliates listed in Appendix “B” hereto (collectively with BCHI, the “**Bowater Petitioners**”) (the ACI Petitioners and the Bowater Petitioners, along with their successor entities, where applicable, are collectively referred to herein as the “**Petitioners**”) filed for and obtained protection from their creditors under the *Companies’ Creditors Arrangement Act* (the “**CCAA**” and the “**CCAA Proceedings**”) pursuant to an Order of this Honourable Court, as amended on May 6, 2009 (the “**Initial Order**”). Pursuant to an Order of this Honourable Court dated November 10, 2009, Abitibi-Consolidated (U.K.) Inc., a subsidiary of ACI, was added to the list of the ACI Petitioners.
2. Pursuant to the Initial Order, Ernst & Young Inc. (“**EYI**”) was appointed as monitor of the Petitioners (the “**Monitor**”) under the CCAA and a stay of proceedings in favour of the Petitioners was granted until May 14, 2009 (the “**Stay Period**”). The Stay Period was subsequently extended to the date of implementation of the CCAA Plan (as defined herein) pursuant to further Orders of this Honourable Court. The date of implementation of the CCAA Plan was December 9, 2010.
3. On April 16, 2009, AbitibiBowater Inc. (“**ABH**”), Bowater Inc. (“**BI**”), and certain of their direct and indirect U.S. and Canadian subsidiaries, including BCHI and Bowater Canadian Forest Products Inc. (“**BCFPI**”) (collectively referred to herein as the “**U.S. Debtors**”), filed voluntary petitions (collectively, the “**Chapter 11 Proceedings**”) for relief under Chapter 11 of the U.S. Bankruptcy Code, 11 U.S.C. §§ 101 et seq. (the “**U.S. Bankruptcy Code**”) in the United States Bankruptcy Court for the District of Delaware (the “**U.S. Bankruptcy Court**”).
4. BCHI, Bowater Canada Finance Corporation (“**BCFC**”), Bowater Canadian Limited, AbitibiBowater Canada Inc., BCFPI, Bowater LaHave Corporation and Bowater Maritimes Inc. commenced both CCAA Proceedings and Chapter 11 Proceedings and are referred to herein collectively as the “**Cross-Border Petitioners**” and are also included in

the definition of “**Petitioners**”. The Petitioners, without BCFC, are referred to herein as the “**Applicants**”.

5. The Petitioners are all subsidiaries of ABH (ABH, collectively with its subsidiaries, are referred to as the “**ABH Group**” or the “**Company**”).
6. On April 17, 2009, ABH and the petitioners listed on Appendix “C” hereto (collectively with ABH, the “**18.6 Petitioners**”) obtained Orders under Section 18.6 of the CCAA in respect of voluntary proceedings initiated under Chapter 11 and EYI was appointed as the information officer in respect of the 18.6 Petitioners.
7. On April 16, 2009, ACI and Abitibi-Consolidated Company of Canada (“**ACCC**”) filed petitions for recognition under Chapter 15 of the U.S. Bankruptcy Code. On April 21, 2009, the U.S. Bankruptcy Court granted the recognition orders under Chapter 15 of the U.S. Bankruptcy Code.
8. On April 22, 2009, the Court amended the Initial Order to extend the stay of proceedings to the partnerships (the “**Partnerships**”) listed in Appendix “D” hereto.
9. On December 10, 2010, ACI was renamed AbiBow Canada Inc. as a result of the corporate reorganization undertaken pursuant to these CCAA Proceedings.

PURPOSE

10. The purpose of this Seventy-Ninth Report of the Monitor (the “**Seventy-Ninth Report**”) is to:
 - (a) report to this Honourable Court with respect to certain settlement agreements (the “**Settlement Agreements**”) reached between the Applicants, the U.S. Debtors, the Monitor, Avidity LLC (the post-effective date claims agent in the Chapter 11 Proceedings (the “**U.S. Claims Agent**”)) and certain participants of the ACI DB SERP (as later defined herein).

TERMS OF REFERENCE

11. In preparing this Seventy-Ninth Report, the Monitor has been provided with and, in making comments herein, has relied upon unaudited financial information, the ABH Group's books and records, financial information and projections prepared by the ABH Group and discussions with management of the ABH Group (the "**Management**"). The Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of such information and, accordingly, the Monitor expresses no opinion or other form of assurance in respect of such information contained in this Seventy-Ninth Report. Some of the information referred to in this Seventy-Ninth Report consists of forecasts and projections. An examination or review of the financial forecasts and projections, as outlined in the Canadian Institute of Chartered Accountants Handbook, has not been performed. Future-oriented financial information referred to in this Seventy-Ninth Report was prepared by the ABH Group based on Management's estimates and assumptions. Readers are cautioned that, since these projections are based upon assumptions about future events and conditions the actual results will vary from the projections, even if the assumptions materialize, and the variations could be significant.
12. Capitalized terms not defined in Seventy-Ninth Report are as defined in the previous reports of the Monitor and the Initial Order. All references to dollars are in U.S. currency and are translated at a rate of CDN\$1.00 = US\$0.98 unless otherwise noted.
13. Copies of all of the Monitor's Reports, in both English and French, including a copy of this Seventy-Ninth Report, and all motion records and Orders in the CCAA Proceedings are available on the Monitor's website at www.ey.com/ca/abitibowater. The Monitor has also established a bilingual toll-free telephone number that is referenced on the Monitor's website so that parties may contact the Monitor if they have questions with respect to the CCAA Proceedings.
14. Copies of all of the U.S. Bankruptcy Court's orders are posted on the website for Epiq Bankruptcy Solutions LCC ("**Epiq**") at <http://chapter11.epiqsystems.com/abitibowater>. The Monitor has included a link to Epiq's website from the Monitor's website.

IMPLEMENTATION OF THE CCAA PLAN

15. At the meeting of all classes of creditors of the Petitioners on September 14, 2010, the resolution approving the Plan of Reorganization and Compromise, as amended, supplemented and restated (the “**CCAA Plan**”), was overwhelmingly approved by each of the classes of unsecured creditors of the Petitioners affected by the CCAA Plan (the “**Affected Unsecured Creditors**”), save and except for the Affected Unsecured Creditors of BCFC.¹
16. On September 23, 2010, this Honourable Court issued an order (the “**Sanction Order**”) approving the CCAA Plan in respect of the Petitioners, save and except for BCFC.
17. In the Chapter 11 Proceedings, the U.S. Debtors filed with the U.S. Bankruptcy Court a plan related to the joint reorganization of the U.S. Debtors under the U.S. Bankruptcy Code (the “**U.S. Plan**”). On November 23, 2010, the U.S. Bankruptcy Court entered an order confirming the U.S. Plan.
18. The CCAA Plan was implemented on December 9, 2010 (the “**Implementation Date**”) and the effective date under the U.S. Plan was also December 9, 2010. The CCAA Plan and the U.S. Plan are collectively referred to herein as the “**Restructuring Plans**”.
19. On the Implementation Date, the Applicants and the U.S. Debtors emerged from the CCAA Proceedings and Chapter 11 Proceedings, respectively.

SUPPLEMENTAL EXECUTIVE RETIREMENT PLANS

20. Prior to the date of the Initial Order, the Company sponsored approximately 24 different supplemental executive retirement plans (“**SERPs**”) for its current and former employees. As part of its restructuring process, the Company effectively terminated the existing SERP plans and reinstated the accrued benefits (with adjustments, as later described) for its current employees and retirees.

¹ On December 31, 2010, BCFC made an assignment in bankruptcy under the provisions of the *Bankruptcy and Insolvency Act* (Canada).

21. Under the Restructuring Plans, the participants in the SERP plans were given the option (the “**SERP Election Process**”) to (i) reinstate their benefits under a new SERP plan (the “**Post-Emergence SERP**”) or (ii) retain an unsecured claim in the Restructuring Plans for amounts owing under the terminated SERP plans (the “**Terminated SERPs**”). The Post-Emergence SERP provided for the reinstatement of accrued benefits, however, the annual benefits thereunder were subject to a reduction of a fixed percentage with an annual cap on payments, and such benefits were further reduced by any secured pension benefits received or to be received in respect of the Terminated SERPs (letters of credit were posted as security or partial security for certain Terminated SERPs).
22. One of the Terminated SERPs was a plan referred to as the “**ACI DB SERP**” which had approximately 73 participants who were executives of the Company’s historically Canadian companies. As disclosed in the Second Amended Plan Supplement 6.9(2), a copy of which is attached hereto as Appendix “E” (the “**Plan Supplement**”), the ACI DB SERP was sponsored by ABH and ACI.
23. According to the Company’s actuarial consultants, Mercer LLC (“**Mercer**”), the claims under the ACI DB SERP totalled approximately CDN\$29.2 million. The estimated recovery rates as disclosed in the information circular dated August 2, 2010 (the “**Information Circular**”) and the Disclosure Statement in respect of the U.S. Plan for ACI and ABH were 3.4% and 0.8%, respectively. Given the low recovery rates for these entities, many participants, if eligible, elected into the Post-Emergence SERP.
24. Following the completion of the SERP Election Process, an issue arose in respect of the ACI DB SERP. In particular, it was identified that other entities in the ABH Group (in addition to ABH and ACI) may be potentially liable for claims under the ACI DB SERP. If additional entities were to be found liable, the potential recovery to each individual ACI DB SERP claimant (should they elect to retain their claims in the restructuring process) would increase significantly. As a result, the Petitioners and U.S. Debtors suspended the SERP Election Process until the liability issue could be analyzed further.
25. A detailed legal and factual analysis was conducted by the Monitor and its legal counsel. The analysis was then shared with the U.S. Claims Agent and counsel for the Petitioners

and the U.S. Debtors, which led to negotiations between the Monitor and the U.S. Claims Agent that gave rise to an agreed upon treatment for the ACI DB SERP claims (the “Settlement Offer”).

SETTLEMENT OFFER

26. In general terms, the Settlement Offer was as follows:
- (a) the amount of each claim under the ACI DB SERP would be based on the amounts calculated by Mercer (the “**Allowed Amount**”);
 - (b) the Allowed Amount would be adjusted based upon a relative risk of liability with respect of each legal entity included in the Settlement Offer (as negotiated between the Monitor and the U.S. Claims Agent) (the “**Allowed ACI SERP Claim**”). These entities would include ACCC, ACI, BCFPI, ABH, Donahue Corp., Abitibi Consolidated Sales Corporation, Abitibi Consolidated Corporation and BI; and
 - (c) based on the Allowed ACI SERP Claim, the claimant would receive its regular pro rata share allocation of new ABH common stock pursuant to the Restructuring Plans.
27. To give an example, the Monitor concluded that there may be a 95% probability that ACCC would be liable for the ACI DB SERP claims. Assuming an Allowed Amount of CDN\$100,000, the Allowed ACI SERP Claim that would be accepted against ACCC would be \$95,000 ($\$100,000 \times 95\%$).
28. The chart below illustrates how the Settlement Offer treats a hypothetical Allowed Amount of CDN\$100,000 using the Bank of Canada’s noon spot rate as of the filing date of CDN\$1.00 – US\$0.823.

Allowed ACI SERP DB Claim Amount	ACI DB SERP Settlement Sponsor	% of Allowed ACI DB SERP Claim Allocated against ACI DB SERP Settlement Sponsor	Allowed ACI DB SERP Claim Amount	Applicable General Unsecured Claim Class	Estimated % Recovery Rate from Debtor based on Disclosure Statement and Information Circular	Estimated Recoveries on Account of the Allowed ACI DB SERP Claim Amount
CDN\$100,000	Bowater Canadian Forest Products Inc.	23%	CDN\$23,000	BCFPI Affected Unsecured Creditor Class	36.50%	CDN\$8,395
CDN\$100,000	Abitibi Consolidated Inc.	100%	CDN\$100,000	ACI Affected Unsecured Creditor Class	3.4%	CDN\$3,400
CDN\$100,000	Abitibi Consolidated Company of Canada	95%	CDN\$95,000	ACCC Affected Unsecured Creditor Class	17.10%	CDN\$16,245
US\$82,331	AbitibiBowater Inc.	100%	US\$82,331	Class 6A	0.8%	US\$658 (CDN\$800)
US\$82,331	Bowater Incorporated	23%	US\$18,936	Class 6S	48.4%	US\$9,165 (CDN\$11,132)
US\$82,331	Donohue Corp.	20%	US\$16,466	Class 6DD	28.4%	US\$4,676 (CDN\$5,680)

Allowed ACI SERP DB Claim Amount	ACI DB SERP Settlement Sponsor	% of Allowed ACI DB SERP Claim Allocated against ACI DB SERP Settlement Sponsor	Allowed ACI DB SERP Claim Amount	Applicable General Unsecured Claim Class	Estimated % Recovery Rate from Debtor based on Disclosure Statement and Information Circular	Estimated Recoveries on Account of the Allowed ACI DB SERP Claim Amount
US\$82,331	Abitibi Consolidated Sales Corp.	20%	US\$16,466	Class 6H	23.4%	US\$3,853 (CDN\$4,680)
US\$82,331	Abitibi Consolidated Corporation	20%	US\$16,466	Class 6F	12.0%	US\$1,976 (CDN\$2,400)
			Total Estimated Recovery (CDN\$):			\$52,732
			% Recovery (CDN\$:CDN\$):			~52%

29. As outlined above, the Estimated Recoveries on Account of the Allowed ACI DB SERP Claim is approximately 52% of the Allowed Amount. This amount was calculated based on the estimated recoveries and related assumptions that were disclosed in the Information Circular and Disclosure Statement, including an implied stock price of US\$25.00 per share of new ABH common stock. The Settlement Agreements do not fix recoveries on account of the Allowed ACI DB SERP Claims, nor do they guarantee an aggregate 52% recovery. Actual recoveries on account of such claims depend on the other claims that are ultimately allowed or disallowed against each ACI DB SERP settlement sponsor and the trading value of the new ABH Common Stock and may be significantly less than 52% of the amount claimed.

30. The Settlement Offer provides a significant increase in the expected recovery in relation to the participant's original expectation based on what was disclosed in the Plan Supplement. As a result, the participants who had rights to elect into the Post-Emergence SERP were given a chance to reconsider those elections in light of the Settlement Offer. Of the 73 participants who had ACI DB SERP claims:
- (i) 32 elected to reinstate their benefits under the Post-Emergence SERP and waived any and all ACI DB SERP claims against the Petitioners and U.S. Debtors;
 - (ii) 40 executed the Settlement Agreements resolving their ACI DB SERP claims; or
 - (iii) 1 has not elected into the Post-Emergence SERP, nor executed a Settlement Agreement.
31. In order to explain the Settlement Offer, the Company invited the participants to a meeting at which the Company, the Monitor and the U.S. Claims Agent and respective counsel were present. The Settlement Offer was summarized and a question and answer period followed. Participants were provided with copies of the Settlement Agreement in advance of the meeting that reflected the calculation of each participant's Allowed ACI DB SERP Claims and the proposed treatment of such claims.
32. Copies of the Settlement Agreements, with the names of the individuals redacted to preserve their privacy, are attached as Appendix "F" hereto.

SETTLEMENT AGREEMENTS

33. The material terms of the Settlement Agreements are as follows:
- (a) Allowed ACI DB SERP Claim: Each claimant shall have an Allowed ACI DB SERP Claim based on a risk-adjusted percentage that varies from entity to entity against ABH, Donohue Corp., BI, BCFPI, Abitibi Consolidated Sales Corp., Abitibi Consolidated Corporation, ACCC, and ACI (the "**Plan Sponsors**"). The Allowed ACI DB SERP Claim constitutes the claimant's sole allowed claim

arising under, in connection with, or relating to the ACI DB SERP, and all other claims (to the extent they exist), including any such claims against any other entity or scheduled amounts included in the schedules of assets and liabilities filed as part of the Chapter 11 Proceedings, as applicable, shall be deemed withdrawn and expunged.

- (a) No Fixed Recoveries: The Settlement Agreements do not fix recoveries on account of the Allowed ACI DB SERP Claims. Actual recoveries on account of such claims are subject to the Restructuring Plans and depend on the other claims that are ultimately allowed or disallowed against each ACI DB SERP settlement sponsor and the trading value of the new ABH common stock.
- (b) Allowed ACI DB SERP Claim Distributions: The Plan Sponsors will make an initial distribution of new ABH common stock on account of the Allowed ACI DB SERP Claims on the first reasonably practical interim distribution date after the Settlement Agreements are approved in the Chapter 11 Proceedings (provided that there are no objections in the CCAA Proceedings). All distributions on account of the Allowed ACI DB SERP Claim will be subject to all applicable holdbacks, withholdings, and other restrictions under the Restructuring Plans (if any).
- (c) Convenience Claim Election: Claimants may elect to have any of the Allowed ACI DB SERP Claim amounts reduced in order to receive a cash distribution in accordance with the Restructuring Plans.
- (d) Release by Claimant: In exchange for the Allowed ACI DB SERP Claim and corresponding distributions, each claimant has agreed to release and forever discharge, among others, the Petitioners, the U.S. Debtors, the U.S. Claims Agent, the Monitor and in each case, their directors, officers, employees, agents, and attorneys (collectively, the “**Released Parties**”) from any and all causes of action, demands, damages, costs, debts, liabilities, losses or claims of any kind that the claimant and each of its successors, assigns, spouses and dependents shall or may

have against the Released Parties arising from, in connection with, or related to the ACI DB SERP and the ACI DB SERP Claims.

- (e) Effectiveness; Termination: Each Settlement Agreement becomes effective upon entry of an order approving the relief requested herein by the U.S. Bankruptcy Court and in the absence of any objection to the Settlement Agreements in the CCAA Proceedings.

THE MONITOR'S VIEW

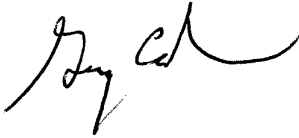
34. The Monitor's view is that the Settlement Agreements are fair and reasonable in the circumstances. The Monitor and its counsel conducted a detailed review and legal analysis of the entities that may be potentially liable for the ACI DB SERP. It presented its analysis to the U.S. Claims Agent and then negotiated the risk adjusted allocation of the ACI DB SERP claims to the respective entities which led to the Settlement Offer.
35. The Settlement Agreements also avoid the need for expensive and time-consuming cross-border litigation that may result in inconsistent results.
36. The Petitioners do not intend to seek an order from this Honourable Court to have the Court authorize them to enter into the Settlement Agreements. However, the U.S. Debtors will be seeking an order approving the Settlement Agreements by the U.S. Bankruptcy Court. In the event that the U.S. Bankruptcy Court approves the Settlement Agreements in the near term, the timing of a distribution in respect of the ACI DB SERP Claims is expected to be in or around February 15, 2012. Any person who wishes to object to the Settlement Agreements in the CCAA Proceedings must file a motion with this Honourable Court prior to the expected distribution.

All of which is respectfully submitted.

ERNST & YOUNG INC.

**In its capacity as the Court-Appointed
Monitor of the Petitioners**

Per:

A handwritten signature in black ink, appearing to read 'Alex Morrison', with a stylized flourish at the end.

Alex Morrison, CA, CIRP
Senior Vice President

Greg Adams, CA, CIRP
Senior Vice President

Martin Daigneault, CA, CIRP
Senior Vice President

**APPENDIX “A”
ABITIBI PETITIONERS**

1. Abitibi-Consolidated Company of Canada
2. Abitibi-Consolidated Inc.
3. 3224112 Nova Scotia Limited
4. Marketing Donohue Inc.
5. Abitibi-Consolidated Canadian Office Products Holding Inc.
6. 3834328 Canada Inc.
7. 6169678 Canada Inc.
8. 4042140 Canada Inc.
9. Donohue Recycling Inc.
10. 1508756 Ontario Inc.
11. 3217925 Nova Scotia Company
12. La Tuque Forest Products Inc.
13. Abitibi-Consolidated Nova Scotia Incorporated
14. Saguenay Forest Products Inc.
15. Terra Nova Explorations Ltd.
16. The Jonquière Pulp Company
17. The International Bridge and Terminal Company
18. Scramble Mining Ltd.
19. 9150-3383 Québec Inc.
20. Abitibi-Consolidated (U.K.) Inc.

**APPENDIX “B”
BOWATER PETITIONERS**

1. Bowater Canada Finance Corporation
2. Bowater Canadian Limited
3. Bowater Canadian Holdings. Inc.
4. 3231378 Nova Scotia Company
5. AbitibiBowater Canada Inc.
6. Bowater Canada Treasury Corporation
7. Bowater Canadian Forest Products Inc.
8. Bowater Shelburne Corporation
9. Bowater LaHave Corporation
10. St-Maurice River Drive Company Limited
11. Bowater Treated Wood Inc.
12. Canexel Hardboard Inc.
13. 9068-9050 Québec Inc.
14. Alliance Forest Products Inc. (2001)
15. Bowater Belledune Sawmill Inc.
16. Bowater Maritimes Inc.
17. Bowater Mitis Inc.
18. Bowater Guérette Inc.
19. Bowater Couturier Inc.

**APPENDIX “C”
18.6 PETITIONERS**

1. AbitibiBowater US Holding 1 Corp.
2. AbitibiBowater Inc.
3. Bowater Ventures Inc.
4. Bowater Incorporated
5. Bowater Nuway Inc.
6. Bowater Nuway Mid-States Inc.
7. Catawba Property Holdings LLC
8. Bowater Finance Company Inc.
9. Bowater South American Holdings Incorporated
10. Bowater America Inc.
11. Lake Superior Forest Products Inc.
12. Bowater Newsprint South LLC
13. Bowater Newsprint South Operations LLC
14. Bowater Finance II, LLC
15. Bowater Alabama LLC
16. Coosa Pines Golf Club Holdings, LLC

**APPENDIX “D”
PARTNERSHIPS**

1. Bowater Canada Finance Limited Partnership
2. Bowater Pulp and Paper Canada Holdings Limited Partnership
3. Abitibi-Consolidated Finance LP

APPENDIX "E"
SECOND AMENDED PLAN SUPPLEMENT 6.9(2)



Court File No. 500-11-036133-094

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT (CANADA)
AND IN THE MATTER OF A PLAN OF REORGANIZATION AND COMPROMISE
OF
ABITIBIBOWATER INC.,
AND CERTAIN OF ITS SUBSIDIARIES LISTED IN SCHEDULE "A" TO THE INFORMATION
CIRCULAR DATED AUGUST 2, 2010

SECOND AMENDED PLAN SUPPLEMENT 6.9(2)
TO THE PLAN OF REORGANIZATION AND COMPROMISE DATED AUGUST 2, 2010
UNDER THE COMPANIES' CREDITORS ARRANGEMENT ACT (CANADA),
AND SECTION 191 OF THE CANADA BUSINESS CORPORATIONS ACT,

November 22, 2010

NOTICE OF FILING OF SECOND AMENDED CCAA PLAN SUPPLEMENT 6.9(2)

PLEASE TAKE NOTICE that, pursuant to the Plan of Reorganization and Compromise jointly filed by the Applicants pursuant to the provisions of the CCAA and Section 191 of the CBCA (the "CCAA Plan") and as set forth in the Information Circular pertaining to a Plan of Reorganization and Compromise under the *Companies' Creditors Arrangement Act* (Canada) and the *Canada Business Corporations Act* involving AbitibiBowater Inc. and certain of its subsidiaries dated August 2, 2010 (the "Circular"), this second amended CCAA Plan Supplement (the "Second Amended CCAA Plan Supplement 6.9(2)") is to be posted on the Monitor's Website with notice of such posting to be provided to the Service List (as such Second Amended CCAA Plan Supplement 6.9(2) may be thereafter modified, amended, varied or supplemented in accordance with the CCAA Plan). All capitalized terms not otherwise defined in this Second Amended CCAA Plan Supplement 6.9(2) shall have the meanings ascribed to them in the Circular.

PLEASE TAKE FURTHER NOTICE that on September 3, 2010 the Applicants filed CCAA Plan Supplement 6.9(2), as further amended on September 17, 2010 (collectively, CCAA Plan Supplement 6.9(2)), which set forth the material terms of the New Plans (the "Initial New Plans").

PLEASE TAKE FURTHER NOTICE that Exhibit I to this Second Amended CCAA Plan Supplement 6.9(2) amends and replaces Section (1)(b) of the Initial New Plans.

PLEASE TAKE FURTHER NOTICE that you are advised and encouraged to read this Second Amended CCAA Plan Supplement 6.9(2) and its Exhibit I in conjunction with CCAA Plan Supplement 6.9(2), the Circular, the CCAA Plan and the Creditors' Meeting Order.

PLEASE TAKE FURTHER NOTICE that a true and complete copy of the Second Amended CCAA Plan Supplement 6.9(2) is attached hereto.

PLEASE TAKE FURTHER NOTICE that copies of the Second Amended CCAA Plan Supplement 6.9(2) as well as the CCAA Plan and the Circular may be obtained from the Monitor's website at www.ey.com/ca/abitibibowater.

EXHIBIT I

B. Reinstatement Option for Eligible Retirees

Pursuant to the CCAA Plan and the U.S. Plan, all retirees, beneficiaries and deferred vested participants, as of the Implementation Date, under the Terminated Retirement Plans (the "Eligible Retirees") will be eligible to receive benefits after the Implementation Date substantially similar to those benefits available to such Eligible Retiree under the Terminated Retirement Plans to the extent thereof, without retroactive adjustments; provided, however, (i) that the benefits available to each such Eligible Retiree under the New Plans shall be 10% to 35% lower, depending on the applicable Terminated Retirement Plan, than the benefits available to the Eligible Retiree under the Terminated Retirement Plans at the time of termination thereof, as detailed below, (ii) the benefits available to each such Eligible Retiree under the New Plans shall be subject to an annual per participant cap on benefits in amounts ranging from \$40,000 to \$50,000 (in the aggregate) in the case of defined benefit Terminated Retirement Plans and corresponding caps in the case of defined contribution Terminated Retirement Plans, depending on the applicable Terminated Retirement Plans, these benefits being further reduced by any secured pension benefits received or to be received in respect of the Terminated Retirement Plans, as summarized below, (iii) the Company will not secure or collateralize any funding obligations under the New Plans and the identity of the plan sponsor(s) may change; and (iv) that the Eligible Retiree must waive and forfeit any and all claim such Eligible Retiree has or may have in the CCAA Proceedings and the Chapter 11 Cases in respect of the Terminated Retirement Plans (the "Retiree SERP Claims").

Eligible Retirees who retain their Retiree SERP Claims will not receive any benefits under the New Plans and will not receive any credit under the New Plans for any benefits accrued under the Terminated Retirement Plans. Eligible Retirees who retain their Retiree SERP Claims will receive distributions in full satisfaction of such Retiree SERP Claims under the Plan to the extent such claims are Allowed.



Court File No. 500-11-036133-094

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT (CANADA)
AND IN THE MATTER OF A PLAN OF REORGANIZATION AND COMPROMISE
OF
ABITIBIBOWATER INC.,
AND CERTAIN OF ITS SUBSIDIARIES LISTED IN SCHEDULE "A" TO THE INFORMATION
CIRCULAR DATED AUGUST 2, 2010

AMENDED PLAN SUPPLEMENT 6.9(2)
TO THE PLAN OF REORGANIZATION AND COMPROMISE DATED AUGUST 2, 2010
UNDER THE COMPANIES' CREDITORS ARRANGEMENT ACT (CANADA),
AND SECTION 191 OF THE CANADA BUSINESS CORPORATIONS ACT,
September 17, 2010

NOTICE OF FILING OF AMENDED CCAA PLAN SUPPLEMENT 6.9(2)

PLEASE TAKE NOTICE that, pursuant to the Plan of Reorganization and Compromise jointly filed by the Applicants pursuant to the provisions of the CCAA and Section 191 of the CBCA (the "CCAA Plan") and as set forth in the Information Circular pertaining to a Plan of Reorganization and Compromise under the *Companies' Creditors Arrangement Act* (Canada) and the *Canada Business Corporations Act* involving AbitibiBowater Inc. and certain of its subsidiaries dated August 2, 2010 (the "Circular"), this amended CCAA Plan Supplement (the "Amended CCAA Plan Supplement 6.9(2)") is to be posted on the Monitor's Website with notice of such posting to be provided to the Service List (as such Amended CCAA Plan Supplement 6.9(2) may be thereafter modified, amended, varied or supplemented in accordance with the CCAA Plan). All capitalized terms not otherwise defined in this Amended CCAA Plan Supplement 6.9(2) shall have the meanings ascribed to them in the Circular.

PLEASE TAKE FURTHER NOTICE that on September 3, 2010 the Applicants filed CCAA Plan Supplement 6.9(2) which set forth the material terms of the New Plans (the "Initial New Plans").

PLEASE TAKE FURTHER NOTICE that attached hereto as Exhibit I are the amended material terms of the New Plans which replace and supersede in their entirety the Initial New Plans.

PLEASE TAKE FURTHER NOTICE that you are advised and encouraged to read this Amended CCAA Plan Supplement 6.9(2) and its Exhibit I in conjunction with the Circular, the CCAA Plan and the Creditors' Meeting Order.

PLEASE TAKE FURTHER NOTICE that a true and complete copy of the Amended CCAA Plan Supplement 6.9(2) is attached hereto.

PLEASE TAKE FURTHER NOTICE that copies of the Amended CCAA Plan Supplement 6.9(2) as well as the CCAA Plan and the Circular may be obtained from the Monitor's website at www.ey.com/ca/abitibibowater.

EXHIBIT I

MATERIAL TERMS OF THE NEW PLAN¹

(1) Reinstatement of Certain Retirement Benefits

As set forth in the CCAA Plan Supplement 6.9(1), all of the Company's existing non-qualified and non-registered plans (such terminated non-qualified and non-registered plans and programs referred to herein as the "Terminated Retirement Plans") shall be terminated and, to the extent applicable, deemed rejected as of the Implementation Date pursuant to section 365 of the Bankruptcy Code.

A. Reinstatement Option for Eligible Employees

Effective as of the Implementation Date, the U.S. Debtors, the Applicants and the Reorganized Debtors² will establish non-qualified and non-registered plans, agreements or arrangements (the "New Plans") pursuant to which, among other things, all employees and beneficiaries in active status as of the Implementation Date who were entitled to benefits under any Terminated Retirement Plans as of the Implementation Date (the "Eligible Employees") will be eligible to receive benefits under the New Plans substantially similar to those benefits available to such employee under the Terminated Retirement Plans, to the extent thereof, provided, however, that: (i) all defined benefits available under the New Plans will be frozen as of the Implementation Date; and (ii) the Eligible Employee must waive and forfeit any and all Claims the Eligible Employee has or may have in the CCAA Proceedings and the Chapter 11 Cases in respect of the Terminated Retirement Plans (collectively, the "SERP Claims").

Pursuant to the CCAA Plan, all defined benefits available to Eligible Employees under the New Plans will be frozen as of the Implementation Date. Defined benefits accrued by Eligible Employees under the Terminated Retirement Plans will be reinstated under the New Plans on substantially the same terms and conditions as were earned under the Terminated Retirement Plans, provided, however, that at emergence the Company will not secure or collateralize any funding obligations under the New Plans (and no assurance exists that it will do so in the future), and the identity of the plan sponsors may change. In addition, after the Implementation Date, Eligible Employees will only earn benefits under those New Plans that are defined contribution plans (the "DC SERPs") for services rendered after the Implementation Date. The material terms of the DC SERPs are set forth in this CCAA Plan Supplement.

Eligible Employees who retain their SERP Claims may be eligible for benefits under the New Plans, but without receiving any credit under the New Plans for any benefits accrued under the Terminated Retirement Plans.

¹ This CCAA Plan Supplement summarizes the key terms of the New Plans and is not a substitute for the terms and conditions of the actual New Plans. The pertinent plan documents and applicable agreements will in each case govern in the event of any conflict between this summary and the applicable plan documents and/or agreements. Capitalized terms not defined in this CCAA Plan Supplement shall have the same meaning as set forth in the CCAA Plan.

² "Reorganized Debtors" shall have the meaning ascribed to such term in each of the CCAA Plan and the U.S. Plan.

B. Reinstatement Option for Eligible Retirees

Pursuant to the CCAA Plan and the U.S. Plan, all retirees, beneficiaries and deferred vested participants, as of the Implementation Date, under the Terminated Retirement Plans (the "Eligible Retirees") will be eligible to receive benefits after the Implementation Date substantially similar to those benefits available to such Eligible Retiree under the Terminated Retirement Plans to the extent thereof, without retroactive adjustments; provided, however, (i) that the benefits available to each such Eligible Retiree under the New Plans shall be 10% to 35% lower, depending on the applicable Terminated Retirement Plan, than the benefits available to the Eligible Retiree under the Terminated Retirement Plans at the time of termination thereof, as detailed below, (ii) the benefits available to each such Eligible Retiree under the New Plans shall be subject to an annual per participant cap on benefits in amounts ranging from \$40,000 to \$50,000 (in the aggregate) in the case of defined benefit Terminated Retirement Plans and corresponding caps in the case of defined contribution Terminated Retirement Plans, depending on the applicable Terminated Retirement Plans, this annual cap being further reduced by any secured pension benefits received or to be received in respect of the Terminated Retirement Plans, as summarized below, (iii) the Company will note secure or collateralize any funding obligations under the New Plans and the identity of the plan sponsor(s) may change; and (iv) that the Eligible Retiree must waive and forfeit any and all claim such Eligible Retiree has or may have in the CCAA Proceedings and the Chapter 11 Cases in respect of the Terminated Retirement Plans (the "Retiree SERP Claims").

Eligible Retirees who retain their Retiree SERP Claims will not receive any benefits under the New Plans and will not receive any credit under the New Plans for any benefits accrued under the Terminated Retirement Plans. Eligible Retirees who retain their Retiree SERP Claims will receive distributions in full satisfaction of such Retiree SERP Claims under the Plan to the extent such claims are Allowed.

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The following schedule identifies the Terminated Retirement Plans, the U.S. Debtors and Applicants sponsoring each plan, and the percent-reduction in benefits and annual benefit cap per participant applicable to such plan under the New Plans.

Plans sponsored by AbitibiBowater Inc. and/or Bowater Incorporated or a predecessor company thereof (United States)			
Name of Plan	U.S Debtor and Applicant Sponsor(s)	% Reduction in Benefits	Annual per Participant Cap
Bowater Incorporated Retirement Plan for Outside Directors ("Bowater Directors")	Bowater Incorporated	35%	USD \$40,000 ³
Supplemental Benefit Plan for Designated Employees of Bowater Incorporated and Affiliated Companies ("Bowater SERP")	Bowater Incorporated	35%	USD \$40,000
Bowater Incorporated Benefits Equalization Plan ("Bowater Equalization")	Bowater Incorporated	35%	USD \$40,000
Abitibi Consolidated US Supplemental Executive Retirement Plan (SERP) ("Abitibi SERP")	AbitibiBowater Inc. and its U.S. Debtors and Applicants	10%	USD \$50,000
Abitibi Building Products Group	Abitibi Consolidated Sales Corporation	35%	USD \$40,000
AbitibiBowater Inc. Supplemental Retirement Savings Plan ("DC SERP")	The employer of each participant	35%	USD \$40,000 ³
Bowater Incorporated Compensatory Benefits Plan	Bowater Incorporated, and AbitibiBowater Inc.	35%	USD \$40,000
AbitibiBowater Inc. Outside Directors Deferred Compensation Plan	AbitibiBowater Inc.	35%	USD \$40,000 ³

Plans sponsored by Bowater Incorporated or a predecessor company (Cross-Border Debtors)			
Name of Plan	U.S Debtor and Applicant Sponsor(s)	% Reduction in Benefits	Annual per Participant Cap
Senior Executive Retirement Plan (SERP) of Bowater Canadian Forest Products Inc. ("BCFPI Senior SERP")	Bowater Canadian Forest Products Inc.	10%	CDN \$50,000
Supplemental Retirement Benefit Plan for Grade 28 and over Employees of Bowater Canadian Forest Products Inc. ("BCFPI SERP 28+")	Bowater Canadian Forest Products Inc.	10%	CDN \$50,000

³ These caps apply to defined benefit plans. Corresponding caps may apply to defined contribution plans.

Plans sponsored by Bowater Incorporated or a predecessor company (Cross-Border Debtors)			
Name of Plan	U.S Debtor and Applicant Sponsor(s)	% Reduction in Benefits	Annual per Participant Cap
Supplemental Retirement Benefit Plan for Grade 27 and under Employees of Bowater Canadian Forest Products Inc. ("BCFPI SERP 27-")	Bowater Canadian Forest Products Inc.	10%	CDN \$50,000
Régime complémentaire de retraite relatif aux participants du Régime de retraite des salariés non syndiqués (1995) de Bowater Produits forestiers du Canada Inc. (the "Alliance SERP")	Bowater Canadian Forest Products Inc.	10%	CDN \$50,000
Supplemental Defined Contribution Benefit Plan (2003) for Employees of Bowater Canadian Forest Products Inc. and Bowater Mersey Paper Company Limited ("BCFPI DC SERP 2003")	Bowater Canadian Forest Products Inc.	10%	CDN \$50,000 ⁴
Supplemental Defined Benefit Plan (2003) for Employees of Bowater Canadian Forest Products Inc. and Bowater Mersey Company Limited ("BCFPI SERP 2003")	Bowater Canadian Forest Products Inc.	10%	CDN \$50,000
Unfunded Survivor Income Benefits ("SIB")	Bowater Canadian Forest Products Inc.	10%	CDN \$50,000
Other unfunded arrangements (union and non union special pensions) ("Other BCFPI U" and "Other BCFPI NU") (pensions in payment only)	Bowater Canadian Forest Products Inc.	10%	CDN \$50,000
Various letters of engagement of Bowater Canadian Forest Products Inc. regarding payout of excess flexible contributions	Bowater Canadian Forest Products Inc.	10%	CDN \$50,000 ⁴
Régime de conversion industriel prévu à la convention collective (Donnacona, CSN Conventions collectives de 1984 à 2005) (ERIP)	Bowater Canadian Forest Products Inc.	10%	CDN \$50,000
Régime de conversion industriel de Domtar (Dolbeau, SCEP Local 85 et 252) (ERIP)	Bowater Canadian Forest Products Inc.	10%	CDN \$50,000
Bridging Supplement (Thunder Bay Woods, Collective Agreement Local 1-2693, September 1, 2005 to November 30, 2009) (ERIP)	Bowater Canadian Forest Products Inc.	10%	CDN \$50,000

⁴ These caps apply to defined benefit plans. Corresponding caps may apply to defined contribution plans.

Plans sponsored by Abitibi-Consolidated Inc. or a predecessor company (Canada)			
Name of Plan	U.S Debtor and Applicant Sponsor(s)	% Reduction in Benefits	Annual per Participant Cap
Canadian Supplemental Executive Retirement Plan (SERP) for Executive Employees of Abitibi-Consolidated Inc. (the "ACI DB SERP")	Abitibi-Consolidated Inc. and AbitibiBowater Inc.	10%	CDN \$50,000
Canadian Defined Contribution Retirement Program for Executive Employees of AbitibiBowater (the "ABH DC SERP")	Abitibi-Consolidated Inc. and AbitibiBowater Inc.	10%	CDN \$50,000 ⁵
Management Supplementary Benefit Agreements (the "MSBAs")	Abitibi-Consolidated Inc.	10%	CDN \$50,000
Senior Management Retirement Plan of Stone-Consolidated (the "SMRP")	Abitibi-Consolidated Inc.	10%	CDN \$50,000
Régime supplémentaire de retraite des cadres supérieurs désignés de Donohue Inc. (the "Donohue SERP")	Abitibi-Consolidated Inc. and AbitibiBowater Inc.	10%	CDN \$50,000
QUNO Corporation Supplemental Retirement Plan (the "QUNO SERP")	Abitibi-Consolidated Inc. and Abitibi Consolidated Company of Canada	10%	CDN \$50,000
Supplemental Plan for Expatriate Employees of Abitibi-Consolidated Inc. (the "SPEE")	Abitibi-Consolidated Inc.	10%	CDN \$50,000
Supplemental Retirement Plan for Senior Executives of Finlay Forest Industries Inc. (the "FF SERP")	Abitibi-Consolidated Inc.	10%	CDN \$50,000
Other unfunded arrangements (union and non union ad hoc benefits and union and non union special pensions) ("Other ACI U" and "Other ACI NU") (pensions in payment only)	Abitibi-Consolidated Company of Canada	10%	CDN \$50,000
Early Retirement Incentive Plan (Grand Falls, Memorandum of Understanding	Abitibi-Consolidated	10%	CDN\$50,000

⁵ These caps apply to defined benefit plans. Corresponding caps may apply to defined contribution plans.

Plans sponsored by Abitibi-Consolidated Inc. or a predecessor company (Canada)			
Name of Plan	U.S Debtor and Applicant Sponsor(s)	% Reduction in Benefits	Annual per Participant Cap
CEP Local 60N- 1999 to 2003) (ERIP)	Company of Canada.		
Re-organization & Manning of paper loading crews (Grand Falls, Effective as of January 1, 1989) (ERIP)	Abitibi- Consolidated Company of Canada	10%	CDN\$50,000
Retirement Agreements entered into between Abitibi-Consolidated Inc. and J.A. Tory, D. Ward and R. Drouin	Abitibi- Consolidated Inc.	10%	CDN \$50,000
Pension bridging provisions and Trigger Bonus (Mackenzie, Collective Bargaining Agreement and the Codification of Local Agreements SCEP Local 402, 2003 to 2008) (ERIP)	Abitibi- Consolidated Company of Canada	10%	CDN \$50,000
Letter of Understanding between CACC and Local 1-2995 (Iroquois Falls Woods, USW, December 1, 2009 to November 30, 2012) (ERIP)	Abitibi- Consolidated Company of Canada	10%	CDN \$50,000
Redundancy Measures Program regarding Displaced Employees at IF Division (C.P.U. Locals 90 and 109, Effective June 1, 1982) (ERIP)	Abitibi- Consolidated Company of Canada	10%	CDN \$50,000

C. Miscellaneous

The U.S. Debtors', the Applicants' or Reorganized Debtors' performance of any employment agreement, plan or policy that is not terminated under the U.S. Plan or the CCAA Plan will not entitle any person to any benefit or alleged entitlement under any policy, program, or plan that has expired or been terminated before the Implementation Date, or restore, reinstate, or revive any such benefit or alleged entitlement under any such policy, program or plan. Nothing in the U.S. Plan or the CCAA Plan shall limit, diminish, or otherwise alter the Reorganized Debtors' defenses, claims, Causes of Action, or other rights with respect to any such contracts, agreements, policies, programs, and plans.

Notwithstanding anything to the contrary contained herein, on and after the Implementation Date, all retiree benefits (as that term is defined in section 1114 of the Bankruptcy Code), if any, shall continue to be paid in accordance with applicable law.

(2) Material Terms of DC SERPs

COMPENSATION FACT SHEET

AbitibiBowater Inc. Supplemental Retirement Savings Plan (for grades 29 and above)



Purpose

The AbitibiBowater Inc. Supplemental Retirement Savings Plans (or "DC SERP") helps employees save for retirement. Qualified DC plan contributions are subject to a tax limit, so the DC SERP allows employees to benefit based on his or her full earnings.

The **DC SERP** is an unfunded plan that is paid through the Company's operating expenses and is not governed by pension legislation. The goal of the DC SERP is to provide company contributions to highly-compensated employees for retirement purposes that cannot be received from the AbitibiBowater Inc. Retirement Savings Plan (or "DC plan") due to Internal Revenue Service limitations. In other words, the DC SERP supplements the DC plan benefit.

Eligibility

Employees who are at salary grade 29 or above and are listed on the U.S. payroll participate in the DC SERP as of the date of emergence. Any executive who is hired into or appointed to a position corresponding to salary grade 29 or above after the date of emergence will automatically become a participant in the DC SERP.

An employee will cease to be eligible for any DC SERP contributions as of the date he or she is no longer actively employed in a position corresponding to salary grade 29 or above. If an employee moves to a position corresponding to salary grade 28 or below, he or she will be covered only under the DC plan.

There are approximately 23 eligible employees.

Contributions

Contributions are allocated to 2 plans under the DC retirement program:

- ▶ The DC plan, for total employee and Company contributions up to Internal Revenue Service limits; and
- ▶ The DC SERP, for Company contributions in excess of Internal Revenue Service limits as well as some additional Company contributions.

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COMPENSATION FACT SHEET

AbitibiBowater Inc. Supplemental Retirement Savings Plan



Contributions

Contribution levels for the DC SERP are as follows:

Company Contributions	
Basic	6.5% of eligible earnings Minus Company contributions to the DC plan
Match	4% of eligible earnings Minus Maximum Company match in the DC plan
Additional	
▶ For executives at salary grade 43 and above reporting to the CEO	10% of eligible earnings
▶ For the CEO	12% of eligible earnings

Eligible earnings

Eligible earnings include base salary, as well as the paid bonus under annual Incentive plans. The paid bonus excludes any special bonuses unless authorized by the Company.

Tax Limit

The sum of employee and Company contributions to the DC plan is subject to the limit prescribed by the Internal Revenue Service. The limit for employee contributions is \$16,500 while the limit for the sum of employee and Company contributions is \$49,000 for 2010. Moreover, contributions can not be made on any compensation above \$245,000. These amounts are expected to rise annually in future years.

Program Overview

Vesting	Participants become fully vested in Company contributions upon three Years of Service. Excess Matching Contributions credited before January 1, 2009 and Company contributions associated with salary deferrals (before January 1, 2009) are fully vested.
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COMPENSATION FACT SHEET

AbitibiBowater Inc. Supplemental Retirement Savings Plan



How Money Grows	Participants allocate their contributions (in whole percentages) to investment funds made available by the Plan Administrator. Individual Participant Accounts grow at the cumulative rate of return recognized by the portfolio created by their investment elections.
Termination of Employment or Retirement	After an employee leaves the Company, his or her vested DC SERP is paid in cash, less applicable taxes. It is paid out in 2 equal payments at 6 months and at 12 months after the employee leaves the Company.
Death Benefits	▶ If the employee dies before leaving the Company, his or her spouse or beneficiary will receive a lump-sum payment equal to 100% of the DC SERP account in cash, less applicable taxes. ▶ If the employee dies after leaving the Company, but before having received the amount to which he or she was entitled when leaving the Company, the employee's spouse or beneficiary will receive any remaining payments that he or she would have been entitled to receive had death not occurred. This amount is paid in cash, less applicable taxes.
Disability	If the employee becomes disabled, he or she will receive a lump-sum payment equal to 100% of the DC SERP account in cash, less applicable taxes.

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COMPENSATION FACT SHEET

Defined Contribution (DC) Retirement Program- (DC plan and DC SERP for grades 29 and above)



Purpose

The defined contribution (DC) retirement program (or "retirement program") helps employees save for retirement. It consists of 2 plans: the defined contribution plan (or "DC plan") and the defined contribution supplemental executive retirement plan (or "DC SERP"). DC plan contributions are subject to a tax limit, so the DC SERP allows employees to benefit based on his or her full earnings.

The **DC plan** is a registered plan, which means that it is funded and governed by pension legislation. Employee contributions, along with the Company's matching contributions, are deposited in an individual account and allocated to investment funds that the employee chooses.

The **DC SERP** is an unfunded plan that is paid through the Company's operating expenses and is not governed by pension legislation. The goal of the DC SERP is to provide benefits to highly-compensated employees, whose retirement savings would otherwise be limited in the DC plan by the *Income Tax Act (Canada)* maximum. In other words, the DC SERP supplements the DC plan benefit.

Eligibility

Employees who are at salary grade 29 or above and are listed on the Canadian payroll participate in the DC retirement program as of the date of emergence. Any executive who is hired into or appointed to a position corresponding to salary grade 29 or above after the date of emergence will automatically become a participant in the DC retirement program.

An employee will cease to be eligible for any DC SERP contributions as of the date he or she is no longer actively employed in a position corresponding to salary grade 29 or above. If an employee moves to a position corresponding to salary grade 28 or below, he or she will be covered only under the DC plan for grades 28 or below.

There are approximately 40 eligible employees.

Contributions

Contributions are allocated to 2 plans under the DC retirement program:

- ▶ The DC plan, for total employee and Company contributions up to *Income Tax Act (Canada)* limits; and
- ▶ The DC SERP, for Company contributions in excess of *Income Tax Act (Canada)* limits.

Employees must make contributions to the retirement program equal to 5% of eligible earnings up to the Compensation Limit (U.S.A.). The Compensation Limit (U.S.A.) is set by the Internal Revenue Service (U.S.A.) and is equal to \$245,000 for the year 2010; it is expected to rise annually in future years. These contributions are allocated to the DC plan.

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COMPENSATION FACT SHEET

Defined Contribution (DC) Retirement Program



Contributions

Contribution levels are as follows:

Contributions	Employee Contributions	Company Contributions
Basic	5% of eligible earnings*	10.5% of eligible earnings
Additional		
▶ For executives at salary grade 43 and above reporting to the CEO	None	10% of eligible earnings
▶ For the CEO	None	12% of eligible earnings

* Up to the Compensation Limit (U.S.A.)

Company contributions are first deposited in the DC plan up to *Income Tax Act (Canada)* limits. Any amount that exceeds *Income Tax Act (Canada)* limits is then allocated to the DC SERP.

Eligible earnings

Eligible earnings include base salary, as well as the paid bonus under annual incentive plans. The paid bonus excludes any special bonuses unless authorized by the Company.

Tax Limit

The sum of employee and Company contributions to the DC plan is subject to the limit prescribed under the *Income Tax Act (Canada)*. The limit is \$22,450 for 2010. This amount is expected to rise annually in future years.

Program Overview

Vesting	DC plan
	Employees are immediately fully vested in the DC account.
	DC SERP
	Vesting is gradual and depends on age. An employee becomes fully vested upon an involuntary termination without cause or upon death.
	The vesting schedule for the DC SERP is as follows:

Vested %	Age
50%	Younger than 55
70%	55
80%	56
90%	57
100%	58



Defined Contribution (DC) Retirement Program

Non-Compete/ Confidentiality Provisions	The right to receive any money from the DC SERP is subject to the terms of the non-compete / confidentiality provisions stipulated under the DC SERP plan text.
How Money Grows	DC plan Contributions to the DC plan are deposited in an individual account and allocated to investment funds that the employee chooses. The funds accumulated in an employee's DC account vary over time, depending on the amount of contributions made and investment returns, which can be positive or negative. A range of investment funds are offered in the DC plan to meet employee needs and risk and reward objectives. DC SERP Employees do not have investment options in the DC SERP. Each year, the Company will allocate interests to DC SERP accounts at a rate equal to the average rate of return on the balanced funds offered in the DC plan during the year. However, in the year of termination of employment, interest will be allocated as if the contributions for the year were made at mid-year.
Termination of Employment or Retirement	DC plan ▶ At termination of employment, an employee can transfer the DC account balance to a locked-in retirement savings plan on a tax-sheltered basis. ▶ Upon retirement, the income will depend on the following factors: - The account balance at retirement (employee contributions, Company contributions, and investment income); - The age when the employee chooses to start receiving his or her retirement payments; and - The authorized retirement income plan chosen by the employee. This could be a life annuity, a life income fund (LIF), or a locked-in retirement income fund (LRIF). LIFs and LRIFs are similar to investment accounts, from which withdrawals can be made each year, subject to legislated minimums and maximums. DC SERP After an employee leaves the Company, his or her vested DC SERP is paid in cash, less applicable taxes. It is paid out in 2 equal payments after the employee has left the Company; at 6 months and at 12 months.



Defined Contribution (DC) Retirement Program

Death Benefits	DC plan ▶ If the employee dies before transferring the funds in the DC account out of the Plan, his or her spouse or beneficiary will receive the account balance. ▶ If the employee dies after transferring the DC account out of the Plan, his or her spouse or beneficiary will receive the amounts payable under the terms of the life annuity, locked-in retirement savings plan, or authorized retirement income plan previously chosen by the employee. DC SERP ▶ If the employee dies before leaving the Company, his or her spouse or beneficiary will receive a lump-sum payment equal to 100% of the DC SERP account in cash, less applicable taxes. ▶ If the employee dies after leaving the Company, but before having received the amount to which he or she was entitled when leaving the Company, the employee's spouse or beneficiary will receive any remaining payments that he or she would have been entitled to receive had death not occurred. This amount is paid in cash, less applicable taxes.
Disability	▶ If the employee becomes disabled and is entitled to benefits under the Company's short-term disability plan, the employee and the Company will continue to contribute to the DC Retirement Program during this period. ▶ If the employee becomes disabled and is entitled to benefits under the Company's long-term disability plan, the Company will continue to make its basic and optional contributions to the employee's account of the DC Retirement Program, as well as the contributions he or she was making the day before the start of disability leave. ▶ Contributions will be based on the employee's eligible earnings before the start of disability leave.

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APPENDIX “F”
SETTLEMENT AGREEMENTS (REDACTED)

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (the "Agreement") is entered into by and between AbitibiBowater Inc. and its affiliates in the above captioned cases (collectively, together with the affiliates who applied for protection from their creditors under Canada's *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (as amended, the "CCAA") and as reorganized, the "Debtors") and [REDACTED] ("Claimant"). The Debtors and Claimant are each referred to individually herein as a "Party" and collectively, as the "Parties."

WHEREAS, the Debtors filed creditor protection proceedings in the United States and Canada (the "Restructuring Cases") on April 16, 2009 and April 17, 2009, respectively (the "Petition Date"). In November 2010, the U.S. bankruptcy court (the "U.S. Court") and the Quebec Superior Court (the "CCAA Court") entered orders confirming and sanctioning the Debtors' chapter 11 and CCAA restructuring plans (the confirmed chapter 11 plan, the "Chapter 11 Plan" and accompanying disclosure statement, the "Disclosure Statement", and together with the sanctioned CCAA plan (the "CCAA Plan" and the accompanying information circular, the "Information Circular") the "Restructuring Plans"). The Restructuring Plans went effective on December 9, 2010.

WHEREAS, as of the Petition Date, the Debtors suspended all payments on account of pre-filing supplemental executive retirement plans (collectively, the "Old

Drive Company Limited, Bowater Treated Wood Inc., Canexel Hardboard Inc., 9068-9050 Québec Inc., Alliance Forest Products Inc. (2001), Bowater Belledune Sawmill Inc., Bowater Maritimes Inc., Bowater Mitis Inc., Bowater Guérette Inc., and Bowater Couturier Inc.

SERPs”), including the Canadian Supplemental Executive Retirement Plan (SERP) for Executive Employees of Abitibi-Consolidated Inc. (the “ACI SERP”). The Restructuring Plans terminated all such plans. See CCAA Plan Supplement 6.9(1); Amended CCAA Plan Supplement 6.9(2); Chapter 11 Plan § 6.9; Supplement 7B (as amended). In accordance with the Restructuring Plans, however, the Debtors established new non-qualified and non-registered plans (the “New SERPs”) pursuant to which (a) all employees and beneficiaries in active status as of the Effective Date were eligible to receive benefits under the New SERPs substantially similar to those under the Old SERPs; and (b) all retirees, beneficiaries and deferred vested participants (collectively, “Retirees”), as of the Effective Date, were eligible to receive benefits under the New SERPs substantially similar to those under the Old SERPs, provided however, that the benefits to a participant under the New SERP(s) will be 10% to 35% lower, depending on the applicable Old SERP(s), the benefits under the New Plans will be subject to an annual per-participant cap, and depending on the applicable Old SERP, the benefits being further reduced by any secured pension benefits received or to be received in respect of the Old SERP. The ACI SERP is subject to a 10% reduction in benefits and a CDN\$50,000 per participant annual cap. In addition, some participants under the ACI SERP received secured pension benefits in respect of the ACI SERP and accordingly, were ineligible to participate in the applicable New SERP or were eligible to participate in the applicable New SERP subject to further reduction of their benefits.

WHEREAS, as a condition of participating in the New SERPs, the Restructuring Plans required eligible plan participants to waive and forfeit any and all claims in respect of the Old SERPs. In August 2010, the Debtors mailed election notices

to all SERP claimants (the "SERP Election Notices") offering them a choice between (1) participating in the New SERPs and waiving all their claims against the Debtors arising under the relevant Old SERPs, or (2) retaining their claims against the Debtors arising under the Old SERPs, and receiving distributions on account of such claims (if and when allowed) as part of the Restructuring Cases. Claimant was not eligible to participate in a New SERP or was eligible to participate in a New SERP but elected to retain his claims under the ACI SERP (the "ACI SERP Claims").

WHEREAS, at the time the SERP Election Notices were circulated, AbitibiBowater Inc. and Abitibi-Consolidated Inc. were identified as sponsors of the ACI SERP. Other Debtors may also be potential sponsors of the ACI SERP, and may also be potentially liable for the ACI SERP Claims. The Company, the post-effective date claims agent (the "Claims Agent") appointed under the Chapter 11 Plan, and the monitor appointed in the CCAA proceedings by the CCAA Court (the "Monitor"), have analyzed the likelihood of other Debtors' liability for the ACI SERP Claims.

WHEREAS, among other things, the Claims Agent, the Monitor, and the Claimant dispute the liability of the various Debtors for the ACI SERP Claims.

WHEREAS, to avoid the expense and inconvenience of further litigation, the Parties have agreed to settle on the allowed amount of Claimant's ACI SERP Claim and allocate such claim against various Debtors based on an agreement regarding each such Debtors' probable estimated liability for the claim as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and releases set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. ACI SERP Claim Allowance. Claimant shall have an allowed general unsecured ACI SERP Claim (the "Allowed ACI SERP Claim") in the amount of **CDN \$889,976.00** which shall be allocated, solely for purposes of this Agreement, against each of the following Debtors: AbitibiBowater Inc., Bowater Incorporated, Donohue Corp., Abitibi Consolidated Sales Corporation, Abitibi-Consolidated Corporation, Bowater Canadian Forest Products Inc., Abitibi-Consolidated Inc., and Abitibi-Consolidated Company of Canada (collectively, the "ACI SERP Settlement Sponsors"). Except for purposes of this Agreement, the Debtors, the Claims Agent and the Monitor do not concede that the ACI SERP Settlement Sponsors have legal liability for the ACI SERP.

2. ACI SERP Claim Allocation: The Allowed ACI SERP Claim will be allocated against the ACI SERP Settlement Sponsors in the following percentages based upon the agreed-upon relative risk of liability of each particular ACI SERP Settlement Sponsor, resulting in the corresponding portion of the Allowed ACI SERP Claim being allowed against the ACI SERP Settlement Sponsor in the indicated amounts (the "Risk-Adjusted Allowed ACI SERP Claim Amount"):

Allowed ACI SERP Claim Amount	ACI SERP Settlement Sponsor	% of Allowed ACI SERP Claim Allocated against ACI SERP Settlement Sponsor	Risk-Adjusted/Allowed ACI SERP Claim Amount	Applicable General Unsecured Claim Class	Estimated % Recovery Rate from Debtor based on Disclosure Statement and Information Circular	Estimated Recovery on Account of Risk-Adjusted Allowed ACI SERP Claim Amount
CDN\$889,976.00	Bowater Canadian Forest Products Inc.	23%	CDN\$204,694.48		36.50%	CDN\$74,713.49
CDN\$889,976.00	Abitibi-Consolidated Inc.	100%	CDN\$889,976.00		3.4%	CDN\$30,259.18
CDN\$889,976.00	Abitibi Consolidated Company of Canada	95%	CDN\$845,477.20		17.10%	CDN\$144,576.60
US\$732,731.76	AbitibiBowater Inc.	100%	US\$732,731.76	Class 6A	0.8%	US\$5,861.85

US\$732,731.76	Bowater Incorporated	23%	US\$168,528.31	Class 6S	48.4%	US\$81,567.70
US\$732,731.76	Donohue Corp.	20%	US\$146,546.35	Class 6DD	28.4%	US\$41,619.16
US\$732,731.76	Abitibi Consolidated Sales Corp.	20%	US\$146,546.35	Class 6H	23.4%	US\$34,291.85
US\$732,731.76	Abitibi Consolidated Corporation	20%	US\$146,546.35	Class 6F	12.0%	US\$17,585.56
					Total Estimated Recovery (CDNS)	\$469,302.14
					% Recovery (CDNS:CDNS)	52%

* Currency conversions use the Bank of Canada's noon spot rate as of the Petition Date of CDN \$1.00 – US\$0.8290.

3. No Fixed Recoveries on Allowed ACI SERP Claims: The

Allowed ACI SERP Claim and Risk-Adjusted Allowed ACI SERP Claim Amounts constitute Claimant's sole Allowed claims arising under, in connection with, or relating to the ACI SERP, and all other claims (if any), including any such claims against any other Debtor or Debtor's affiliate (including for the avoidance of doubt, Bowater Canada Finance Corporation), are deemed withdrawn and expunged. Notwithstanding anything to the contrary contained in this Agreement, this Agreement does not fix recoveries or guarantee an aggregate 52% recovery on the Allowed ACI SERP Claim or a recovery against each ACI SERP Settlement Sponsor at the estimated recovery rate set forth in the applicable Disclosure Statement or Information Circular. Actual recoveries on account of such claims depend on the other claims that are ultimately allowed or disallowed against each ACI SERP Settlement Sponsor and the ultimate trading value of the New ABH Common Stock (as defined in the Chapter 11 Plan). The estimated recoveries set forth in paragraph 2 above (a) are based on the assumptions and estimated recovery rates for each ACI SERP Settlement Sponsor contained in the Disclosure Statement and Information Circular, and (b) the implied stock price of US\$25 per share of New ABH Common Stock contained in the Disclosure Statement and Information Circular. After full administration of the Restructuring Cases, actual recoveries on the Allowed ACI SERP

Claims and the Risk-Adjusted Allowed ACI SERP Claim Amounts may be significantly more or less than 52% of the claim amounts.

4. Allowed ACI SERP Claim Distributions. The Debtors will make an initial distribution of New ABH Common Stock on account of the Allowed ACI SERP Claims and the Risk-Adjusted Allowed ACI SERP Claim Amounts on the first interim distribution date after entry of orders by the U.S. Court and Canadian Courts approving this Agreement on which it is reasonably practicable for the Debtors to do so. All distributions on account of the Allowed ACI SERP Claims and Risk-Adjusted Allowed ACI SERP Claim Amounts will be subject to all applicable holdbacks and other restrictions under the Restructuring Plans (if any).

5. Agreement on Allowed Claims and Distributions. Other than the Allowed ACI SERP Claim and the Risk-Adjusted Allowed ACI SERP Claim Amounts, Claimant agrees to withdraw with prejudice all other claims asserted in connection with or arising from the ACI SERP, whether in a proof of claim or otherwise, and upon the Effective Date, all such claims shall be deemed withdrawn with prejudice and expunged, including, for the avoidance of doubt, all claims (if any) asserted against Bowater Canada Finance Corporation.

6. Injunction. Other than with respect to his rights under this Agreement, Claimant is permanently enjoined from, and agrees not to take, any of the following actions on account of his ACI SERP Claim: (a) commencing or continuing in any manner any action or other proceeding against the Debtors or their respective property; (b) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order against the Debtors or their respective property; (c) creating,

perfecting, or enforcing any lien or encumbrance against the Debtors or their respective property; (d) asserting a setoff, right of subrogation or recoupment of any kind against any debt, liability or obligation due to the Debtors or their respective property; and (e) commencing or continuing any action, in any manner, in any place that does not comply with or is inconsistent with the provisions of this Agreement and the Restructuring Plans.

7. Release by Claimant. Other than with respect to its rights under this Agreement and the Allowed ACI SERP Claim and the Risk-Adjusted Allowed ACI SERP Claim Amounts, the Claimant and each of its successors, assigns, spouses and dependents (collectively, the "Claimant Releasors") hereby release and forever discharge the Debtors (including Bowater Canada Finance Corporation), Avidity Partners, LLC, in its capacity as the Post-Effective Date Claims Agent, and Ernst & Young Inc., in its capacity as the court-appointed Monitor in respect of the Matter of the Plan of Compromise or Arrangement of AbitibiBowater Inc. and its subsidiaries and affiliates, in each case along with each of their past, present, and future direct and indirect parents, subsidiaries, affiliates, related entities, directors, officers, employees, attorneys, representatives, agents, receivers, insurers, and each of their predecessors, successors, heirs and assigns (collectively, the "Debtor Releasees") from any and all causes of action, demands, damages, costs, debts, liabilities, losses or claims of any kind, whether known or unknown, that the Claimant Releasors may now have or ever have had, or hereafter shall or may have, against the Debtor Releasees arising from, in connection with, or related to the ACI SERP.

8. Complete and Final Agreement. This Agreement sets forth the entire agreement between the Parties pertaining to the subject matter hereof. This

Agreement supersedes and replaces any and all prior or contemporaneous verbal or written agreements between the Parties concerning the subject matter hereof. No modification of, or amendment to, this Agreement shall be valid unless it is in writing and signed by the Parties hereto.

9. No Reliance. No Party has relied on or been induced to execute this Agreement by any statements, representations, agreements or promises, oral or written, made by any other Party, their agents, employees, servants or attorneys, or anyone else, other than the statements expressly written in this Settlement Agreement and Release.

10. Interpretation of Agreement. As used in this Agreement, the singular or plural number shall be deemed to include the other whenever the context so indicates or requires. The language of all parts of this Agreement shall in all cases be construed as a whole, according to its fair meaning, not strictly for or against any of the Parties.

11. Counterparts. This Agreement may be executed simultaneously or in any number of original or faxed counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same agreement.

12. Authorization. Each of the undersigned represents and warrants that he or she is competent and authorized to execute this Agreement, and further represents and warrants that he or she has read and understands the terms of this Agreement.

13. Binding Effect. This Agreement shall be binding on and shall inure to the benefit of the Parties and their respective successors, heirs, and assigns.

14. No Admission of Liability. The Parties each agree that entry into this Agreement does not constitute a determination or admission of liability under the ACI SERP by the ACI SERP Settlement Plan Sponsors, and that the allocation and allowance of the ACI SERP Claim constitutes a settlement of the ACI SERP Claim to avoid the expense and time of further litigation.

15. Governing Law. This Agreement shall be governed by and construed under the laws of either the State of Delaware or the Province of Quebec, as may be applicable, without regard to the conflict of laws provisions thereof.

16. Jurisdiction. In connection with any action, suit, or proceeding arising from, in connection with, or relating to this Agreement, the Parties each agree to submit to the exclusive jurisdiction and venue of the United States Bankruptcy Court for the District of Delaware or the CCAA Court, as may be applicable, and any appellate courts with jurisdiction over the U.S. Court and the CCAA Court.

17. Effectiveness; Termination. The Parties acknowledge that the Debtors intend to seek approval of this Agreement by the U.S. Court and the CCAA Court and that this Agreement shall only become effective upon entry of an order approving the Agreement by each of the U.S. Court and the CCAA Court (the "Effective Date").

IN WITNESS WHEREOF, the Parties, by their duly authorized representatives, have executed this Agreement this ___ day of October, 2011.

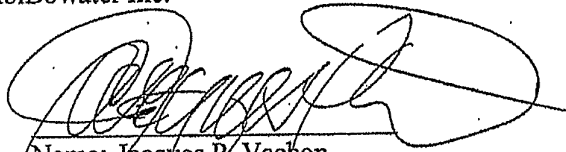
CLAIMANT:

[REDACTED]

THE DEBTORS:

AbitibiBowater Inc.

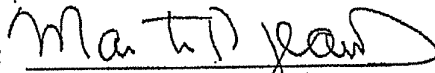
By:


Name: Jacques P. Vachon
Title: Senior Vice President and Chief Legal Officer

APPROVED BY:

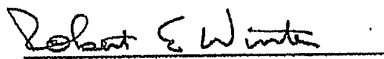
Ernst & Young Inc., in its capacity as the court-appointed Monitor in respect of the Matter of the Plan of Compromise or Arrangement of AbitibiBowater Inc. and its subsidiaries and affiliates, and not in its personal or corporate capacity.

By:


Name: Martin Daigneault
Title: Senior Vice-President

Avidity Partners, LLC
as Post-Effective Date Claims Agent,
by its counsel Paul Hastings LP

By:


Name: Robert E. Winter
Title: Counsel

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (the "Agreement") is entered into by and between AbitibiBowater Inc. and its affiliates in the above captioned cases (collectively, together with the affiliates who applied for protection from their creditors under Canada's *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (as amended, the "CCAA") and as reorganized, the "Debtors") and [REDACTED] ("Claimant"). The Debtors and Claimant are each referred to individually herein as a "Party" and collectively, as the "Parties."

WHEREAS, the Debtors filed creditor protection proceedings in the United States and Canada (the "Restructuring Cases") on April 16, 2009 and April 17, 2009, respectively (the "Petition Date"). In November 2010, the U.S. bankruptcy court (the "U.S. Court") and the Quebec Superior Court (the "CCAA Court") entered orders confirming and sanctioning the Debtors' chapter 11 and CCAA restructuring plans (the confirmed chapter 11 plan, the "Chapter 11 Plan" and accompanying disclosure statement, the "Disclosure Statement", and together with the sanctioned CCAA plan (the "CCAA Plan" and the accompanying information circular, the "Information Circular") the "Restructuring Plans"). The Restructuring Plans went effective on December 9, 2010.

WHEREAS, as of the Petition Date, the Debtors suspended all payments on account of pre-filing supplemental executive retirement plans (collectively, the "Old

Drive Company Limited, Bowater Treated Wood Inc., Canexel Hardboard Inc., 9068-9050 Québec Inc., Alliance Forest Products Inc. (2001), Bowater Belledune Sawmill Inc., Bowater Maritimes Inc., Bowater Mitis Inc., Bowater Guérette Inc., and Bowater Couturier Inc.

SERPs”), including the Canadian Supplemental Executive Retirement Plan (SERP) for Executive Employees of Abitibi-Consolidated Inc. (the “ACI SERP”). The Restructuring Plans terminated all such plans. See CCAA Plan Supplement 6.9(1); Amended CCAA Plan Supplement 6.9(2); Chapter 11 Plan § 6.9; Supplement 7B (as amended). In accordance with the Restructuring Plans, however, the Debtors established new non-qualified and non-registered plans (the “New SERPs”) pursuant to which (a) all employees and beneficiaries in active status as of the Effective Date were eligible to receive benefits under the New SERPs substantially similar to those under the Old SERPs; and (b) all retirees, beneficiaries and deferred vested participants (collectively, “Retirees”), as of the Effective Date, were eligible to receive benefits under the New SERPs substantially similar to those under the Old SERPs, provided however, that the benefits to a participant under the New SERP(s) will be 10% to 35% lower, depending on the applicable Old SERP(s), the benefits under the New Plans will be subject to an annual per-participant cap, and depending on the applicable Old SERP, the benefits being further reduced by any secured pension benefits received or to be received in respect of the Old SERP. The ACI SERP is subject to a 10% reduction in benefits and a CDN\$50,000 per participant annual cap. In addition, some participants under the ACI SERP received secured pension benefits in respect of the ACI SERP and accordingly, were ineligible to participate in the applicable New SERP or were eligible to participate in the applicable New SERP subject to further reduction of their benefits.

WHEREAS, as a condition of participating in the New SERPs, the Restructuring Plans required eligible plan participants to waive and forfeit any and all claims in respect of the Old SERPs. In August 2010, the Debtors mailed election notices

to all SERP claimants (the "SERP Election Notices") offering them a choice between (1) participating in the New SERPs and waiving all their claims against the Debtors arising under the relevant Old SERPs, or (2) retaining their claims against the Debtors arising under the Old SERPs, and receiving distributions on account of such claims (if and when allowed) as part of the Restructuring Cases. Claimant was not eligible to participate in a New SERP or was eligible to participate in a New SERP but elected to retain his claims under the ACI SERP (the "ACI SERP Claims").

WHEREAS, at the time the SERP Election Notices were circulated, AbitibiBowater Inc. and Abitibi-Consolidated Inc. were identified as sponsors of the ACI SERP. Other Debtors may also be potential sponsors of the ACI SERP, and may also be potentially liable for the ACI SERP Claims. The Company, the post-effective date claims agent (the "Claims Agent") appointed under the Chapter 11 Plan, and the monitor appointed in the CCAA proceedings by the CCAA Court (the "Monitor"), have analyzed the likelihood of other Debtors' liability for the ACI SERP Claims.

WHEREAS, among other things, the Claims Agent, the Monitor, and the Claimant dispute the liability of the various Debtors for the ACI SERP Claims.

WHEREAS, to avoid the expense and inconvenience of further litigation, the Parties have agreed to settle on the allowed amount of Claimant's ACI SERP Claim and allocate such claim against various Debtors based on an agreement regarding each such Debtors' probable estimated liability for the claim as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and releases set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. ACI SERP Claim Allowance. Claimant shall have an allowed general unsecured ACI SERP Claim (the "Allowed ACI SERP Claim") in the amount of **CDN \$89,150.00** which shall be allocated, solely for purposes of this Agreement, against each of the following Debtors: AbitibiBowater Inc., Bowater Incorporated, Donohue Corp., Abitibi Consolidated Sales Corporation, Abitibi-Consolidated Corporation, Bowater Canadian Forest Products Inc., Abitibi-Consolidated Inc., and Abitibi-Consolidated Company of Canada (collectively, the "ACI SERP Settlement Sponsors"). Except for purposes of this Agreement, the Debtors, the Claims Agent and the Monitor do not concede that the ACI SERP Settlement Sponsors have legal liability for the ACI SERP.

2. ACI SERP Claim Allocation: The Allowed ACI SERP Claim will be allocated against the ACI SERP Settlement Sponsors in the following percentages based upon the agreed-upon relative risk of liability of each particular ACI SERP Settlement Sponsor, resulting in the corresponding portion of the Allowed ACI SERP Claim being allowed against the ACI SERP Settlement Sponsor in the indicated amounts (the "Risk-Adjusted Allowed ACI SERP Claim Amount"):

Allowed ACI SERP Claim Amount	ACI SERP Settlement Sponsor	% of Allowed ACI SERP Claim Allocated against ACI SERP Settlement Sponsor	Risk-Adjusted/Allowed ACI SERP Claim Amount	Applicable General Unsecured Claim Class	Estimated % Recovery Rate from Debtor based on Disclosure Statement and Information Circular	Estimated Recovery on Account of Risk-Adjusted Allowed ACI SERP Claim Amount
CDN\$89,150.00	Bowater Canadian Forest Products Inc.	23%	CDN\$20,504.50		36.50%	CDN\$7,484.14
CDN\$89,150.00	Abitibi-Consolidated Inc.	100%	CDN\$89,150.00		3.4%	CDN\$3,031.10
CDN\$89,150.00	Abitibi Consolidated Company of Canada	95%	CDN\$84,692.50		17.10%	CDN\$14,482.42
US\$73,398.65	AbitibiBowater Inc.	100%	US\$73,398.65	Class 6A	0.8%	US\$587.19

US\$73,398.65	Bowater Incorporated	23%	US\$16,881.69	Class 6S	48.4%	US\$8,170.74
US\$73,398.65	Donohue Corp.	20%	US\$14,679.73	Class 6DD	28.4%	US\$4,169.04
US\$73,398.65	Abitibi Consolidated Sales Corp.	20%	US\$14,679.73	Class 6H	23.4%	US\$3,435.06
US\$73,398.65	Abitibi Consolidated Corporation	20%	US\$14,679.73	Class 6F	12.0%	US\$1,761.57
					Total Estimated Recovery (CDN\$)	\$47,010.58
					% Recovery (CDN\$:CDN\$)	52%

* Currency conversions use the Bank of Canada's noon spot rate as of the Petition Date of CDN \$1.00 – US\$0.8290.

3. No Fixed Recoveries on Allowed ACI SERP Claims: The

Allowed ACI SERP Claim and Risk-Adjusted Allowed ACI SERP Claim Amounts constitute Claimant's sole Allowed claims arising under, in connection with, or relating to the ACI SERP, and all other claims (if any), including any such claims against any other Debtor or Debtor's affiliate (including for the avoidance of doubt, Bowater Canada Finance Corporation), are deemed withdrawn and expunged. Notwithstanding anything to the contrary contained in this Agreement, this Agreement does not fix recoveries or guarantee an aggregate 52% recovery on the Allowed ACI SERP Claim or a recovery against each ACI SERP Settlement Sponsor at the estimated recovery rate set forth in the applicable Disclosure Statement or Information Circular. Actual recoveries on account of such claims depend on the other claims that are ultimately allowed or disallowed against each ACI SERP Settlement Sponsor and the ultimate trading value of the New ABH Common Stock (as defined in the Chapter 11 Plan). The estimated recoveries set forth in paragraph 2 above (a) are based on the assumptions and estimated recovery rates for each ACI SERP Settlement Sponsor contained in the Disclosure Statement and Information Circular, and (b) the implied stock price of US\$25 per share of New ABH Common Stock contained in the Disclosure Statement and Information Circular. After full administration of the Restructuring Cases, actual recoveries on the Allowed ACI SERP

Claims and the Risk-Adjusted Allowed ACI SERP Claim Amounts may be significantly more or less than 52% of the claim amounts.

4. Allowed ACI SERP Claim Distributions. The Debtors will make an initial distribution of New ABH Common Stock on account of the Allowed ACI SERP Claims and the Risk-Adjusted Allowed ACI SERP Claim Amounts on the first interim distribution date after entry of orders by the U.S. Court and Canadian Courts approving this Agreement on which it is reasonably practicable for the Debtors to do so. All distributions on account of the Allowed ACI SERP Claims and Risk-Adjusted Allowed ACI SERP Claim Amounts will be subject to all applicable holdbacks and other restrictions under the Restructuring Plans (if any).

5. Agreement on Allowed Claims and Distributions. Other than the Allowed ACI SERP Claim and the Risk-Adjusted Allowed ACI SERP Claim Amounts, Claimant agrees to withdraw with prejudice all other claims asserted in connection with or arising from the ACI SERP, whether in a proof of claim or otherwise, and upon the Effective Date, all such claims shall be deemed withdrawn with prejudice and expunged, including, for the avoidance of doubt, all claims (if any) asserted against Bowater Canada Finance Corporation.

6. Injunction. Other than with respect to his rights under this Agreement, Claimant is permanently enjoined from, and agrees not to take, any of the following actions on account of his ACI SERP Claim: (a) commencing or continuing in any manner any action or other proceeding against the Debtors or their respective property; (b) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order against the Debtors or their respective property; (c) creating,

perfecting, or enforcing any lien or encumbrance against the Debtors or their respective property; (d) asserting a setoff, right of subrogation or recoupment of any kind against any debt, liability or obligation due to the Debtors or their respective property; and (e) commencing or continuing any action, in any manner, in any place that does not comply with or is inconsistent with the provisions of this Agreement and the Restructuring Plans.

7. Release by Claimant. Other than with respect to its rights under this Agreement and the Allowed ACI SERP Claim and the Risk-Adjusted Allowed ACI SERP Claim Amounts, the Claimant and each of its successors, assigns, spouses and dependents (collectively, the "Claimant Releasors") hereby release and forever discharge the Debtors (including Bowater Canada Finance Corporation), Avidity Partners, LLC, in its capacity as the Post-Effective Date Claims Agent, and Ernst & Young Inc., in its capacity as the court-appointed Monitor in respect of the Matter of the Plan of Compromise or Arrangement of AbitibiBowater Inc. and its subsidiaries and affiliates, in each case along with each of their past, present, and future direct and indirect parents, subsidiaries, affiliates, related entities, directors, officers, employees, attorneys, representatives, agents, receivers, insurers, and each of their predecessors, successors, heirs and assigns (collectively, the "Debtor Releasees") from any and all causes of action, demands, damages, costs, debts, liabilities, losses or claims of any kind, whether known or unknown, that the Claimant Releasors may now have or ever have had, or hereafter shall or may have, against the Debtor Releasees arising from, in connection with, or related to the ACI SERP.

8. Complete and Final Agreement. This Agreement sets forth the entire agreement between the Parties pertaining to the subject matter hereof. This

Agreement supersedes and replaces any and all prior or contemporaneous verbal or written agreements between the Parties concerning the subject matter hereof. No modification of, or amendment to, this Agreement shall be valid unless it is in writing and signed by the Parties hereto.

9. No Reliance. No Party has relied on or been induced to execute this Agreement by any statements, representations, agreements or promises, oral or written, made by any other Party, their agents, employees, servants or attorneys, or anyone else, other than the statements expressly written in this Settlement Agreement and Release.

10. Interpretation of Agreement. As used in this Agreement, the singular or plural number shall be deemed to include the other whenever the context so indicates or requires. The language of all parts of this Agreement shall in all cases be construed as a whole, according to its fair meaning, not strictly for or against any of the Parties.

11. Counterparts. This Agreement may be executed simultaneously or in any number of original or faxed counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same agreement.

12. Authorization. Each of the undersigned represents and warrants that he or she is competent and authorized to execute this Agreement, and further represents and warrants that he or she has read and understands the terms of this Agreement.

13. Binding Effect. This Agreement shall be binding on and shall inure to the benefit of the Parties and their respective successors, heirs, and assigns.

14. No Admission of Liability. The Parties each agree that entry into this Agreement does not constitute a determination or admission of liability under the ACI SERP by the ACI SERP Settlement Plan Sponsors, and that the allocation and allowance of the ACI SERP Claim constitutes a settlement of the ACI SERP Claim to avoid the expense and time of further litigation.

15. Governing Law. This Agreement shall be governed by and construed under the laws of either the State of Delaware or the Province of Quebec, as may be applicable, without regard to the conflict of laws provisions thereof.

16. Jurisdiction. In connection with any action, suit, or proceeding arising from, in connection with, or relating to this Agreement, the Parties each agree to submit to the exclusive jurisdiction and venue of the United States Bankruptcy Court for the District of Delaware or the CCAA Court, as may be applicable, and any appellate courts with jurisdiction over the U.S. Court and the CCAA Court.

17. Effectiveness; Termination. The Parties acknowledge that the Debtors intend to seek approval of this Agreement by the U.S. Court and the CCAA Court and that this Agreement shall only become effective upon entry of an order approving the Agreement by each of the U.S. Court and the CCAA Court (the "Effective Date").

IN WITNESS WHEREOF, the Parties, by their duly authorized representatives, have executed this Agreement this ___ day of October, 2011.

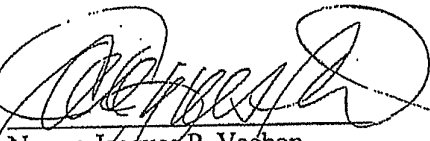
CLAIMANT:

[REDACTED]

THE DEBTORS:

AbitibiBowater Inc.

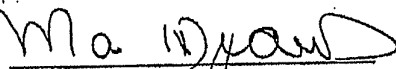
By:


Name: Jacques P. Vachon
Title: Senior Vice President and Chief Legal Officer

APPROVED BY:

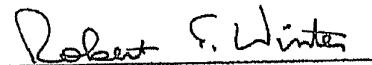
Ernst & Young Inc., in its capacity as the court-appointed Monitor in respect of the Matter of the Plan of Compromise or Arrangement of AbitibiBowater Inc. and its subsidiaries and affiliates, and not in its personal or corporate capacity.

By:


Name: Martin Daigneault
Title: Senior Vice-President

Avidity Partners, LLC
as Post-Effective Date Claims Agent,
by its counsel Paul Hastings LP

By:


Name: Robert E. Winter
Title: Counsel

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (the "Agreement") is entered into by and between AbitibiBowater Inc. and its affiliates in the above captioned cases (collectively, together with the affiliates who applied for protection from their creditors under Canada's *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (as amended, the "CCAA") and as reorganized, the "Debtors") and [REDACTED] ("Claimant"). The Debtors and Claimant are each referred to individually herein as a "Party" and collectively, as the "Parties."

WHEREAS, the Debtors filed creditor protection proceedings in the United States and Canada (the "Restructuring Cases") on April 16, 2009 and April 17, 2009, respectively (the "Petition Date"). In November 2010, the U.S. bankruptcy court (the "U.S. Court") and the Quebec Superior Court (the "CCAA Court") entered orders confirming and sanctioning the Debtors' chapter 11 and CCAA restructuring plans (the confirmed chapter 11 plan, the "Chapter 11 Plan" and accompanying disclosure statement, the "Disclosure Statement", and together with the sanctioned CCAA plan (the "CCAA Plan" and the accompanying information circular, the "Information Circular") the "Restructuring Plans"). The Restructuring Plans went effective on December 9, 2010:

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Drive Company Limited, Bowater Treated Wood Inc., Canexel Hardboard Inc., 9068-9050 Québec Inc., Alliance Forest Products Inc. (2001), Bowater Belledune Sawmill Inc., Bowater Maritimes Inc., Bowater Mitis Inc., Bowater Guérette Inc., and Bowater Couturier Inc.

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WHEREAS, as a condition of participating in the New SERPs, the Restructuring Plans required eligible plan participants to waive and forfeit any and all claims in respect of the Old SERPs. In August 2010, the Debtors mailed election notices

to all SERP claimants (the "SERP Election Notices") offering them a choice between (1) participating in the New SERPs and waiving all their claims against the Debtors arising under the relevant Old SERPs, or (2) retaining their claims against the Debtors arising under the Old SERPs, and receiving distributions on account of such claims (if and when allowed) as part of the Restructuring Cases. Claimant was not eligible to participate in a New SERP or was eligible to participate in a New SERP but elected to retain his claims under the ACI SERP (the "ACI SERP Claims").

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WHEREAS, among other things, the Claims Agent, the Monitor, and the Claimant dispute the liability of the various Debtors for the ACI SERP Claims.

WHEREAS, to avoid the expense and inconvenience of further litigation, the Parties have agreed to settle on the allowed amount of Claimant's ACI SERP Claim and allocate such claim against various Debtors based on an agreement regarding each such Debtors' probable estimated liability for the claim as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and releases set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. ACI SERP Claim Allowance. Claimant shall have an allowed general unsecured ACI SERP Claim (the "Allowed ACI SERP Claim") in the amount of **CDN \$70,908.00** which shall be allocated, solely for purposes of this Agreement, against each of the following Debtors: AbitibiBowater Inc., Bowater Incorporated, Donohue Corp., Abitibi Consolidated Sales Corporation, Abitibi-Consolidated Corporation, Bowater Canadian Forest Products Inc., Abitibi-Consolidated Inc., and Abitibi-Consolidated Company of Canada (collectively, the "ACI SERP Settlement Sponsors"). Except for purposes of this Agreement, the Debtors, the Claims Agent and the Monitor do not concede that the ACI SERP Settlement Sponsors have legal liability for the ACI SERP.

2. ACI SERP Claim Allocation: The Allowed ACI SERP Claim will be allocated against the ACI SERP Settlement Sponsors in the following percentages based upon the agreed-upon relative risk of liability of each particular ACI SERP Settlement Sponsor, resulting in the corresponding portion of the Allowed ACI SERP Claim being allowed against the ACI SERP Settlement Sponsor in the indicated amounts (the "Risk-Adjusted Allowed ACI SERP Claim Amount"):

Allowed ACI SERP Claim Amount	ACI SERP Settlement Sponsor	% of Allowed ACI SERP Claim Allocated against ACI SERP Settlement Sponsor	Risk-Adjusted/Allowed ACI SERP Claim Amount	Applicable General Unsecured Claim Class	Estimated % Recovery Rate from Debtor based on Disclosure Statement and Information Circular	Estimated Recovery on Account of Risk-Adjusted Allowed ACI SERP Claim Amount
CDN\$70,908.00	Bowater Canadian Forest Products Inc.	23%	CDN\$16,308.84		36.50%	CDN\$5,952.73
CDN\$70,908.00	Abitibi-Consolidated Inc.	100%	CDN\$70,908.00		3.4%	CDN\$2,410.87
CDN\$70,908.00	Abitibi Consolidated Company of Canada	95%	CDN\$67,362.60		17.10%	CDN\$11,519.00
US\$58,379.71	AbitibiBowater Inc.	100%	US\$58,379.71	Class 6A	0.8%	US\$467.04

US\$58,379.71	Bowater Incorporated	23%	US\$13,427.33	Class 6S	48.4%	US\$6,498.83
US\$58,379.71	Donohue Corp.	20%	US\$11,675.94	Class 6DD	28.4%	US\$3,315.97
US\$58,379.71	Abitibi Consolidated Sales Corp.	20%	US\$11,675.94	Class 6H	23.4%	US\$2,732.17
US\$58,379.71	Abitibi Consolidated Corporation	20%	US\$11,675.94	Class 6F	12.0%	US\$1,401.11
					Total Estimated Recovery (CDNS)	\$37,391.21
					% Recovery (CDNS:CDNS)	52%

* Currency conversions use the Bank of Canada's noon spot rate as of the Petition Date of CDN \$1.00 – US\$0.8290.

3. No Fixed Recoveries on Allowed ACI SERP Claims: The

Allowed ACI SERP Claim and Risk-Adjusted Allowed ACI SERP Claim Amounts constitute Claimant's sole Allowed claims arising under, in connection with, or relating to the ACI SERP, and all other claims (if any), including any such claims against any other Debtor or Debtor's affiliate (including for the avoidance of doubt, Bowater Canada Finance Corporation), are deemed withdrawn and expunged. Notwithstanding anything to the contrary contained in this Agreement, this Agreement does not fix recoveries or guarantee an aggregate 52% recovery on the Allowed ACI SERP Claim or a recovery against each ACI SERP Settlement Sponsor at the estimated recovery rate set forth in the applicable Disclosure Statement or Information Circular. Actual recoveries on account of such claims depend on the other claims that are ultimately allowed or disallowed against each ACI SERP Settlement Sponsor and the ultimate trading value of the New ABH Common Stock (as defined in the Chapter 11 Plan). The estimated recoveries set forth in paragraph 2 above (a) are based on the assumptions and estimated recovery rates for each ACI SERP Settlement Sponsor contained in the Disclosure Statement and Information Circular, and (b) the implied stock price of US\$25 per share of New ABH Common Stock contained in the Disclosure Statement and Information Circular. After full administration of the Restructuring Cases, actual recoveries on the Allowed ACI SERP

Claims and the Risk-Adjusted Allowed ACI SERP Claim Amounts may be significantly more or less than 52% of the claim amounts.

4. Allowed ACI SERP Claim Distributions. The Debtors will make an initial distribution of New ABH Common Stock on account of the Allowed ACI SERP Claims and the Risk-Adjusted Allowed ACI SERP Claim Amounts on the first interim distribution date after entry of orders by the U.S. Court and Canadian Courts approving this Agreement on which it is reasonably practicable for the Debtors to do so. All distributions on account of the Allowed ACI SERP Claims and Risk-Adjusted Allowed ACI SERP Claim Amounts will be subject to all applicable holdbacks and other restrictions under the Restructuring Plans (if any).

5. Agreement on Allowed Claims and Distributions. Other than the Allowed ACI SERP Claim and the Risk-Adjusted Allowed ACI SERP Claim Amounts, Claimant agrees to withdraw with prejudice all other claims asserted in connection with or arising from the ACI SERP, whether in a proof of claim or otherwise, and upon the Effective Date, all such claims shall be deemed withdrawn with prejudice and expunged, including, for the avoidance of doubt, all claims (if any) asserted against Bowater Canada Finance Corporation.

6. Injunction. Other than with respect to his rights under this Agreement, Claimant is permanently enjoined from, and agrees not to take, any of the following actions on account of his ACI SERP Claim: (a) commencing or continuing in any manner any action or other proceeding against the Debtors or their respective property; (b) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order against the Debtors or their respective property; (c) creating,

perfecting, or enforcing any lien or encumbrance against the Debtors or their respective property; (d) asserting a setoff, right of subrogation or recoupment of any kind against any debt, liability or obligation due to the Debtors or their respective property; and (e) commencing or continuing any action, in any manner, in any place that does not comply with or is inconsistent with the provisions of this Agreement and the Restructuring Plans.

7. Release by Claimant. Other than with respect to its rights under this Agreement and the Allowed ACI SERP Claim and the Risk-Adjusted Allowed ACI SERP Claim Amounts, the Claimant and each of its successors, assigns, spouses and dependents (collectively, the "Claimant Releasors") hereby release and forever discharge the Debtors (including Bowater Canada Finance Corporation), Avidity Partners, LLC, in its capacity as the Post-Effective Date Claims Agent, and Ernst & Young Inc., in its capacity as the court-appointed Monitor in respect of the Matter of the Plan of Compromise or Arrangement of AbitibiBowater Inc. and its subsidiaries and affiliates, in each case along with each of their past, present, and future direct and indirect parents, subsidiaries, affiliates, related entities, directors, officers, employees, attorneys, representatives, agents, receivers, insurers, and each of their predecessors, successors, heirs and assigns (collectively, the "Debtor Releasees") from any and all causes of action, demands, damages, costs, debts, liabilities, losses or claims of any kind, whether known or unknown, that the Claimant Releasors may now have or ever have had, or hereafter shall or may have, against the Debtor Releasees arising from, in connection with, or related to the ACI SERP.

8. Complete and Final Agreement. This Agreement sets forth the entire agreement between the Parties pertaining to the subject matter hereof. This

Agreement supersedes and replaces any and all prior or contemporaneous verbal or written agreements between the Parties concerning the subject matter hereof. No modification of, or amendment to, this Agreement shall be valid unless it is in writing and signed by the Parties hereto.

9. No Reliance. No Party has relied on or been induced to execute this Agreement by any statements, representations, agreements or promises, oral or written, made by any other Party, their agents, employees, servants or attorneys, or anyone else, other than the statements expressly written in this Settlement Agreement and Release.

10. Interpretation of Agreement. As used in this Agreement, the singular or plural number shall be deemed to include the other whenever the context so indicates or requires. The language of all parts of this Agreement shall in all cases be construed as a whole, according to its fair meaning, not strictly for or against any of the Parties.

11. Counterparts. This Agreement may be executed simultaneously or in any number of original or faxed counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same agreement.

12. Authorization. Each of the undersigned represents and warrants that he or she is competent and authorized to execute this Agreement, and further represents and warrants that he or she has read and understands the terms of this Agreement.

13. Binding Effect. This Agreement shall be binding on and shall inure to the benefit of the Parties and their respective successors, heirs, and assigns.

14. No Admission of Liability. The Parties each agree that entry into this Agreement does not constitute a determination or admission of liability under the ACI SERP by the ACI SERP Settlement Plan Sponsors, and that the allocation and allowance of the ACI SERP Claim constitutes a settlement of the ACI SERP Claim to avoid the expense and time of further litigation.

15. Governing Law. This Agreement shall be governed by and construed under the laws of either the State of Delaware or the Province of Quebec, as may be applicable, without regard to the conflict of laws provisions thereof.

16. Jurisdiction. In connection with any action, suit, or proceeding arising from, in connection with, or relating to this Agreement, the Parties each agree to submit to the exclusive jurisdiction and venue of the United States Bankruptcy Court for the District of Delaware or the CCAA Court, as may be applicable, and any appellate courts with jurisdiction over the U.S. Court and the CCAA Court.

17. Effectiveness; Termination. The Parties acknowledge that the Debtors intend to seek approval of this Agreement by the U.S. Court and the CCAA Court and that this Agreement shall only become effective upon entry of an order approving the Agreement by each of the U.S. Court and the CCAA Court (the "Effective Date").

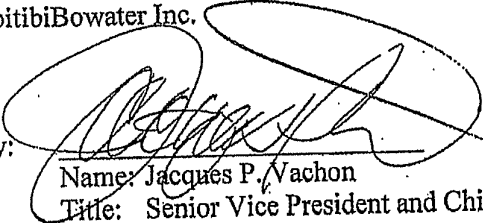
IN WITNESS WHEREOF, the Parties, by their duly authorized representatives, have executed this Agreement this 19 day of October, 2011.

CLAIMANT:

[REDACTED]

THE DEBTORS:

AbitibiBowater Inc.

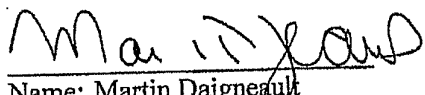
By: 

Name: Jacques P. Vachon

Title: Senior Vice President and Chief Legal Officer

APPROVED BY:

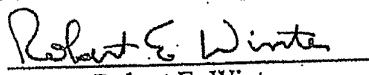
Ernst & Young Inc., in its capacity as the court-appointed Monitor in respect of the Matter of the Plan of Compromise or Arrangement of AbitibiBowater Inc. and its subsidiaries and affiliates, and not in its personal or corporate capacity.

By: 

Name: Martin Daigneault

Title: Senior Vice-President

Avidity Partners, LLC
as Post-Effective Date Claims Agent,
by its counsel Paul Hastings LP

By: 

Name: Robert E. Winter

Title: Counsel

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (the "Agreement") is entered into by and between AbitibiBowater Inc. and its affiliates in the above captioned cases (collectively, together with the affiliates who applied for protection from their creditors under Canada's *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (as amended, the "CCAA") and as reorganized, the "Debtors") and [REDACTED] ("Claimant"). The Debtors and Claimant are each referred to individually herein as a "Party" and collectively, as the "Parties."

WHEREAS, the Debtors filed creditor protection proceedings in the United States and Canada (the "Restructuring Cases") on April 16, 2009 and April 17, 2009, respectively (the "Petition Date"). In November 2010, the U.S. bankruptcy court (the "U.S. Court") and the Quebec Superior Court (the "CCAA Court") entered orders confirming and sanctioning the Debtors' chapter 11 and CCAA restructuring plans (the confirmed chapter 11 plan, the "Chapter 11 Plan" and accompanying disclosure statement, the "Disclosure Statement", and together with the sanctioned CCAA plan (the "CCAA Plan" and the accompanying information circular, the "Information Circular") the "Restructuring Plans"). The Restructuring Plans went effective on December 9, 2010.

WHEREAS, as of the Petition Date, the Debtors suspended all payments on account of pre-filing supplemental executive retirement plans (collectively, the "Old

Drive Company Limited, Bowater Treated Wood Inc., Canexel Hardboard Inc., 9068-9050 Québec Inc., Alliance Forest Products Inc. (2001), Bowater Belledune Sawmill Inc., Bowater Maritimes Inc., Bowater Mitis Inc., Bowater Guérette Inc., and Bowater Couturier Inc.

SERPs”), including the Canadian Supplemental Executive Retirement Plan (SERP) for Executive Employees of Abitibi-Consolidated Inc. (the “ACI SERP”). The Restructuring Plans terminated all such plans. See CCAA Plan Supplement 6.9(1); Amended CCAA Plan Supplement 6.9(2); Chapter 11 Plan § 6.9; Supplement 7B (as amended). In accordance with the Restructuring Plans, however, the Debtors established new non-qualified and non-registered plans (the “New SERPs”) pursuant to which (a) all employees and beneficiaries in active status as of the Effective Date were eligible to receive benefits under the New SERPs substantially similar to those under the Old SERPs; and (b) all retirees, beneficiaries and deferred vested participants (collectively, “Retirees”), as of the Effective Date, were eligible to receive benefits under the New SERPs substantially similar to those under the Old SERPs, provided however, that the benefits to a participant under the New SERP(s) will be 10% to 35% lower, depending on the applicable Old SERP(s), the benefits under the New Plans will be subject to an annual per-participant cap, and depending on the applicable Old SERP, the benefits being further reduced by any secured pension benefits received or to be received in respect of the Old SERP. The ACI SERP is subject to a 10% reduction in benefits and a CDN\$50,000 per participant annual cap. In addition, some participants under the ACI SERP received secured pension benefits in respect of the ACI SERP and accordingly, were ineligible to participate in the applicable New SERP or were eligible to participate in the applicable New SERP subject to further reduction of their benefits.

WHEREAS, as a condition of participating in the New SERPs, the Restructuring Plans required eligible plan participants to waive and forfeit any and all claims in respect of the Old SERPs. In August 2010, the Debtors mailed election notices

to all SERP claimants (the "SERP Election Notices") offering them a choice between (1) participating in the New SERPs and waiving all their claims against the Debtors arising under the relevant Old SERPs, or (2) retaining their claims against the Debtors arising under the Old SERPs, and receiving distributions on account of such claims (if and when allowed) as part of the Restructuring Cases. Claimant was not eligible to participate in a New SERP or was eligible to participate in a New SERP but elected to retain his claims under the ACI SERP (the "ACI SERP Claims").

WHEREAS, at the time the SERP Election Notices were circulated, AbitibiBowater Inc. and Abitibi-Consolidated Inc. were identified as sponsors of the ACI SERP. Other Debtors may also be potential sponsors of the ACI SERP, and may also be potentially liable for the ACI SERP Claims. The Company, the post-effective date claims agent (the "Claims Agent") appointed under the Chapter 11 Plan, and the monitor appointed in the CCAA proceedings by the CCAA Court (the "Monitor"), have analyzed the likelihood of other Debtors' liability for the ACI SERP Claims.

WHEREAS, among other things, the Claims Agent, the Monitor, and the Claimant dispute the liability of the various Debtors for the ACI SERP Claims.

WHEREAS, to avoid the expense and inconvenience of further litigation, the Parties have agreed to settle on the allowed amount of Claimant's ACI SERP Claim and allocate such claim against various Debtors based on an agreement regarding each such Debtors' probable estimated liability for the claim as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and releases set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. ACI SERP Claim Allowance. Claimant shall have an allowed general unsecured ACI SERP Claim (the "Allowed ACI SERP Claim") in the amount of **CDN \$70,557.00** which shall be allocated, solely for purposes of this Agreement, against each of the following Debtors: AbitibiBowater Inc., Bowater Incorporated, Donohue Corp., Abitibi Consolidated Sales Corporation, Abitibi-Consolidated Corporation, Bowater Canadian Forest Products Inc., Abitibi-Consolidated Inc., and Abitibi-Consolidated Company of Canada (collectively, the "ACI SERP Settlement Sponsors"). Except for purposes of this Agreement, the Debtors, the Claims Agent and the Monitor do not concede that the ACI SERP Settlement Sponsors have legal liability for the ACI SERP.

2. ACI SERP Claim Allocation: The Allowed ACI SERP Claim will be allocated against the ACI SERP Settlement Sponsors in the following percentages based upon the agreed-upon relative risk of liability of each particular ACI SERP Settlement Sponsor, resulting in the corresponding portion of the Allowed ACI SERP Claim being allowed against the ACI SERP Settlement Sponsor in the indicated amounts (the "Risk-Adjusted Allowed ACI SERP Claim Amount"):

Allowed ACI SERP Claim Amount	ACI SERP Settlement Sponsor	% of Allowed ACI SERP Claim Allocated against ACI SERP Settlement Sponsor	Risk-Adjusted Allowed ACI SERP Claim Amount	Applicable General Unsecured Claim Class	Estimated % Recovery Rate from Debtor based on Disclosure Statement and Information Circular	Estimated Recovery on Account of Risk-Adjusted Allowed ACI SERP Claim Amount
CDN\$70,557.00	Bowater Canadian Forest Products Inc.	23%	CDN\$16,228.11		36.50%	CDN\$5,923.26
CDN\$70,557.00	Abitibi-Consolidated Inc.	100%	CDN\$70,557.00		3.4%	CDN\$2,398.94
CDN\$70,557.00	Abitibi Consolidated Company of Canada	95%	CDN\$67,029.15		17.10%	CDN\$11,461.98
US\$58,090.73	AbitibiBowater Inc.	100%	US\$58,090.73	Class 6A	0.8%	US\$464.73

US\$58,090.73	Bowater Incorporated	23%	US\$13,360.87	Class 6S	48.4%	US\$6,466.66
US\$58,090.73	Donohue Corp.	20%	US\$11,618.15	Class 6DD	28.4%	US\$3,299.55
US\$58,090.73	Abitibi Consolidated Sales Corp.	20%	US\$11,618.15	Class 6H	23.4%	US\$2,718.65
US\$58,090.73	Abitibi Consolidated Corporation	20%	US\$11,618.15	Class 6F	12.0%	US\$1,394.18
			Total Estimated Recovery (CDN\$)			\$37,206.12
			% Recovery (CDN\$:CDN\$)		52%	

* Currency conversions use the Bank of Canada's noon spot rate as of the Petition Date of CDN \$1.00 – US\$0.8290.

3. No Fixed Recoveries on Allowed ACI SERP Claims: The

Allowed ACI SERP Claim and Risk-Adjusted Allowed ACI SERP Claim Amounts constitute Claimant's sole Allowed claims arising under, in connection with, or relating to the ACI SERP, and all other claims (if any), including any such claims against any other Debtor or Debtor's affiliate (including for the avoidance of doubt, Bowater Canada Finance Corporation), are deemed withdrawn and expunged. Notwithstanding anything to the contrary contained in this Agreement, this Agreement does not fix recoveries or guarantee an aggregate 52% recovery on the Allowed ACI SERP Claim or a recovery against each ACI SERP Settlement Sponsor at the estimated recovery rate set forth in the applicable Disclosure Statement or Information Circular. Actual recoveries on account of such claims depend on the other claims that are ultimately allowed or disallowed against each ACI SERP Settlement Sponsor and the ultimate trading value of the New ABH Common Stock (as defined in the Chapter 11 Plan). The estimated recoveries set forth in paragraph 2 above (a) are based on the assumptions and estimated recovery rates for each ACI SERP Settlement Sponsor contained in the Disclosure Statement and Information Circular, and (b) the implied stock price of US\$25 per share of New ABH Common Stock contained in the Disclosure Statement and Information Circular. After full administration of the Restructuring Cases, actual recoveries on the Allowed ACI SERP

Claims and the Risk-Adjusted Allowed ACI SERP Claim Amounts may be significantly more or less than 52% of the claim amounts.

4. Allowed ACI SERP Claim Distributions. The Debtors will make an initial distribution of New ABH Common Stock on account of the Allowed ACI SERP Claims and the Risk-Adjusted Allowed ACI SERP Claim Amounts on the first interim distribution date after entry of orders by the U.S. Court and Canadian Courts approving this Agreement on which it is reasonably practicable for the Debtors to do so. All distributions on account of the Allowed ACI SERP Claims and Risk-Adjusted Allowed ACI SERP Claim Amounts will be subject to all applicable holdbacks and other restrictions under the Restructuring Plans (if any).

5. Agreement on Allowed Claims and Distributions. Other than the Allowed ACI SERP Claim and the Risk-Adjusted Allowed ACI SERP Claim Amounts, Claimant agrees to withdraw with prejudice all other claims asserted in connection with or arising from the ACI SERP, whether in a proof of claim or otherwise, and upon the Effective Date, all such claims shall be deemed withdrawn with prejudice and expunged, including, for the avoidance of doubt, all claims (if any) asserted against Bowater Canada Finance Corporation.

6. Injunction. Other than with respect to his rights under this Agreement, Claimant is permanently enjoined from, and agrees not to take, any of the following actions on account of his ACI SERP Claim: (a) commencing or continuing in any manner any action or other proceeding against the Debtors or their respective property; (b) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order against the Debtors or their respective property; (c) creating,

perfecting, or enforcing any lien or encumbrance against the Debtors or their respective property; (d) asserting a setoff, right of subrogation or recoupment of any kind against any debt, liability or obligation due to the Debtors or their respective property; and (e) commencing or continuing any action, in any manner, in any place that does not comply with or is inconsistent with the provisions of this Agreement and the Restructuring Plans.

7. Release by Claimant. Other than with respect to its rights under this Agreement and the Allowed ACI SERP Claim and the Risk-Adjusted Allowed ACI SERP Claim Amounts, the Claimant and each of its successors, assigns, spouses and dependents (collectively, the "Claimant Releasors") hereby release and forever discharge the Debtors (including Bowater Canada Finance Corporation), Avidity Partners, LLC, in its capacity as the Post-Effective Date Claims Agent, and Ernst & Young Inc., in its capacity as the court-appointed Monitor in respect of the Matter of the Plan of Compromise or Arrangement of AbitibiBowater Inc. and its subsidiaries and affiliates, in each case along with each of their past, present, and future direct and indirect parents, subsidiaries, affiliates, related entities, directors, officers, employees, attorneys, representatives, agents, receivers, insurers, and each of their predecessors, successors, heirs and assigns (collectively, the "Debtor Releasees") from any and all causes of action, demands, damages, costs, debts, liabilities, losses or claims of any kind, whether known or unknown, that the Claimant Releasors may now have or ever have had, or hereafter shall or may have, against the Debtor Releasees arising from, in connection with, or related to the ACI SERP.

8. Complete and Final Agreement. This Agreement sets forth the entire agreement between the Parties pertaining to the subject matter hereof. This

Agreement supersedes and replaces any and all prior or contemporaneous verbal or written agreements between the Parties concerning the subject matter hereof. No modification of, or amendment to, this Agreement shall be valid unless it is in writing and signed by the Parties hereto.

9. No Reliance. No Party has relied on or been induced to execute this Agreement by any statements, representations, agreements or promises, oral or written, made by any other Party, their agents, employees, servants or attorneys, or anyone else, other than the statements expressly written in this Settlement Agreement and Release.

10. Interpretation of Agreement. As used in this Agreement, the singular or plural number shall be deemed to include the other whenever the context so indicates or requires. The language of all parts of this Agreement shall in all cases be construed as a whole, according to its fair meaning, not strictly for or against any of the Parties.

11. Counterparts. This Agreement may be executed simultaneously or in any number of original or faxed counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same agreement.

12. Authorization. Each of the undersigned represents and warrants that he or she is competent and authorized to execute this Agreement, and further represents and warrants that he or she has read and understands the terms of this Agreement.

13. Binding Effect. This Agreement shall be binding on and shall inure to the benefit of the Parties and their respective successors, heirs, and assigns.

14. No Admission of Liability. The Parties each agree that entry into this Agreement does not constitute a determination or admission of liability under the ACI SERP by the ACI SERP Settlement Plan Sponsors, and that the allocation and allowance of the ACI SERP Claim constitutes a settlement of the ACI SERP Claim to avoid the expense and time of further litigation.

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17. Effectiveness; Termination. The Parties acknowledge that the Debtors intend to seek approval of this Agreement by the U.S. Court and the CCAA Court and that this Agreement shall only become effective upon entry of an order approving the Agreement by each of the U.S. Court and the CCAA Court (the "Effective Date").

EN FOI DE QUOI, les parties, par l'intermédiaire de leurs représentants dûment autorisés,
ont signé la présente convention le __ octobre 2011.

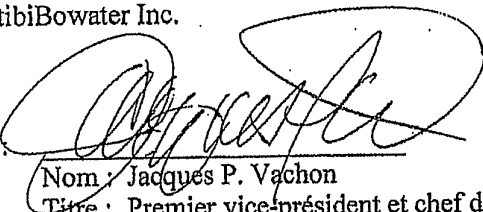
RÉCLAMANT :

[REDACTED]

DÉBITEURS :

AbitibiBowater Inc.

Par :

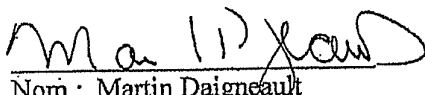

Nom : Jacques P. Vachon

Titre : Premier vice-président et chef du contentieux

APPROUVÉ PAR :

Ernst & Young Inc., en sa qualité de contrôleur nommé par le tribunal à l'égard de
l'affaire du plan de transaction ou d'arrangement d'AbitibiBowater Inc. et de ses filiales et
membres du même groupe, et non à titre personnel ou en qualité de société.

Par :

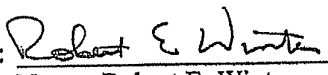

Nom : Martin Daigneault

Titre : Premier vice-président

Avidity Partners, LLC

à titre d'agent des réclamations après la date de prise d'effet,
par l'intermédiaire de son conseiller juridique Paul Hastings LP

Par :


Name: Robert E. Winter

Title: Counsel

SETTLEMENT AGREEMENT AND RELEASE

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WHEREAS, the Debtors filed creditor protection proceedings in the United States and Canada (the "Restructuring Cases") on April 16, 2009 and April 17, 2009, respectively (the "Petition Date"). In November 2010, the U.S. bankruptcy court (the "U.S. Court") and the Quebec Superior Court (the "CCAA Court") entered orders confirming and sanctioning the Debtors' chapter 11 and CCAA restructuring plans (the confirmed chapter 11 plan, the "Chapter 11 Plan" and accompanying disclosure statement, the "Disclosure Statement", and together with the sanctioned CCAA plan (the "CCAA Plan" and the accompanying information circular, the "Information Circular") the "Restructuring Plans"). The Restructuring Plans went effective on December 9, 2010.

WHEREAS, as of the Petition Date, the Debtors suspended all payments on account of pre-filing supplemental executive retirement plans (collectively, the "Old

Drive Company Limited, Bowater Treated Wood Inc., Canxel Hardboard Inc., 9068-9050 Québec Inc., Alliance Forest Products Inc. (2001), Bowater Belledune Sawmill Inc., Bowater Maritimes Inc., Bowater Mitis Inc., Bowater Guérétte Inc., and Bowater Couturier Inc.

SERPs”), including the Canadian Supplemental Executive Retirement Plan (SERP) for Executive Employees of Abitibi-Consolidated Inc. (the “ACI SERP”). The Restructuring Plans terminated all such plans. See CCAA Plan Supplement 6.9(1); Amended CCAA Plan Supplement 6.9(2); Chapter 11 Plan § 6.9; Supplement 7B (as amended). In accordance with the Restructuring Plans, however, the Debtors established new non-qualified and non-registered plans (the “New SERPs”) pursuant to which (a) all employees and beneficiaries in active status as of the Effective Date were eligible to receive benefits under the New SERPs substantially similar to those under the Old SERPs; and (b) all retirees, beneficiaries and deferred vested participants (collectively, “Retirees”), as of the Effective Date, were eligible to receive benefits under the New SERPs substantially similar to those under the Old SERPs, provided however, that the benefits to a participant under the New SERP(s) will be 10% to 35% lower, depending on the applicable Old SERP(s), the benefits under the New Plans will be subject to an annual per-participant cap, and depending on the applicable Old SERP, the benefits being further reduced by any secured pension benefits received or to be received in respect of the Old SERP. The ACI SERP is subject to a 10% reduction in benefits and a CDN\$50,000 per participant annual cap. In addition, some participants under the ACI SERP received secured pension benefits in respect of the ACI SERP and accordingly, were ineligible to participate in the applicable New SERP or were eligible to participate in the applicable New SERP subject to further reduction of their benefits.

WHEREAS, as a condition of participating in the New SERPs, the Restructuring Plans required eligible plan participants to waive and forfeit any and all claims in respect of the Old SERPs. In August 2010, the Debtors mailed election notices

to all SERP claimants (the "SERP Election Notices") offering them a choice between (1) participating in the New SERPs and waiving all their claims against the Debtors arising under the relevant Old SERPs, or (2) retaining their claims against the Debtors arising under the Old SERPs, and receiving distributions on account of such claims (if and when allowed) as part of the Restructuring Cases. Claimant was not eligible to participate in a New SERP or was eligible to participate in a New SERP but elected to retain his claims under the ACI SERP (the "ACI SERP Claims").

WHEREAS, at the time the SERP Election Notices were circulated, AbitibiBowater Inc. and Abitibi-Consolidated Inc. were identified as sponsors of the ACI SERP. Other Debtors may also be potential sponsors of the ACI SERP, and may also be potentially liable for the ACI SERP Claims. The Company, the post-effective date claims agent (the "Claims Agent") appointed under the Chapter 11 Plan, and the monitor appointed in the CCAA proceedings by the CCAA Court (the "Monitor"), have analyzed the likelihood of other Debtors' liability for the ACI SERP Claims.

WHEREAS, among other things, the Claims Agent, the Monitor, and the Claimant dispute the liability of the various Debtors for the ACI SERP Claims.

WHEREAS, to avoid the expense and inconvenience of further litigation, the Parties have agreed to settle on the allowed amount of Claimant's ACI SERP Claim and allocate such claim against various Debtors based on an agreement regarding each such Debtors' probable estimated liability for the claim as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and releases set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. ACI SERP Claim Allowance. Claimant shall have an allowed general unsecured ACI SERP Claim (the “Allowed ACI SERP Claim”) in the amount of **CDN \$7,769.00** which shall be allocated, solely for purposes of this Agreement, against each of the following Debtors: AbitibiBowater Inc., Bowater Incorporated, Donohue Corp., Abitibi Consolidated Sales Corporation, Abitibi-Consolidated Corporation, Bowater Canadian Forest Products Inc., Abitibi-Consolidated Inc., and Abitibi-Consolidated Company of Canada (collectively, the “ACI SERP Settlement Sponsors”). Except for purposes of this Agreement, the Debtors, the Claims Agent and the Monitor do not concede that the ACI SERP Settlement Sponsors have legal liability for the ACI SERP.

2. ACI SERP Claim Allocation: The Allowed ACI SERP Claim will be allocated against the ACI SERP Settlement Sponsors in the following percentages based upon the agreed-upon relative risk of liability of each particular ACI SERP Settlement Sponsor, resulting in the corresponding portion of the Allowed ACI SERP Claim being allowed against the ACI SERP Settlement Sponsor in the indicated amounts (the “Risk-Adjusted Allowed ACI SERP Claim Amount”):

Allowed ACI SERP Claim Amount	ACI SERP Settlement Sponsor	% of Allowed ACI SERP Claim Allocated against ACI SERP Settlement Sponsor	Risk-Adjusted Allowed ACI SERP Claim Amount	Applicable General Unsecured Claim Class	Estimated % Recovery Rate from Debtor based on Disclosure Statement and Information Circular	Estimated Recovery on Account of Risk-Adjusted Allowed ACI SERP Claim Amount
CDN\$7,769.00	Bowater Canadian Forest Products Inc.	23%	CDN\$1,786.87		36.50%	CDN\$652.21
CDN\$7,769.00	Abitibi-Consolidated Inc.	100%	CDN\$7,769.00		3.4%	CDN\$264.15
CDN\$7,769.00	Abitibi Consolidated Company of Canada	95%	CDN\$7,380.55		17.10%	CDN\$1,262.07
US\$6,396.34	AbitibiBowater Inc.	100%	US\$6,396.34	Class 6A	0.8%	US\$51.17

US\$6,396.34	Bowater Incorporated	23%	US\$1,471.16	Class 6S	48.4%	US\$712.04
US\$6,396.34	Donohue Corp.	20%	US\$1,279.27	Class 6DD	28.4%	US\$363.31
US\$6,396.34	Abitibi Consolidated Sales Corp.	20%	US\$1,279.27	Class 6H	23.4%	US\$299.35
US\$6,396.34	Abitibi Consolidated Corporation	20%	US\$1,279.27	Class 6F	12.0%	US\$153.51
			Total Estimated Recovery (CDNS)			\$4,096.75
			% Recovery (CDNS:CDNS)		52%	

* Currency conversions use the Bank of Canada's noon spot rate as of the Petition Date of CDN \$1.00 – US\$0.8290.

3. No Fixed Recoveries on Allowed ACI SERP Claims: The

Allowed ACI SERP Claim and Risk-Adjusted Allowed ACI SERP Claim Amounts constitute Claimant's sole Allowed claims arising under, in connection with, or relating to the ACI SERP, and all other claims (if any), including any such claims against any other Debtor or Debtor's affiliate (including for the avoidance of doubt, Bowater Canada Finance Corporation), are deemed withdrawn and expunged. Notwithstanding anything to the contrary contained in this Agreement, this Agreement does not fix recoveries or guarantee an aggregate 52% recovery on the Allowed ACI SERP Claim or a recovery against each ACI SERP Settlement Sponsor at the estimated recovery rate set forth in the applicable Disclosure Statement or Information Circular. Actual recoveries on account of such claims depend on the other claims that are ultimately allowed or disallowed against each ACI SERP Settlement Sponsor and the ultimate trading value of the New ABH Common Stock (as defined in the Chapter 11 Plan). The estimated recoveries set forth in paragraph 2 above (a) are based on the assumptions and estimated recovery rates for each ACI SERP Settlement Sponsor contained in the Disclosure Statement and Information Circular, and (b) the implied stock price of US\$25 per share of New ABH Common Stock contained in the Disclosure Statement and Information Circular. After full administration of the Restructuring Cases, actual recoveries on the Allowed ACI SERP

Claims and the Risk-Adjusted Allowed ACI SERP Claim Amounts may be significantly more or less than 52% of the claim amounts.

4. Allowed ACI SERP Claim Distributions. The Debtors will make an initial distribution of New ABH Common Stock on account of the Allowed ACI SERP Claims and the Risk-Adjusted Allowed ACI SERP Claim Amounts on the first interim distribution date after entry of orders by the U.S. Court and Canadian Courts approving this Agreement on which it is reasonably practicable for the Debtors to do so. All distributions on account of the Allowed ACI SERP Claims and Risk-Adjusted Allowed ACI SERP Claim Amounts will be subject to all applicable holdbacks and other restrictions under the Restructuring Plans (if any).

5. Agreement on Allowed Claims and Distributions. Other than the Allowed ACI SERP Claim and the Risk-Adjusted Allowed ACI SERP Claim Amounts, Claimant agrees to withdraw with prejudice all other claims asserted in connection with or arising from the ACI SERP, whether in a proof of claim or otherwise, and upon the Effective Date, all such claims shall be deemed withdrawn with prejudice and expunged, including, for the avoidance of doubt, all claims (if any) asserted against Bowater Canada Finance Corporation.

6. Injunction. Other than with respect to his rights under this Agreement, Claimant is permanently enjoined from, and agrees not to take, any of the following actions on account of his ACI SERP Claim: (a) commencing or continuing in any manner any action or other proceeding against the Debtors or their respective property; (b) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order against the Debtors or their respective property; (c) creating,

perfecting, or enforcing any lien or encumbrance against the Debtors or their respective property; (d) asserting a setoff, right of subrogation or recoupment of any kind against any debt, liability or obligation due to the Debtors or their respective property; and (e) commencing or continuing any action, in any manner, in any place that does not comply with or is inconsistent with the provisions of this Agreement and the Restructuring Plans.

7. Release by Claimant. Other than with respect to its rights under this Agreement and the Allowed ACI SERP Claim and the Risk-Adjusted Allowed ACI SERP Claim Amounts, the Claimant and each of its successors, assigns, spouses and dependents (collectively, the "Claimant Releasors") hereby release and forever discharge the Debtors (including Bowater Canada Finance Corporation), Avidity Partners, LLC, in its capacity as the Post-Effective Date Claims Agent, and Ernst & Young Inc., in its capacity as the court-appointed Monitor in respect of the Matter of the Plan of Compromise or Arrangement of AbitibiBowater Inc. and its subsidiaries and affiliates, in each case along with each of their past, present, and future direct and indirect parents, subsidiaries, affiliates, related entities, directors, officers, employees, attorneys, representatives, agents, receivers, insurers, and each of their predecessors, successors, heirs and assigns (collectively, the "Debtor Releasees") from any and all causes of action, demands, damages, costs, debts, liabilities, losses or claims of any kind, whether known or unknown, that the Claimant Releasors may now have or ever have had, or hereafter shall or may have, against the Debtor Releasees arising from, in connection with, or related to the ACI SERP.

8. Complete and Final Agreement. This Agreement sets forth the entire agreement between the Parties pertaining to the subject matter hereof. This

Agreement supersedes and replaces any and all prior or contemporaneous verbal or written agreements between the Parties concerning the subject matter hereof. No modification of, or amendment to, this Agreement shall be valid unless it is in writing and signed by the Parties hereto.

9. No Reliance. No Party has relied on or been induced to execute this Agreement by any statements, representations, agreements or promises, oral or written, made by any other Party, their agents, employees, servants or attorneys, or anyone else, other than the statements expressly written in this Settlement Agreement and Release.

10. Interpretation of Agreement. As used in this Agreement, the singular or plural number shall be deemed to include the other whenever the context so indicates or requires. The language of all parts of this Agreement shall in all cases be construed as a whole, according to its fair meaning, not strictly for or against any of the Parties.

11. Counterparts. This Agreement may be executed simultaneously or in any number of original or faxed counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same agreement.

12. Authorization. Each of the undersigned represents and warrants that he or she is competent and authorized to execute this Agreement, and further represents and warrants that he or she has read and understands the terms of this Agreement.

13. Binding Effect. This Agreement shall be binding on and shall inure to the benefit of the Parties and their respective successors, heirs, and assigns.

14. No Admission of Liability. The Parties each agree that entry into this Agreement does not constitute a determination or admission of liability under the ACI SERP by the ACI SERP Settlement Plan Sponsors, and that the allocation and allowance of the ACI SERP Claim constitutes a settlement of the ACI SERP Claim to avoid the expense and time of further litigation.

15. Governing Law. This Agreement shall be governed by and construed under the laws of either the State of Delaware or the Province of Quebec, as may be applicable, without regard to the conflict of laws provisions thereof.

16. Jurisdiction. In connection with any action, suit, or proceeding arising from, in connection with, or relating to this Agreement, the Parties each agree to submit to the exclusive jurisdiction and venue of the United States Bankruptcy Court for the District of Delaware or the CCAA Court, as may be applicable, and any appellate courts with jurisdiction over the U.S. Court and the CCAA Court.

17. Effectiveness; Termination. The Parties acknowledge that the Debtors intend to seek approval of this Agreement by the U.S. Court and the CCAA Court and that this Agreement shall only become effective upon entry of an order approving the Agreement by each of the U.S. Court and the CCAA Court (the "Effective Date").

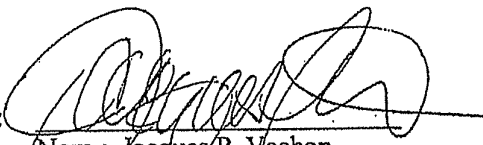
EN FOI DE QUOI, les parties, par l'intermédiaire de leurs représentants dûment autorisés,
ont signé la présente convention le 16 octobre 2011.

RÉCLAMANT :


Jean-Guy Maguin

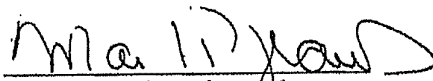
DÉBITEURS :

AbitibiBowater Inc.

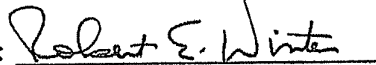
Par : 
Nom : Jacques P. Vachon
Titre : Premier vice-président et chef du contentieux

APPROUVÉ PAR :

Ernst & Young Inc., en sa qualité de contrôleur nommé par le tribunal à l'égard de
l'affaire du plan de transaction ou d'arrangement d'AbitibiBowater Inc. et de ses filiales et
membres du même groupe, et non à titre personnel ou en qualité de société.

Par : 
Nom : Martin Daigneault
Titre : Premier vice-président

Avidity Partners, LLC
à titre d'agent des réclamations après la date de prise d'effet,
par l'intermédiaire de son conseiller juridique Paul Hastings LP

Par : 
Name: Robert E. Winter
Title: Counsel

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (the "Agreement") is entered into by and between AbitibiBowater Inc. and its affiliates in the above captioned cases (collectively, together with the affiliates who applied for protection from their creditors under Canada's *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (as amended, the "CCAA") and as reorganized, the "Debtors") and [REDACTED] ("Claimant"). The Debtors and Claimant are each referred to individually herein as a "Party" and collectively, as the "Parties."

WHEREAS, the Debtors filed creditor protection proceedings in the United States and Canada (the "Restructuring Cases") on April 16, 2009 and April 17, 2009, respectively (the "Petition Date"). In November 2010, the U.S. bankruptcy court (the "U.S. Court") and the Quebec Superior Court (the "CCAA Court") entered orders confirming and sanctioning the Debtors' chapter 11 and CCAA restructuring plans (the confirmed chapter 11 plan, the "Chapter 11 Plan" and accompanying disclosure statement, the "Disclosure Statement", and together with the sanctioned CCAA plan (the "CCAA Plan" and the accompanying information circular, the "Information Circular") the "Restructuring Plans"). The Restructuring Plans went effective on December 9, 2010.

WHEREAS, as of the Petition Date, the Debtors suspended all payments on account of pre-filing supplemental executive retirement plans (collectively, the "Old

Drive Company Limited, Bowater Treated Wood Inc., Canexel Hardboard Inc., 9068-9050 Québec Inc., Alliance Forest Products Inc. (2001), Bowater Belledune Sawmill Inc., Bowater Maritimes Inc., Bowater Mitis Inc., Bowater Guérette Inc., and Bowater Couturier Inc.

SERPs”), including the Canadian Supplemental Executive Retirement Plan (SERP) for Executive Employees of Abitibi-Consolidated Inc. (the “ACI SERP”). The Restructuring Plans terminated all such plans. *See* CCAA Plan Supplement 6.9(1); Amended CCAA Plan Supplement 6.9(2); Chapter 11 Plan § 6.9; Supplement 7B (as amended). In accordance with the Restructuring Plans, however, the Debtors established new non-qualified and non-registered plans (the “New SERPs”) pursuant to which (a) all employees and beneficiaries in active status as of the Effective Date were eligible to receive benefits under the New SERPs substantially similar to those under the Old SERPs; and (b) all retirees, beneficiaries and deferred vested participants (collectively, “Retirees”), as of the Effective Date, were eligible to receive benefits under the New SERPs substantially similar to those under the Old SERPs, provided however, that the benefits to a participant under the New SERP(s) will be 10% to 35% lower, depending on the applicable Old SERP(s), the benefits under the New Plans will be subject to an annual per-participant cap, and depending on the applicable Old SERP, the benefits being further reduced by any secured pension benefits received or to be received in respect of the Old SERP. The ACI SERP is subject to a 10% reduction in benefits and a CDN\$50,000 per participant annual cap. In addition, some participants under the ACI SERP received secured pension benefits in respect of the ACI SERP and accordingly, were ineligible to participate in the applicable New SERP or were eligible to participate in the applicable New SERP subject to further reduction of their benefits.

WHEREAS, as a condition of participating in the New SERPs, the Restructuring Plans required eligible plan participants to waive and forfeit any and all claims in respect of the Old SERPs. In August 2010, the Debtors mailed election notices

to all SERP claimants (the "SERP Election Notices") offering them a choice between (1) participating in the New SERPs and waiving all their claims against the Debtors arising under the relevant Old SERPs, or (2) retaining their claims against the Debtors arising under the Old SERPs, and receiving distributions on account of such claims (if and when allowed) as part of the Restructuring Cases. Claimant was not eligible to participate in a New SERP or was eligible to participate in a New SERP but elected to retain his claims under the ACI SERP (the "ACI SERP Claims").

WHEREAS, at the time the SERP Election Notices were circulated, AbitibiBowater Inc. and Abitibi-Consolidated Inc. were identified as sponsors of the ACI SERP. Other Debtors may also be potential sponsors of the ACI SERP, and may also be potentially liable for the ACI SERP Claims. The Company, the post-effective date claims agent (the "Claims Agent") appointed under the Chapter 11 Plan, and the monitor appointed in the CCAA proceedings by the CCAA Court (the "Monitor"), have analyzed the likelihood of other Debtors' liability for the ACI SERP Claims.

WHEREAS, among other things, the Claims Agent, the Monitor, and the Claimant dispute the liability of the various Debtors for the ACI SERP Claims.

WHEREAS, to avoid the expense and inconvenience of further litigation, the Parties have agreed to settle on the allowed amount of Claimant's ACI SERP Claim and allocate such claim against various Debtors based on an agreement regarding each such Debtors' probable estimated liability for the claim as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and releases set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. ACI SERP Claim Allowance. Claimant shall have an allowed general unsecured ACI SERP Claim (the "Allowed ACI SERP Claim") in the amount of **CDN \$59,404.00** which shall be allocated, solely for purposes of this Agreement, against each of the following Debtors: AbitibiBowater Inc., Bowater Incorporated, Donohue Corp., Abitibi Consolidated Sales Corporation, Abitibi-Consolidated Corporation, Bowater Canadian Forest Products Inc., Abitibi-Consolidated Inc., and Abitibi-Consolidated Company of Canada (collectively, the "ACI SERP Settlement Sponsors"). Except for purposes of this Agreement, the Debtors, the Claims Agent and the Monitor do not concede that the ACI SERP Settlement Sponsors have legal liability for the ACI SERP.

2. ACI SERP Claim Allocation: The Allowed ACI SERP Claim will be allocated against the ACI SERP Settlement Sponsors in the following percentages based upon the agreed-upon relative risk of liability of each particular ACI SERP Settlement Sponsor, resulting in the corresponding portion of the Allowed ACI SERP Claim being allowed against the ACI SERP Settlement Sponsor in the indicated amounts (the "Risk-Adjusted Allowed ACI SERP Claim Amount"): .

Allowed ACI SERP Claim Amount	ACI SERP Settlement Sponsor	% of Allowed ACI SERP Claim Allocated against ACI SERP Settlement Sponsor	Risk-Adjusted Allowed ACI SERP Claim Amount	Applicable General Unsecured Claim Class	Estimated % Recovery Rate from Debtor based on Disclosure Statement and Information Circular	Estimated Recovery on Account of Risk-Adjusted Allowed ACI SERP Claim Amount
CDN\$59,404.00	Bowater Canadian Forest Products Inc.	23%	CDN\$13,662.92		36.50%	CDN\$4,986.97
CDN\$59,404.00	Abitibi-Consolidated Inc.	100%	CDN\$59,404.00		3.4%	CDN\$2,019.74
CDN\$59,404.00	Abitibi Consolidated Company of Canada	95%	CDN\$56,433.80		17.10%	CDN\$9,650.18
US\$48,908.28	AbitibiBowater Inc.	100%	US\$48,908.28	Class 6A	0.8%	US\$391.27

US\$48,908.28	Bowater Incorporated	23%	US\$11,248.90	Class 6S	48.4%	US\$5,444.47
US\$48,908.28	Donohue Corp.	20%	US\$9,781.66	Class 6DD	28.4%	US\$2,777.99
US\$48,908.28	Abitibi Consolidated Sales Corp.	20%	US\$9,781.66	Class 6H	23.4%	US\$2,288.91
US\$48,908.28	Abitibi Consolidated Corporation	20%	US\$9,781.66	Class 6F	12.0%	US\$1,173.80
			Total Estimated Recovery (CDN\$)			\$31,324.92
			% Recovery (CDN\$:CDN\$)		52%	

* Currency conversions use the Bank of Canada's noon spot rate as of the Petition Date of CDN \$1.00 – US\$0.8290.

3. No Fixed Recoveries on Allowed ACI SERP Claims: The

Allowed ACI SERP Claim and Risk-Adjusted Allowed ACI SERP Claim Amounts constitute Claimant's sole Allowed claims arising under, in connection with, or relating to the ACI SERP, and all other claims (if any), including any such claims against any other Debtor or Debtor's affiliate (including for the avoidance of doubt, Bowater Canada Finance Corporation), are deemed withdrawn and expunged. Notwithstanding anything to the contrary contained in this Agreement, this Agreement does not fix recoveries or guarantee an aggregate 52% recovery on the Allowed ACI SERP Claim or a recovery against each ACI SERP Settlement Sponsor at the estimated recovery rate set forth in the applicable Disclosure Statement or Information Circular. Actual recoveries on account of such claims depend on the other claims that are ultimately allowed or disallowed against each ACI SERP Settlement Sponsor and the ultimate trading value of the New ABH Common Stock (as defined in the Chapter 11 Plan). The estimated recoveries set forth in paragraph 2 above (a) are based on the assumptions and estimated recovery rates for each ACI SERP Settlement Sponsor contained in the Disclosure Statement and Information Circular, and (b) the implied stock price of US\$25 per share of New ABH Common Stock contained in the Disclosure Statement and Information Circular. After full administration of the Restructuring Cases, actual recoveries on the Allowed ACI SERP

Claims and the Risk-Adjusted Allowed ACI SERP Claim Amounts may be significantly more or less than 52% of the claim amounts.

4. Allowed ACI SERP Claim Distributions. The Debtors will make an initial distribution of New ABH Common Stock on account of the Allowed ACI SERP Claims and the Risk-Adjusted Allowed ACI SERP Claim Amounts on the first interim distribution date after entry of orders by the U.S. Court and Canadian Courts approving this Agreement on which it is reasonably practicable for the Debtors to do so. All distributions on account of the Allowed ACI SERP Claims and Risk-Adjusted Allowed ACI SERP Claim Amounts will be subject to all applicable holdbacks and other restrictions under the Restructuring Plans (if any).

5. Agreement on Allowed Claims and Distributions. Other than the Allowed ACI SERP Claim and the Risk-Adjusted Allowed ACI SERP Claim Amounts, Claimant agrees to withdraw with prejudice all other claims asserted in connection with or arising from the ACI SERP, whether in a proof of claim or otherwise, and upon the Effective Date, all such claims shall be deemed withdrawn with prejudice and expunged, including, for the avoidance of doubt, all claims (if any) asserted against Bowater Canada Finance Corporation.

6. Injunction. Other than with respect to his rights under this Agreement, Claimant is permanently enjoined from, and agrees not to take, any of the following actions on account of his ACI SERP Claim: (a) commencing or continuing in any manner any action or other proceeding against the Debtors or their respective property; (b) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order against the Debtors or their respective property; (c) creating,

perfecting, or enforcing any lien or encumbrance against the Debtors or their respective property; (d) asserting a setoff, right of subrogation or recoupment of any kind against any debt, liability or obligation due to the Debtors or their respective property; and (e) commencing or continuing any action, in any manner, in any place that does not comply with or is inconsistent with the provisions of this Agreement and the Restructuring Plans.

7. Release by Claimant. Other than with respect to its rights under this Agreement and the Allowed ACI SERP Claim and the Risk-Adjusted Allowed ACI SERP Claim Amounts, the Claimant and each of its successors, assigns, spouses and dependents (collectively, the "Claimant Releasors") hereby release and forever discharge the Debtors (including Bowater Canada Finance Corporation), Avidity Partners, LLC, in its capacity as the Post-Effective Date Claims Agent, and Ernst & Young Inc., in its capacity as the court-appointed Monitor in respect of the Matter of the Plan of Compromise or Arrangement of AbitibiBowater Inc. and its subsidiaries and affiliates, in each case along with each of their past, present, and future direct and indirect parents, subsidiaries, affiliates, related entities, directors, officers, employees, attorneys, representatives, agents, receivers, insurers, and each of their predecessors, successors, heirs and assigns (collectively, the "Debtor Releasees") from any and all causes of action, demands, damages, costs, debts, liabilities, losses or claims of any kind, whether known or unknown, that the Claimant Releasors may now have or ever have had, or hereafter shall or may have, against the Debtor Releasees arising from, in connection with, or related to the ACI SERP.

8. Complete and Final Agreement. This Agreement sets forth the entire agreement between the Parties pertaining to the subject matter hereof. This

Agreement supersedes and replaces any and all prior or contemporaneous verbal or written agreements between the Parties concerning the subject matter hereof. No modification of, or amendment to, this Agreement shall be valid unless it is in writing and signed by the Parties hereto.

9. No Reliance. No Party has relied on or been induced to execute this Agreement by any statements, representations, agreements or promises, oral or written, made by any other Party, their agents, employees, servants or attorneys, or anyone else, other than the statements expressly written in this Settlement Agreement and Release.

10. Interpretation of Agreement. As used in this Agreement, the singular or plural number shall be deemed to include the other whenever the context so indicates or requires. The language of all parts of this Agreement shall in all cases be construed as a whole, according to its fair meaning, not strictly for or against any of the Parties.

11. Counterparts. This Agreement may be executed simultaneously or in any number of original or faxed counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same agreement.

12. Authorization. Each of the undersigned represents and warrants that he or she is competent and authorized to execute this Agreement, and further represents and warrants that he or she has read and understands the terms of this Agreement.

13. Binding Effect. This Agreement shall be binding on and shall inure to the benefit of the Parties and their respective successors, heirs, and assigns.

14. No Admission of Liability. The Parties each agree that entry into this Agreement does not constitute a determination or admission of liability under the ACI SERP by the ACI SERP Settlement Plan Sponsors, and that the allocation and allowance of the ACI SERP Claim constitutes a settlement of the ACI SERP Claim to avoid the expense and time of further litigation.

15. Governing Law. This Agreement shall be governed by and construed under the laws of either the State of Delaware or the Province of Quebec, as may be applicable, without regard to the conflict of laws provisions thereof.

16. Jurisdiction. In connection with any action, suit, or proceeding arising from, in connection with, or relating to this Agreement, the Parties each agree to submit to the exclusive jurisdiction and venue of the United States Bankruptcy Court for the District of Delaware or the CCAA Court, as may be applicable, and any appellate courts with jurisdiction over the U.S. Court and the CCAA Court.

17. Effectiveness; Termination. The Parties acknowledge that the Debtors intend to seek approval of this Agreement by the U.S. Court and the CCAA Court and that this Agreement shall only become effective upon entry of an order approving the Agreement by each of the U.S. Court and the CCAA Court (the "Effective Date").

RÉCLAMANT :

DÉBITEURS :

Par :

Nom : Jacques P. Vachon

Titre : Premier vice-président et chef du contentieux

APPROUVÉ PAR :

Par :

Nom : Martin Daigneault

Titre : Premier vice-président

Avidity Partners, LLC
à titre d'agent des réclamations après la date de prise d'effet,
par l'intermédiaire de son conseiller juridique Paul Hastings LP

Par :

Name: Robert E. Winter

Title: Counsel

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (the "Agreement") is entered into by and between AbitibiBowater Inc. and its affiliates in the above captioned cases (collectively, together with the affiliates who applied for protection from their creditors under Canada's *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (as amended, the "CCAA") and as reorganized, the "Debtors") and ~~Paul Gagnon~~ ("Claimant"). The Debtors and Claimant are each referred to individually herein as a "Party" and collectively, as the "Parties."

WHEREAS, the Debtors filed creditor protection proceedings in the United States and Canada (the "Restructuring Cases") on April 16, 2009 and April 17, 2009, respectively (the "Petition Date"). In November 2010, the U.S. bankruptcy court (the "U.S. Court") and the Québec Superior Court (the "CCAA Court") entered orders confirming and sanctioning the Debtors' chapter 11 and CCAA restructuring plans (the confirmed chapter 11 plan, the "Chapter 11 Plan" and accompanying disclosure statement, the "Disclosure Statement", and together with the sanctioned CCAA plan (the "CCAA Plan" and the accompanying information circular, the "Information Circular") the "Restructuring Plans"). The Restructuring Plans went effective on December 9, 2010.

WHEREAS, as of the Petition Date, the Debtors suspended all payments on account of pre-filing supplemental executive retirement plans (collectively, the "Old

Drive Company Limited, Bowater Treated Wood Inc., Canoxel Hardboard Inc., 9068-9050 Québec Inc., Alliance Forest Products Inc. (2001), Bowater Belledune Sawmill Inc., Bowater Maritimes Inc., Bowater Mitis Inc., Bowater Guérette Inc., and Bowater Couturier Inc.

SERPs”), including the Canadian Supplemental Executive Retirement Plan (SERP) for Executive Employees of Abitibi-Consolidated Inc. (the “ACI SERP”). The Restructuring Plans terminated all such plans. *See* CCAA Plan Supplement 6.9(1); Amended CCAA Plan Supplement 6.9(2); Chapter 11 Plan § 6.9; Supplement 7B (as amended). In accordance with the Restructuring Plans, however, the Debtors established new non-qualified and non-registered plans (the “New SERPs”) pursuant to which (a) all employees and beneficiaries in active status as of the Effective Date were eligible to receive benefits under the New SERPs substantially similar to those under the Old SERPs; and (b) all retirees, beneficiaries and deferred vested participants (collectively, “Retirees”), as of the Effective Date, were eligible to receive benefits under the New SERPs substantially similar to those under the Old SERPs, provided however, that the benefits to a participant under the New SERP(s) will be 10% to 35% lower, depending on the applicable Old SERP(s), the benefits under the New Plans will be subject to an annual per-participant cap, and depending on the applicable Old SERP, the benefits being further reduced by any secured pension benefits received or to be received in respect of the Old SERP. The ACI SERP is subject to a 10% reduction in benefits and a CDN\$50,000 per participant annual cap. In addition, some participants under the ACI SERP received secured pension benefits in respect of the ACI SERP and accordingly, were ineligible to participate in the applicable New SERP or were eligible to participate in the applicable New SERP subject to further reduction of their benefits.

WHEREAS, as a condition of participating in the New SERPs, the Restructuring Plans required eligible plan participants to waive and forfeit any and all claims in respect of the Old SERPs. In August 2010, the Debtors mailed election notices

to all SERP claimants (the "SERP Election Notices") offering them a choice between (1) participating in the New SERPs and waiving all their claims against the Debtors arising under the relevant Old SERPs, or (2) retaining their claims against the Debtors arising under the Old SERPs, and receiving distributions on account of such claims (if and when allowed) as part of the Restructuring Cases. Claimant was not eligible to participate in a New SERP or was eligible to participate in a New SERP but elected to retain his claims under the ACI SERP (the "ACI SERP Claims").

WHEREAS, at the time the SERP Election Notices were circulated, AbitibiBowater Inc. and Abitibi-Consolidated Inc. were identified as sponsors of the ACI SERP. Other Debtors may also be potential sponsors of the ACI SERP, and may also be potentially liable for the ACI SERP Claims. The Company, the post-effective date claims agent (the "Claims Agent") appointed under the Chapter 11 Plan, and the monitor appointed in the CCAA proceedings by the CCAA Court (the "Monitor"), have analyzed the likelihood of other Debtors' liability for the ACI SERP Claims.

WHEREAS, among other things, the Claims Agent, the Monitor, and the Claimant dispute the liability of the various Debtors for the ACI SERP Claims.

WHEREAS, to avoid the expense and inconvenience of further litigation, the Parties have agreed to settle on the allowed amount of Claimant's ACI SERP Claim and allocate such claim against various Debtors based on an agreement regarding each such Debtors' probable estimated liability for the claim as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and releases set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. ACI SERP Claim Allowance. Claimant shall have an allowed general unsecured ACI SERP Claim (the "Allowed ACI SERP Claim") in the amount of **CDN \$1,709.00** which shall be allocated, solely for purposes of this Agreement, against each of the following Debtors: AbitibiBowater Inc., Bowater Incorporated, Donohue Corp., Abitibi Consolidated Sales Corporation, Abitibi-Consolidated Corporation, Bowater Canadian Forest Products Inc., Abitibi-Consolidated Inc., and Abitibi-Consolidated Company of Canada (collectively, the "ACI SERP Settlement Sponsors"). Except for purposes of this Agreement, the Debtors, the Claims Agent and the Monitor do not concede that the ACI SERP Settlement Sponsors have legal liability for the ACI SERP.

2. ACI SERP Claim Allocation: The Allowed ACI SERP Claim will be allocated against the ACI SERP Settlement Sponsors in the following percentages based upon the agreed-upon relative risk of liability of each particular ACI SERP Settlement Sponsor, resulting in the corresponding portion of the Allowed ACI SERP Claim being allowed against the ACI SERP Settlement Sponsor in the indicated amounts (the "Risk-Adjusted Allowed ACI SERP Claim Amount"):

Allowed ACI SERP Claim Amount	ACI SERP Settlement Sponsor	% of Allowed ACI SERP Claim Allocated against ACI SERP Settlement Sponsor	Risk-Adjusted Allowed ACI SERP Claim Amount	Applicable General Unsecured Claim Class	Estimated % Recovery Rate from Debtor based on Disclosure Statement and Information Circular	Estimated Recovery on Account of Risk-Adjusted Allowed ACI SERP Claim Amount
CDN\$1,709.00	Bowater Canadian Forest Products Inc.	23%	CDN\$393.07		36.50%	CDN\$143.47
CDN\$1,709.00	Abitibi-Consolidated Inc.	100%	CDN\$1,709.00		3.4%	CDN\$58.11
CDN\$1,709.00	Abitibi Consolidated Company of Canada	95%	CDN\$1,623.55		17.10%	CDN\$277.63
US\$1,407.05	AbitibiBowater Inc.	100%	US\$1,407.05	Class 6A	0.8%	US\$11.26

US\$1,407.05	Bowater Incorporated	23%	US\$323.62	Class 6S	48.4%	US\$156.63
US\$1,407.05	Donohue Corp.	20%	US\$281.41	Class 6DD	28.4%	US\$79.92
US\$1,407.05	Abitibi Consolidated Sales Corp.	20%	US\$281.41	Class 6H	23.4%	US\$65.85
US\$1,407.05	Abitibi Consolidated Corporation	20%	US\$281.41	Class 6F	12.0%	US\$33.77
			Total Estimated Recovery (CDN\$)			\$901.19
			% Recovery (CDN\$:CDN\$)		52%	

* Currency conversions use the Bank of Canada's noon spot rate as of the Petition Date of CDN \$1.00 – US\$0.8290.

3. No Fixed Recoveries on Allowed ACI SERP Claims: The

Allowed ACI SERP Claim and Risk-Adjusted Allowed ACI SERP Claim Amounts constitute Claimant's sole Allowed claims arising under, in connection with, or relating to the ACI SERP, and all other claims (if any), including any such claims against any other Debtor or Debtor's affiliate (including for the avoidance of doubt, Bowater Canada Finance Corporation), are deemed withdrawn and expunged. Notwithstanding anything to the contrary contained in this Agreement, this Agreement does not fix recoveries or guarantee an aggregate 52% recovery on the Allowed ACI SERP Claim or a recovery against each ACI SERP Settlement Sponsor at the estimated recovery rate set forth in the applicable Disclosure Statement or Information Circular. Actual recoveries on account of such claims depend on the other claims that are ultimately allowed or disallowed against each ACI SERP Settlement Sponsor and the ultimate trading value of the New ABH Common Stock (as defined in the Chapter 11 Plan). The estimated recoveries set forth in paragraph 2 above (a) are based on the assumptions and estimated recovery rates for each ACI SERP Settlement Sponsor contained in the Disclosure Statement and Information Circular, and (b) the implied stock price of US\$25 per share of New ABH Common Stock contained in the Disclosure Statement and Information Circular. After full administration of the Restructuring Cases, actual recoveries on the Allowed ACI SERP

Claims and the Risk-Adjusted Allowed ACI SERP Claim Amounts may be significantly more or less than 52% of the claim amounts.

4. Allowed ACI SERP Claim Distributions. The Debtors will make an initial distribution of New ABH Common Stock on account of the Allowed ACI SERP Claims and the Risk-Adjusted Allowed ACI SERP Claim Amounts on the first interim distribution date after entry of orders by the U.S. Court and Canadian Courts approving this Agreement on which it is reasonably practicable for the Debtors to do so. All distributions on account of the Allowed ACI SERP Claims and Risk-Adjusted Allowed ACI SERP Claim Amounts will be subject to all applicable holdbacks and other restrictions under the Restructuring Plans (if any).

5. Agreement on Allowed Claims and Distributions. Other than the Allowed ACI SERP Claim and the Risk-Adjusted Allowed ACI SERP Claim Amounts, Claimant agrees to withdraw with prejudice all other claims asserted in connection with or arising from the ACI SERP, whether in a proof of claim or otherwise, and upon the Effective Date, all such claims shall be deemed withdrawn with prejudice and expunged, including, for the avoidance of doubt, all claims (if any) asserted against Bowater Canada Finance Corporation.

6. Injunction. Other than with respect to his rights under this Agreement, Claimant is permanently enjoined from, and agrees not to take, any of the following actions on account of his ACI SERP Claim: (a) commencing or continuing in any manner any action or other proceeding against the Debtors or their respective property; (b) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order against the Debtors or their respective property; (c) creating,

perfecting, or enforcing any lien or encumbrance against the Debtors or their respective property; (d) asserting a setoff, right of subrogation or recoupment of any kind against any debt, liability or obligation due to the Debtors or their respective property; and (e) commencing or continuing any action, in any manner, in any place that does not comply with or is inconsistent with the provisions of this Agreement and the Restructuring Plans.

7. Release by Claimant. Other than with respect to its rights under this Agreement and the Allowed ACI SERP Claim and the Risk-Adjusted Allowed ACI SERP Claim Amounts, the Claimant and each of its successors, assigns, spouses and dependents (collectively, the "Claimant Releasors") hereby release and forever discharge the Debtors (including Bowater Canada Finance Corporation), Avidity Partners, LLC, in its capacity as the Post-Effective Date Claims Agent, and Ernst & Young Inc., in its capacity as the court-appointed Monitor in respect of the Matter of the Plan of Compromise or Arrangement of AbitibiBowater Inc. and its subsidiaries and affiliates, in each case along with each of their past, present, and future direct and indirect parents, subsidiaries, affiliates, related entities, directors, officers, employees, attorneys, representatives, agents, receivers, insurers, and each of their predecessors, successors, heirs and assigns (collectively, the "Debtor Releasees") from any and all causes of action, demands, damages, costs, debts, liabilities, losses or claims of any kind, whether known or unknown, that the Claimant Releasors may now have or ever have had, or hereafter shall or may have, against the Debtor Releasees arising from, in connection with, or related to the ACI SERP.

8. Complete and Final Agreement. This Agreement sets forth the entire agreement between the Parties pertaining to the subject matter hereof. This

Agreement supersedes and replaces any and all prior or contemporaneous verbal or written agreements between the Parties concerning the subject matter hereof. No modification of, or amendment to, this Agreement shall be valid unless it is in writing and signed by the Parties hereto.

9. No Reliance. No Party has relied on or been induced to execute this Agreement by any statements, representations, agreements or promises, oral or written, made by any other Party, their agents, employees, servants or attorneys, or anyone else, other than the statements expressly written in this Settlement Agreement and Release.

10. Interpretation of Agreement. As used in this Agreement, the singular or plural number shall be deemed to include the other whenever the context so indicates or requires. The language of all parts of this Agreement shall in all cases be construed as a whole, according to its fair meaning, not strictly for or against any of the Parties.

11. Counterparts. This Agreement may be executed simultaneously or in any number of original or faxed counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same agreement.

12. Authorization. Each of the undersigned represents and warrants that he or she is competent and authorized to execute this Agreement, and further represents and warrants that he or she has read and understands the terms of this Agreement.

13. Binding Effect. This Agreement shall be binding on and shall inure to the benefit of the Parties and their respective successors, heirs, and assigns.

14. No Admission of Liability. The Parties each agree that entry into this Agreement does not constitute a determination or admission of liability under the ACI SERP by the ACI SERP Settlement Plan Sponsors, and that the allocation and allowance of the ACI SERP Claim constitutes a settlement of the ACI SERP Claim to avoid the expense and time of further litigation.

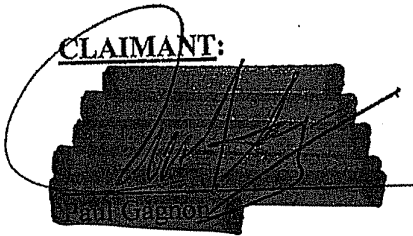
15. Governing Law. This Agreement shall be governed by and construed under the laws of either the State of Delaware or the Province of Quebec, as may be applicable, without regard to the conflict of laws provisions thereof.

16. Jurisdiction. In connection with any action, suit, or proceeding arising from, in connection with, or relating to this Agreement, the Parties each agree to submit to the exclusive jurisdiction and venue of the United States Bankruptcy Court for the District of Delaware or the CCAA Court, as may be applicable, and any appellate courts with jurisdiction over the U.S. Court and the CCAA Court.

17. Effectiveness; Termination. The Parties acknowledge that the Debtors intend to seek approval of this Agreement by the U.S. Court and the CCAA Court and that this Agreement shall only become effective upon entry of an order approving the Agreement by each of the U.S. Court and the CCAA Court (the "Effective Date").

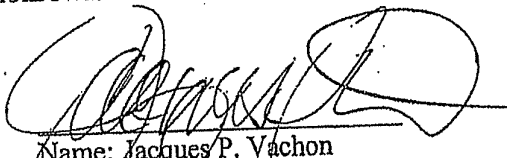
IN WITNESS WHEREOF, the Parties, by their duly authorized representatives, have
executed this Agreement this 17 day of October, 2011.

CLAIMANT:



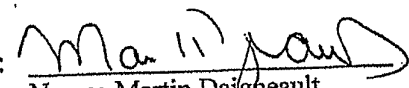
THE DEBTORS:

AbitibiBowater Inc.

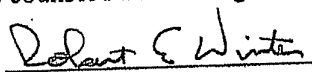
By: 
Name: Jacques P. Vachon
Title: Senior Vice President and Chief Legal Officer

APPROVED BY:

Ernst & Young Inc., in its capacity as the court-appointed Monitor in respect of the
Matter of the Plan of Compromise or Arrangement of AbitibiBowater Inc. and its
subsidiaries and affiliates, and not in its personal or corporate capacity.

By: 
Name: Martin Daigneault
Title: Senior Vice-President

Avidity Partners, LLC
as Post-Effective Date Claims Agent,
by its counsel Paul Hastings LP

By: 
Name: Robert E. Winter
Title: Counsel

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (the "Agreement") is entered into by and between AbitibiBowater Inc. and its affiliates in the above captioned cases (collectively, together with the affiliates who applied for protection from their creditors under Canada's *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (as amended, the "CCAA") and as reorganized, the "Debtors") and [REDACTED] ("Claimant"). The Debtors and Claimant are each referred to individually herein as a "Party" and collectively, as the "Parties."

WHEREAS, the Debtors filed creditor protection proceedings in the United States and Canada (the "Restructuring Cases") on April 16, 2009 and April 17, 2009, respectively (the "Petition Date"). In November 2010, the U.S. bankruptcy court (the "U.S. Court") and the Quebec Superior Court (the "CCAA Court") entered orders confirming and sanctioning the Debtors' chapter 11 and CCAA restructuring plans (the confirmed chapter 11 plan, the "Chapter 11 Plan" and accompanying disclosure statement, the "Disclosure Statement", and together with the sanctioned CCAA plan (the "CCAA Plan" and the accompanying information circular, the "Information Circular") the "Restructuring Plans"). The Restructuring Plans went effective on December 9, 2010.

WHEREAS, as of the Petition Date, the Debtors suspended all payments on account of pre-filing supplemental executive retirement plans (collectively, the "Old

Drive Company Limited, Bowater Treated Wood Inc., Canexel Hardboard Inc., 9068-9050 Québec Inc., Alliance Forest Products Inc. (2001), Bowater Belledune Sawmill Inc., Bowater Maritimes Inc., Bowater Mitis Inc., Bowater Guérette Inc., and Bowater Couturier Inc.

SERPs”), including the Canadian Supplemental Executive Retirement Plan (SERP) for Executive Employees of Abitibi-Consolidated Inc. (the “ACI SERP”). The Restructuring Plans terminated all such plans. See CCAA Plan Supplement 6.9(1); Amended CCAA Plan Supplement 6.9(2); Chapter 11 Plan § 6.9; Supplement 7B (as amended). In accordance with the Restructuring Plans, however, the Debtors established new non-qualified and non-registered plans (the “New SERPs”) pursuant to which (a) all employees and beneficiaries in active status as of the Effective Date were eligible to receive benefits under the New SERPs substantially similar to those under the Old SERPs; and (b) all retirees, beneficiaries and deferred vested participants (collectively, “Retirees”), as of the Effective Date, were eligible to receive benefits under the New SERPs substantially similar to those under the Old SERPs, provided however, that the benefits to a participant under the New SERP(s) will be 10% to 35% lower, depending on the applicable Old SERP(s), the benefits under the New Plans will be subject to an annual per-participant cap, and depending on the applicable Old SERP, the benefits being further reduced by any secured pension benefits received or to be received in respect of the Old SERP. The ACI SERP is subject to a 10% reduction in benefits and a CDN\$50,000 per participant annual cap. In addition, some participants under the ACI SERP received secured pension benefits in respect of the ACI SERP and accordingly, were ineligible to participate in the applicable New SERP or were eligible to participate in the applicable New SERP subject to further reduction of their benefits.

WHEREAS, as a condition of participating in the New SERPs, the Restructuring Plans required eligible plan participants to waive and forfeit any and all claims in respect of the Old SERPs. In August 2010, the Debtors mailed election notices

to all SERP claimants (the "SERP Election Notices") offering them a choice between (1) participating in the New SERPs and waiving all their claims against the Debtors arising under the relevant Old SERPs, or (2) retaining their claims against the Debtors arising under the Old SERPs, and receiving distributions on account of such claims (if and when allowed) as part of the Restructuring Cases. Claimant was not eligible to participate in a New SERP or was eligible to participate in a New SERP but elected to retain his claims under the ACI SERP (the "ACI SERP Claims").

WHEREAS, at the time the SERP Election Notices were circulated, AbitibiBowater Inc. and Abitibi-Consolidated Inc. were identified as sponsors of the ACI SERP. Other Debtors may also be potential sponsors of the ACI SERP, and may also be potentially liable for the ACI SERP Claims. The Company, the post-effective date claims agent (the "Claims Agent") appointed under the Chapter 11 Plan, and the monitor appointed in the CCAA proceedings by the CCAA Court (the "Monitor"), have analyzed the likelihood of other Debtors' liability for the ACI SERP Claims.

WHEREAS, among other things, the Claims Agent, the Monitor, and the Claimant dispute the liability of the various Debtors for the ACI SERP Claims.

WHEREAS, to avoid the expense and inconvenience of further litigation, the Parties have agreed to settle on the allowed amount of Claimant's ACI SERP Claim and allocate such claim against various Debtors based on an agreement regarding each such Debtors' probable estimated liability for the claim as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and releases set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. ACI SERP Claim Allowance. Claimant shall have an allowed general unsecured ACI SERP Claim (the "Allowed ACI SERP Claim") in the amount of **CDN \$12,410.00** which shall be allocated, solely for purposes of this Agreement, against each of the following Debtors: AbitibiBowater Inc., Bowater Incorporated, Donohue Corp., Abitibi Consolidated Sales Corporation, Abitibi-Consolidated Corporation, Bowater Canadian Forest Products Inc., Abitibi-Consolidated Inc., and Abitibi-Consolidated Company of Canada (collectively, the "ACI SERP Settlement Sponsors"). Except for purposes of this Agreement, the Debtors, the Claims Agent and the Monitor do not concede that the ACI SERP Settlement Sponsors have legal liability for the ACI SERP.

2. ACI SERP Claim Allocation: The Allowed ACI SERP Claim will be allocated against the ACI SERP Settlement Sponsors in the following percentages based upon the agreed-upon relative risk of liability of each particular ACI SERP Settlement Sponsor, resulting in the corresponding portion of the Allowed ACI SERP Claim being allowed against the ACI SERP Settlement Sponsor in the indicated amounts (the "Risk-Adjusted Allowed ACI SERP Claim Amount"):

Allowed ACI SERP Claim Amount	ACI SERP Settlement Sponsor	% of Allowed ACI SERP Claim Allocated against ACI SERP Settlement Sponsor	Risk-Adjusted Allowed ACI SERP Claim Amount	Applicable General Unsecured Claim Class	Estimated % Recovery Rate from Debtor based on Disclosure Statement and Information Circular	Estimated Recovery on Account of Risk-Adjusted Allowed ACI SERP Claim Amount
CDN\$12,410.00	Bowater Canadian Forest Products Inc.	23%	CDN\$2,854.30		36.50%	CDN\$1,041.82
CDN\$12,410.00	Abitibi-Consolidated Inc.	100%	CDN\$12,410.00		3.4%	CDN\$421.94
CDN\$12,410.00	Abitibi Consolidated Company of Canada	95%	CDN\$11,789.50		17.10%	CDN\$2,016.00
US\$10,217.36	AbitibiBowater Inc.	100%	US\$10,217.36	Class 6A	0.8%	US\$81.74

US\$10,217.36	Bowater Incorporated	23%	US\$2,349.99	Class 6S	48.4%	US\$1,137.40
US\$10,217.36	Donohue Corp.	20%	US\$2,043.47	Class 6DD	28.4%	US\$580.35
US\$10,217.36	Abitibi Consolidated Sales Corp.	20%	US\$2,043.47	Class 6H	23.4%	US\$478.17
US\$10,217.36	Abitibi Consolidated Corporation	20%	US\$2,043.47	Class 6F	12.0%	US\$245.22
			Total Estimated Recovery (CDNS)			\$6,544.04
			% Recovery (CDNS:CDNS)		52%	

* Currency conversions use the Bank of Canada's noon spot rate as of the Petition Date of CDN \$1.00 – US\$0.8290.

3. No Fixed Recoveries on Allowed ACI SERP Claims: The

Allowed ACI SERP Claim and Risk-Adjusted Allowed ACI SERP Claim Amounts constitute Claimant's sole Allowed claims arising under, in connection with, or relating to the ACI SERP, and all other claims (if any), including any such claims against any other Debtor or Debtor's affiliate (including for the avoidance of doubt, Bowater Canada Finance Corporation), are deemed withdrawn and expunged. Notwithstanding anything to the contrary contained in this Agreement, this Agreement does not fix recoveries or guarantee an aggregate 52% recovery on the Allowed ACI SERP Claim or a recovery against each ACI SERP Settlement Sponsor at the estimated recovery rate set forth in the applicable Disclosure Statement or Information Circular. Actual recoveries on account of such claims depend on the other claims that are ultimately allowed or disallowed against each ACI SERP Settlement Sponsor and the ultimate trading value of the New ABH Common Stock (as defined in the Chapter 11 Plan). The estimated recoveries set forth in paragraph 2 above (a) are based on the assumptions and estimated recovery rates for each ACI SERP Settlement Sponsor contained in the Disclosure Statement and Information Circular, and (b) the implied stock price of US\$25 per share of New ABH Common Stock contained in the Disclosure Statement and Information Circular. After full administration of the Restructuring Cases, actual recoveries on the Allowed ACI SERP

Claims and the Risk-Adjusted Allowed ACI SERP Claim Amounts may be significantly more or less than 52% of the claim amounts.

4. Allowed ACI SERP Claim Distributions. The Debtors will make an initial distribution of New ABH Common Stock on account of the Allowed ACI SERP Claims and the Risk-Adjusted Allowed ACI SERP Claim Amounts on the first interim distribution date after entry of orders by the U.S. Court and Canadian Courts approving this Agreement on which it is reasonably practicable for the Debtors to do so. All distributions on account of the Allowed ACI SERP Claims and Risk-Adjusted Allowed ACI SERP Claim Amounts will be subject to all applicable holdbacks and other restrictions under the Restructuring Plans (if any).

5. Agreement on Allowed Claims and Distributions. Other than the Allowed ACI SERP Claim and the Risk-Adjusted Allowed ACI SERP Claim Amounts, Claimant agrees to withdraw with prejudice all other claims asserted in connection with or arising from the ACI SERP, whether in a proof of claim or otherwise, and upon the Effective Date, all such claims shall be deemed withdrawn with prejudice and expunged, including, for the avoidance of doubt, all claims (if any) asserted against Bowater Canada Finance Corporation.

6. Injunction. Other than with respect to his rights under this Agreement, Claimant is permanently enjoined from, and agrees not to take, any of the following actions on account of his ACI SERP Claim: (a) commencing or continuing in any manner any action or other proceeding against the Debtors or their respective property; (b) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order against the Debtors or their respective property; (c) creating,

perfecting, or enforcing any lien or encumbrance against the Debtors or their respective property; (d) asserting a setoff, right of subrogation or recoupment of any kind against any debt, liability or obligation due to the Debtors or their respective property; and (e) commencing or continuing any action, in any manner, in any place that does not comply with or is inconsistent with the provisions of this Agreement and the Restructuring Plans.

7. Release by Claimant. Other than with respect to its rights under this Agreement and the Allowed ACI SERP Claim and the Risk-Adjusted Allowed ACI SERP Claim Amounts, the Claimant and each of its successors, assigns, spouses and dependents (collectively, the "Claimant Releasors") hereby release and forever discharge the Debtors (including Bowater Canada Finance Corporation), Avidity Partners, LLC, in its capacity as the Post-Effective Date Claims Agent, and Ernst & Young Inc., in its capacity as the court-appointed Monitor in respect of the Matter of the Plan of Compromise or Arrangement of AbitibiBowater Inc. and its subsidiaries and affiliates, in each case along with each of their past, present, and future direct and indirect parents, subsidiaries, affiliates, related entities, directors, officers, employees, attorneys, representatives, agents, receivers, insurers, and each of their predecessors, successors, heirs and assigns (collectively, the "Debtor Releasees") from any and all causes of action, demands, damages, costs, debts, liabilities, losses or claims of any kind, whether known or unknown, that the Claimant Releasors may now have or ever have had, or hereafter shall or may have, against the Debtor Releasees arising from, in connection with, or related to the ACI SERP.

8. Complete and Final Agreement. This Agreement sets forth the entire agreement between the Parties pertaining to the subject matter hereof. This

Agreement supersedes and replaces any and all prior or contemporaneous verbal or written agreements between the Parties concerning the subject matter hereof. No modification of, or amendment to, this Agreement shall be valid unless it is in writing and signed by the Parties hereto.

9. No Reliance. No Party has relied on or been induced to execute this Agreement by any statements, representations, agreements or promises, oral or written, made by any other Party, their agents, employees, servants or attorneys, or anyone else, other than the statements expressly written in this Settlement Agreement and Release.

10. Interpretation of Agreement. As used in this Agreement, the singular or plural number shall be deemed to include the other whenever the context so indicates or requires. The language of all parts of this Agreement shall in all cases be construed as a whole, according to its fair meaning, not strictly for or against any of the Parties.

11. Counterparts. This Agreement may be executed simultaneously or in any number of original or faxed counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same agreement.

12. Authorization. Each of the undersigned represents and warrants that he or she is competent and authorized to execute this Agreement, and further represents and warrants that he or she has read and understands the terms of this Agreement.

13. Binding Effect. This Agreement shall be binding on and shall inure to the benefit of the Parties and their respective successors, heirs, and assigns.

14. No Admission of Liability. The Parties each agree that entry into this Agreement does not constitute a determination or admission of liability under the ACI SERP by the ACI SERP Settlement Plan Sponsors, and that the allocation and allowance of the ACI SERP Claim constitutes a settlement of the ACI SERP Claim to avoid the expense and time of further litigation.

15. Governing Law. This Agreement shall be governed by and construed under the laws of either the State of Delaware or the Province of Quebec, as may be applicable, without regard to the conflict of laws provisions thereof.

16. Jurisdiction. In connection with any action, suit, or proceeding arising from, in connection with, or relating to this Agreement, the Parties each agree to submit to the exclusive jurisdiction and venue of the United States Bankruptcy Court for the District of Delaware or the CCAA Court, as may be applicable, and any appellate courts with jurisdiction over the U.S. Court and the CCAA Court.

17. Effectiveness; Termination. The Parties acknowledge that the Debtors intend to seek approval of this Agreement by the U.S. Court and the CCAA Court and that this Agreement shall only become effective upon entry of an order approving the Agreement by each of the U.S. Court and the CCAA Court (the "Effective Date").

EN FOI DE QUOI, les parties, par l'intermédiaire de leurs représentants dûment autorisés,
ont signé la présente convention le 8 octobre 2011.

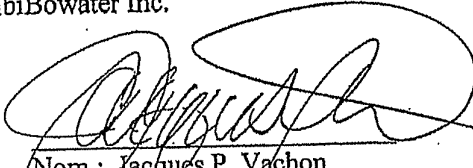
RÉCLAMANT :

[REDACTED]

DÉBITEURS :

AbitibiBowater Inc.

Par :


Nom : Jacques P. Vachon
Titre : Premier vice-président et chef du contentieux

APPROUVÉ PAR :

Ernst & Young Inc., en sa qualité de contrôleur nommé par le tribunal à l'égard de
l'affaire du plan de transaction ou d'arrangement d'AbitibiBowater Inc. et de ses filiales et
membres du même groupe, et non à titre personnel ou en qualité de société.

Par :


Nom : Martin Daigneault
Titre : Premier vice-président

Avidity Partners, LLC

à titre d'agent des réclamations après la date de prise d'effet,
par l'intermédiaire de son conseiller juridique Paul Hastings LP

Par :


Name: Robert E. Winter
Title: Counsel

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (the "Agreement") is entered into by and between AbitibiBowater Inc. and its affiliates in the above captioned cases (collectively, together with the affiliates who applied for protection from their creditors under Canada's *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (as amended, the "CCAA") and as reorganized, the "Debtors") and [REDACTED] ("Claimant"). The Debtors and Claimant are each referred to individually herein as a "Party" and collectively, as the "Parties."

WHEREAS, the Debtors filed creditor protection proceedings in the United States and Canada (the "Restructuring Cases") on April 16, 2009 and April 17, 2009, respectively (the "Petition Date"). In November 2010, the U.S. bankruptcy court (the "U.S. Court") and the Quebec Superior Court (the "CCAA Court") entered orders confirming and sanctioning the Debtors' chapter 11 and CCAA restructuring plans (the confirmed chapter 11 plan, the "Chapter 11 Plan" and accompanying disclosure statement, the "Disclosure Statement", and together with the sanctioned CCAA plan (the "CCAA Plan" and the accompanying information circular, the "Information Circular") the "Restructuring Plans"). The Restructuring Plans went effective on December 9, 2010.

WHEREAS, as of the Petition Date, the Debtors suspended all payments on account of pre-filing supplemental executive retirement plans (collectively, the "Old

Drive Company Limited, Bowater Treated Wood Inc., Canexel Hardboard Inc., 9068-9050 Québec Inc., Alliance Forest Products Inc. (2001), Bowater Belledune Sawmill Inc., Bowater Maritimes Inc., Bowater Mitis Inc., Bowater Guérette Inc., and Bowater Couturier Inc.

SERPs”), including the Canadian Supplemental Executive Retirement Plan (SERP) for Executive Employees of Abitibi-Consolidated Inc. (the “ACI SERP”). The Restructuring Plans terminated all such plans. *See* CCAA Plan Supplement 6.9(1); Amended CCAA Plan Supplement 6.9(2); Chapter 11 Plan § 6.9; Supplement 7B (as amended). In accordance with the Restructuring Plans, however, the Debtors established new non-qualified and non-registered plans (the “New SERPs”) pursuant to which (a) all employees and beneficiaries in active status as of the Effective Date were eligible to receive benefits under the New SERPs substantially similar to those under the Old SERPs; and (b) all retirees, beneficiaries and deferred vested participants (collectively, “Retirees”), as of the Effective Date, were eligible to receive benefits under the New SERPs substantially similar to those under the Old SERPs, provided however, that the benefits to a participant under the New SERP(s) will be 10% to 35% lower, depending on the applicable Old SERP(s), the benefits under the New Plans will be subject to an annual per-participant cap, and depending on the applicable Old SERP, the benefits being further reduced by any secured pension benefits received or to be received in respect of the Old SERP. The ACI SERP is subject to a 10% reduction in benefits and a CDN\$50,000 per participant annual cap. In addition, some participants under the ACI SERP received secured pension benefits in respect of the ACI SERP and accordingly, were ineligible to participate in the applicable New SERP or were eligible to participate in the applicable New SERP subject to further reduction of their benefits.

WHEREAS, as a condition of participating in the New SERPs, the Restructuring Plans required eligible plan participants to waive and forfeit any and all claims in respect of the Old SERPs. In August 2010, the Debtors mailed election notices

to all SERP claimants (the "SERP Election Notices") offering them a choice between (1) participating in the New SERPs and waiving all their claims against the Debtors arising under the relevant Old SERPs, or (2) retaining their claims against the Debtors arising under the Old SERPs, and receiving distributions on account of such claims (if and when allowed) as part of the Restructuring Cases. Claimant was not eligible to participate in a New SERP or was eligible to participate in a New SERP but elected to retain his claims under the ACI SERP (the "ACI SERP Claims").

WHEREAS, at the time the SERP Election Notices were circulated, AbitibiBowater Inc. and Abitibi-Consolidated Inc. were identified as sponsors of the ACI SERP. Other Debtors may also be potential sponsors of the ACI SERP, and may also be potentially liable for the ACI SERP Claims. The Company, the post-effective date claims agent (the "Claims Agent") appointed under the Chapter 11 Plan, and the monitor appointed in the CCAA proceedings by the CCAA Court (the "Monitor"), have analyzed the likelihood of other Debtors' liability for the ACI SERP Claims.

WHEREAS, among other things, the Claims Agent, the Monitor, and the Claimant dispute the liability of the various Debtors for the ACI SERP Claims.

WHEREAS, to avoid the expense and inconvenience of further litigation, the Parties have agreed to settle on the allowed amount of Claimant's ACI SERP Claim and allocate such claim against various Debtors based on an agreement regarding each such Debtors' probable estimated liability for the claim as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and releases set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. ACI SERP Claim Allowance. Claimant shall have an allowed general unsecured ACI SERP Claim (the "Allowed ACI SERP Claim") in the amount of **CDN \$28,623.00** which shall be allocated, solely for purposes of this Agreement, against each of the following Debtors: AbitibiBowater Inc., Bowater Incorporated, Donohue Corp., Abitibi Consolidated Sales Corporation, Abitibi-Consolidated Corporation, Bowater Canadian Forest Products Inc., Abitibi-Consolidated Inc., and Abitibi-Consolidated Company of Canada (collectively, the "ACI SERP Settlement Sponsors"). Except for purposes of this Agreement, the Debtors, the Claims Agent and the Monitor do not concede that the ACI SERP Settlement Sponsors have legal liability for the ACI SERP.

2. ACI SERP Claim Allocation: The Allowed ACI SERP Claim will be allocated against the ACI SERP Settlement Sponsors in the following percentages based upon the agreed-upon relative risk of liability of each particular ACI SERP Settlement Sponsor, resulting in the corresponding portion of the Allowed ACI SERP Claim being allowed against the ACI SERP Settlement Sponsor in the indicated amounts (the "Risk-Adjusted Allowed ACI SERP Claim Amount"):

Allowed ACI SERP Claim Amount	ACI SERP Settlement Sponsor	% of Allowed ACI SERP Claim Allocated against ACI SERP Settlement Sponsor	Risk-Adjusted Allowed ACI SERP Claim Amount	Applicable General Unsecured Claim Class	Estimated % Recovery Rate from Debtor based on Disclosure Statement and Information Circular	Estimated Recovery on Account of Risk-Adjusted Allowed ACI SERP Claim Amount
CDN\$28,623.00	Bowater Canadian Forest Products Inc.	23%	CDN\$6,583.29		36.50%	CDN\$2,402.90
CDN\$28,623.00	Abitibi-Consolidated Inc.	100%	CDN\$28,623.00		3.4%	CDN\$973.18
CDN\$28,623.00	Abitibi Consolidated Company of Canada	95%	CDN\$27,191.85		17.10%	CDN\$4,649.81
US\$23,565.78	AbitibiBowater Inc.	100%	US\$23,565.78	Class 6A	0.8%	US\$188.53

US\$23,565.78	Bowater Incorporated	23%	US\$5,420.13	Class 6S	48.4%	US\$2,623.34
US\$23,565.78	Donohue Corp.	20%	US\$4,713.16	Class 6DD	28.4%	US\$1,338.54
US\$23,565.78	Abitibi Consolidated Sales Corp.	20%	US\$4,713.16	Class 6H	23.4%	US\$1,102.88
US\$23,565.78	Abitibi Consolidated Corporation	20%	US\$4,713.16	Class 6F	12.0%	US\$565.58
			Total Estimated Recovery (CDN\$)			\$15,093.48
			% Recovery (CDN\$:CDN\$)		52%	

* Currency conversions use the Bank of Canada's noon spot rate as of the Petition Date of CDN \$1.00 – US\$0.8290.

3. No Fixed Recoveries on Allowed ACI SERP Claims: The

Allowed ACI SERP Claim and Risk-Adjusted Allowed ACI SERP Claim Amounts constitute Claimant's sole Allowed claims arising under, in connection with, or relating to the ACI SERP, and all other claims (if any), including any such claims against any other Debtor or Debtor's affiliate (including for the avoidance of doubt, Bowater Canada Finance Corporation), are deemed withdrawn and expunged. Notwithstanding anything to the contrary contained in this Agreement, this Agreement does not fix recoveries or guarantee an aggregate 52% recovery on the Allowed ACI SERP Claim or a recovery against each ACI SERP Settlement Sponsor at the estimated recovery rate set forth in the applicable Disclosure Statement or Information Circular. Actual recoveries on account of such claims depend on the other claims that are ultimately allowed or disallowed against each ACI SERP Settlement Sponsor and the ultimate trading value of the New ABH Common Stock (as defined in the Chapter 11 Plan). The estimated recoveries set forth in paragraph 2 above (a) are based on the assumptions and estimated recovery rates for each ACI SERP Settlement Sponsor contained in the Disclosure Statement and Information Circular, and (b) the implied stock price of US\$25 per share of New ABH Common Stock contained in the Disclosure Statement and Information Circular. After full administration of the Restructuring Cases, actual recoveries on the Allowed ACI SERP

Claims and the Risk-Adjusted Allowed ACI SERP Claim Amounts may be significantly more or less than 52% of the claim amounts.

4. Allowed ACI SERP Claim Distributions. The Debtors will make an initial distribution of New ABH Common Stock on account of the Allowed ACI SERP Claims and the Risk-Adjusted Allowed ACI SERP Claim Amounts on the first interim distribution date after entry of orders by the U.S. Court and Canadian Courts approving this Agreement on which it is reasonably practicable for the Debtors to do so. All distributions on account of the Allowed ACI SERP Claims and Risk-Adjusted Allowed ACI SERP Claim Amounts will be subject to all applicable holdbacks and other restrictions under the Restructuring Plans (if any).

5. Agreement on Allowed Claims and Distributions. Other than the Allowed ACI SERP Claim and the Risk-Adjusted Allowed ACI SERP Claim Amounts, Claimant agrees to withdraw with prejudice all other claims asserted in connection with or arising from the ACI SERP, whether in a proof of claim or otherwise, and upon the Effective Date, all such claims shall be deemed withdrawn with prejudice and expunged, including, for the avoidance of doubt, all claims (if any) asserted against Bowater Canada Finance Corporation.

6. Injunction. Other than with respect to his rights under this Agreement, Claimant is permanently enjoined from, and agrees not to take, any of the following actions on account of his ACI SERP Claim: (a) commencing or continuing in any manner any action or other proceeding against the Debtors or their respective property; (b) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order against the Debtors or their respective property; (c) creating,

perfecting, or enforcing any lien or encumbrance against the Debtors or their respective property; (d) asserting a setoff, right of subrogation or recoupment of any kind against any debt, liability or obligation due to the Debtors or their respective property; and (e) commencing or continuing any action, in any manner, in any place that does not comply with or is inconsistent with the provisions of this Agreement and the Restructuring Plans.

7. Release by Claimant. Other than with respect to its rights under this Agreement and the Allowed ACI SERP Claim and the Risk-Adjusted Allowed ACI SERP Claim Amounts, the Claimant and each of its successors, assigns, spouses and dependents (collectively, the "Claimant Releasors") hereby release and forever discharge the Debtors (including Bowater Canada Finance Corporation), Avidity Partners, LLC, in its capacity as the Post-Effective Date Claims Agent, and Ernst & Young Inc., in its capacity as the court-appointed Monitor in respect of the Matter of the Plan of Compromise or Arrangement of AbitibiBowater Inc. and its subsidiaries and affiliates, in each case along with each of their past, present, and future direct and indirect parents, subsidiaries, affiliates, related entities, directors, officers, employees, attorneys, representatives, agents, receivers, insurers, and each of their predecessors, successors, heirs and assigns (collectively, the "Debtor Releasees") from any and all causes of action, demands, damages, costs, debts, liabilities, losses or claims of any kind, whether known or unknown, that the Claimant Releasors may now have or ever have had, or hereafter shall or may have, against the Debtor Releasees arising from, in connection with, or related to the ACI SERP.

8. Complete and Final Agreement. This Agreement sets forth the entire agreement between the Parties pertaining to the subject matter hereof. This

Agreement supersedes and replaces any and all prior or contemporaneous verbal or written agreements between the Parties concerning the subject matter hereof. No modification of, or amendment to, this Agreement shall be valid unless it is in writing and signed by the Parties hereto.

9. No Reliance. No Party has relied on or been induced to execute this Agreement by any statements, representations, agreements or promises, oral or written, made by any other Party, their agents, employees, servants or attorneys, or anyone else, other than the statements expressly written in this Settlement Agreement and Release.

10. Interpretation of Agreement. As used in this Agreement, the singular or plural number shall be deemed to include the other whenever the context so indicates or requires. The language of all parts of this Agreement shall in all cases be construed as a whole, according to its fair meaning, not strictly for or against any of the Parties.

11. Counterparts. This Agreement may be executed simultaneously or in any number of original or faxed counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same agreement.

12. Authorization. Each of the undersigned represents and warrants that he or she is competent and authorized to execute this Agreement, and further represents and warrants that he or she has read and understands the terms of this Agreement.

13. Binding Effect. This Agreement shall be binding on and shall inure to the benefit of the Parties and their respective successors, heirs, and assigns.

14. No Admission of Liability. The Parties each agree that entry into this Agreement does not constitute a determination or admission of liability under the ACI SERP by the ACI SERP Settlement Plan Sponsors, and that the allocation and allowance of the ACI SERP Claim constitutes a settlement of the ACI SERP Claim to avoid the expense and time of further litigation.

15. Governing Law. This Agreement shall be governed by and construed under the laws of either the State of Delaware or the Province of Quebec, as may be applicable, without regard to the conflict of laws provisions thereof.

16. Jurisdiction. In connection with any action, suit, or proceeding arising from, in connection with, or relating to this Agreement, the Parties each agree to submit to the exclusive jurisdiction and venue of the United States Bankruptcy Court for the District of Delaware or the CCAA Court, as may be applicable, and any appellate courts with jurisdiction over the U.S. Court and the CCAA Court.

17. Effectiveness; Termination: The Parties acknowledge that the Debtors intend to seek approval of this Agreement by the U.S. Court and the CCAA Court and that this Agreement shall only become effective upon entry of an order approving the Agreement by each of the U.S. Court and the CCAA Court (the "Effective Date").

EN FOI DE QUOI, les parties, par l'intermédiaire de leurs représentants dûment autorisés,
ont signé la présente convention le 18 octobre 2011.

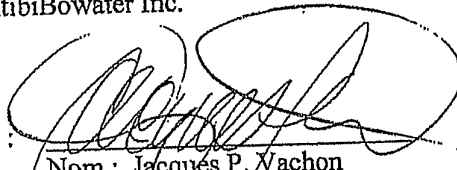
RÉCLAMANT :

[REDACTED]

DÉBITEURS :

AbitibiBowater Inc.

Par :

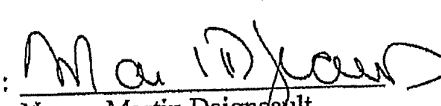

Nom : Jacques P. Vachon

Titre : Premier vice-président et chef du contentieux

APPROUVÉ PAR :

Ernst & Young Inc., en sa qualité de contrôleur nommé par le tribunal à l'égard de
l'affaire du plan de transaction ou d'arrangement d'AbitibiBowater Inc. et de ses filiales et
membres du même groupe, et non à titre personnel ou en qualité de société.

Par :

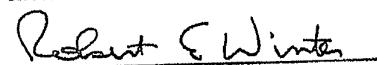

Nom : Martin Daigneault

Titre : Premier vice-président

Avidity Partners, LLC

à titre d'agent des réclamations après la date de prise d'effet,
par l'intermédiaire de son conseiller juridique Paul Hastings LP

Par :


Name: Robert E. Winter

Title: Counsel

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (the "Agreement") is entered into by and between AbitibiBowater Inc. and its affiliates in the above captioned cases (collectively, together with the affiliates who applied for protection from their creditors under Canada's *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (as amended, the "CCAA") and as reorganized, the "Debtors") and [REDACTED] ("Claimant"). The Debtors and Claimant are each referred to individually herein as a "Party" and collectively, as the "Parties."

WHEREAS, the Debtors filed creditor protection proceedings in the United States and Canada (the "Restructuring Cases") on April 16, 2009 and April 17, 2009, respectively (the "Petition Date"). In November 2010, the U.S. bankruptcy court (the "U.S. Court") and the Quebec Superior Court (the "CCAA Court") entered orders confirming and sanctioning the Debtors' chapter 11 and CCAA restructuring plans (the confirmed chapter 11 plan; the "Chapter 11 Plan" and accompanying disclosure statement, the "Disclosure Statement", and together with the sanctioned CCAA plan (the "CCAA Plan" and the accompanying information circular, the "Information Circular") the "Restructuring Plans"). The Restructuring Plans went effective on December 9, 2010.

WHEREAS, as of the Petition Date, the Debtors suspended all payments on account of pre-filing supplemental executive retirement plans (collectively, the "Old

Drive Company Limited, Bowater Treated Wood Inc., Canexel Hardboard Inc., 9068-9050 Québec Inc., Alliance Forest Products Inc. (2001), Bowater Belledune Sawmill Inc., Bowater Maritimes Inc., Bowater Mitis Inc., Bowater Guérette Inc., and Bowater Couturier Inc.

SERPs”), including the Canadian Supplemental Executive Retirement Plan (SERP) for Executive Employees of Abitibi-Consolidated Inc. (the “ACI SERP”). The Restructuring Plans terminated all such plans. *See* CCAA Plan Supplement 6.9(1); Amended CCAA Plan Supplement 6.9(2); Chapter 11 Plan § 6.9; Supplement 7B (as amended). In accordance with the Restructuring Plans, however, the Debtors established new non-qualified and non-registered plans (the “New SERPs”) pursuant to which (a) all employees and beneficiaries in active status as of the Effective Date were eligible to receive benefits under the New SERPs substantially similar to those under the Old SERPs; and (b) all retirees, beneficiaries and deferred vested participants (collectively, “Retirees”), as of the Effective Date, were eligible to receive benefits under the New SERPs substantially similar to those under the Old SERPs, provided however, that the benefits to a participant under the New SERP(s) will be 10% to 35% lower, depending on the applicable Old SERP(s), the benefits under the New Plans will be subject to an annual per-participant cap, and depending on the applicable Old SERP, the benefits being further reduced by any secured pension benefits received or to be received in respect of the Old SERP. The ACI SERP is subject to a 10% reduction in benefits and a CDN\$50,000 per participant annual cap. In addition, some participants under the ACI SERP received secured pension benefits in respect of the ACI SERP and accordingly, were ineligible to participate in the applicable New SERP or were eligible to participate in the applicable New SERP subject to further reduction of their benefits.

WHEREAS, as a condition of participating in the New SERPs, the Restructuring Plans required eligible plan participants to waive and forfeit any and all claims in respect of the Old SERPs. In August 2010, the Debtors mailed election notices

to all SERP claimants (the "SERP Election Notices") offering them a choice between (1) participating in the New SERPs and waiving all their claims against the Debtors arising under the relevant Old SERPs, or (2) retaining their claims against the Debtors arising under the Old SERPs, and receiving distributions on account of such claims (if and when allowed) as part of the Restructuring Cases. Claimant was not eligible to participate in a New SERP or was eligible to participate in a New SERP but elected to retain his claims under the ACI SERP (the "ACI SERP Claims").

WHEREAS, at the time the SERP Election Notices were circulated, AbitibiBowater Inc. and Abitibi-Consolidated Inc. were identified as sponsors of the ACI SERP. Other Debtors may also be potential sponsors of the ACI SERP, and may also be potentially liable for the ACI SERP Claims. The Company, the post-effective date claims agent (the "Claims Agent") appointed under the Chapter 11 Plan, and the monitor appointed in the CCAA proceedings by the CCAA Court (the "Monitor"), have analyzed the likelihood of other Debtors' liability for the ACI SERP Claims.

WHEREAS, among other things, the Claims Agent, the Monitor, and the Claimant dispute the liability of the various Debtors for the ACI SERP Claims.

WHEREAS, to avoid the expense and inconvenience of further litigation, the Parties have agreed to settle on the allowed amount of Claimant's ACI SERP Claim and allocate such claim against various Debtors based on an agreement regarding each such Debtors' probable estimated liability for the claim as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and releases set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. ACI SERP Claim Allowance. Claimant shall have an allowed general unsecured ACI SERP Claim (the "Allowed ACI SERP Claim") in the amount of **CDN \$81,067.00** which shall be allocated, solely for purposes of this Agreement, against each of the following Debtors: AbitibiBowater Inc., Bowater Incorporated, Donohue Corp., Abitibi Consolidated Sales Corporation, Abitibi-Consolidated Corporation, Bowater Canadian Forest Products Inc., Abitibi-Consolidated Inc., and Abitibi-Consolidated Company of Canada (collectively, the "ACI SERP Settlement Sponsors"). Except for purposes of this Agreement, the Debtors, the Claims Agent and the Monitor do not concede that the ACI SERP Settlement Sponsors have legal liability for the ACI SERP.

2. ACI SERP Claim Allocation: The Allowed ACI SERP Claim will be allocated against the ACI SERP Settlement Sponsors in the following percentages based upon the agreed-upon relative risk of liability of each particular ACI SERP Settlement Sponsor, resulting in the corresponding portion of the Allowed ACI SERP Claim being allowed against the ACI SERP Settlement Sponsor in the indicated amounts (the "Risk-Adjusted Allowed ACI SERP Claim Amount"):

Allowed ACI SERP Claim Amount	ACI SERP Settlement Sponsor	% of Allowed ACI SERP Claim Allocated against ACI SERP Settlement Sponsor	Risk-Adjusted Allowed ACI SERP Claim Amount	Applicable General Unsecured Claim Class	Estimated % Recovery Rate from Debtor based on Disclosure Statement and Information Circular	Estimated Recovery on Account of Risk-Adjusted Allowed ACI SERP Claim Amount
CDN\$81,067.00	Bowater Canadian Forest Products Inc.	23%	CDN\$18,645.41		36.50%	CDN\$6,805.57
CDN\$81,067.00	Abitibi-Consolidated Inc.	100%	CDN\$81,067.00		3.4%	CDN\$2,756.28
CDN\$81,067.00	Abitibi Consolidated Company of Canada	95%	CDN\$77,013.65		17.10%	CDN\$13,169.33
US\$66,743.78	AbitibiBowater Inc.	100%	US\$66,743.78	Class 6A	0.8%	US\$533.95

US\$66,743.78	Bowater Incorporated	23%	US\$15,351.07	Class 6S	48.4%	US\$7,429.92
US\$66,743.78	Donohue Corp.	20%	US\$13,348.76	Class 6DD	28.4%	US\$3,791.05
US\$66,743.78	Abitibi Consolidated Sales Corp.	20%	US\$13,348.76	Class 6H	23.4%	US\$3,123.61
US\$66,743.78	Abitibi Consolidated Corporation	20%	US\$13,348.76	Class 6F	12.0%	US\$1,601.85
			Total Estimated Recovery (CDN\$)			\$42,748.25
			% Recovery (CDN\$:CDN\$)		52%	

* Currency conversions use the Bank of Canada's noon spot rate as of the Petition Date of CDN \$1.00 = US\$0.8290.

3. No Fixed Recoveries on Allowed ACI SERP Claims: The

Allowed ACI SERP Claim and Risk-Adjusted Allowed ACI SERP Claim Amounts constitute Claimant's sole Allowed claims arising under, in connection with, or relating to the ACI SERP, and all other claims (if any), including any such claims against any other Debtor or Debtor's affiliate (including for the avoidance of doubt, Bowater Canada Finance Corporation), are deemed withdrawn and expunged. Notwithstanding anything to the contrary contained in this Agreement, this Agreement does not fix recoveries or guarantee an aggregate 52% recovery on the Allowed ACI SERP Claim or a recovery against each ACI SERP Settlement Sponsor at the estimated recovery rate set forth in the applicable Disclosure Statement or Information Circular. Actual recoveries on account of such claims depend on the other claims that are ultimately allowed or disallowed against each ACI SERP Settlement Sponsor and the ultimate trading value of the New ABH Common Stock (as defined in the Chapter 11 Plan). The estimated recoveries set forth in paragraph 2 above (a) are based on the assumptions and estimated recovery rates for each ACI SERP Settlement Sponsor contained in the Disclosure Statement and Information Circular, and (b) the implied stock price of US\$25 per share of New ABH Common Stock contained in the Disclosure Statement and Information Circular. After full administration of the Restructuring Cases, actual recoveries on the Allowed ACI SERP

Claims and the Risk-Adjusted Allowed ACI SERP Claim Amounts may be significantly more or less than 52% of the claim amounts.

4. Allowed ACI SERP Claim Distributions. The Debtors will make an initial distribution of New ABH Common Stock on account of the Allowed ACI SERP Claims and the Risk-Adjusted Allowed ACI SERP Claim Amounts on the first interim distribution date after entry of orders by the U.S. Court and Canadian Courts approving this Agreement on which it is reasonably practicable for the Debtors to do so. All distributions on account of the Allowed ACI SERP Claims and Risk-Adjusted Allowed ACI SERP Claim Amounts will be subject to all applicable holdbacks and other restrictions under the Restructuring Plans (if any).

5. Agreement on Allowed Claims and Distributions. Other than the Allowed ACI SERP Claim and the Risk-Adjusted Allowed ACI SERP Claim Amounts, Claimant agrees to withdraw with prejudice all other claims asserted in connection with or arising from the ACI SERP, whether in a proof of claim or otherwise, and upon the Effective Date, all such claims shall be deemed withdrawn with prejudice and expunged, including, for the avoidance of doubt, all claims (if any) asserted against Bowater Canada Finance Corporation.

6. Injunction. Other than with respect to his rights under this Agreement, Claimant is permanently enjoined from, and agrees not to take, any of the following actions on account of his ACI SERP Claim: (a) commencing or continuing in any manner any action or other proceeding against the Debtors or their respective property; (b) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order against the Debtors or their respective property; (c) creating,

perfecting, or enforcing any lien or encumbrance against the Debtors or their respective property; (d) asserting a setoff, right of subrogation or recoupment of any kind against any debt, liability or obligation due to the Debtors or their respective property; and (e) commencing or continuing any action, in any manner, in any place that does not comply with or is inconsistent with the provisions of this Agreement and the Restructuring Plans.

7. Release by Claimant. Other than with respect to its rights under this Agreement and the Allowed ACI SERP Claim and the Risk-Adjusted Allowed ACI SERP Claim Amounts, the Claimant and each of its successors, assigns, spouses and dependents (collectively, the "Claimant Releasors") hereby release and forever discharge the Debtors (including Bowater Canada Finance Corporation), Avidity Partners, LLC, in its capacity as the Post-Effective Date Claims Agent, and Ernst & Young Inc., in its capacity as the court-appointed Monitor in respect of the Matter of the Plan of Compromise or Arrangement of AbitibiBowater Inc. and its subsidiaries and affiliates, in each case along with each of their past, present, and future direct and indirect parents, subsidiaries, affiliates, related entities, directors, officers, employees, attorneys, representatives, agents, receivers, insurers, and each of their predecessors, successors, heirs and assigns (collectively, the "Debtor Releasees") from any and all causes of action, demands, damages, costs, debts, liabilities, losses or claims of any kind, whether known or unknown, that the Claimant Releasors may now have or ever have had, or hereafter shall or may have, against the Debtor Releasees arising from, in connection with, or related to the ACI SERP.

8. Complete and Final Agreement. This Agreement sets forth the entire agreement between the Parties pertaining to the subject matter hereof. This

Agreement supersedes and replaces any and all prior or contemporaneous verbal or written agreements between the Parties concerning the subject matter hereof. No modification of, or amendment to, this Agreement shall be valid unless it is in writing and signed by the Parties hereto.

9. No Reliance. No Party has relied on or been induced to execute this Agreement by any statements, representations, agreements or promises, oral or written, made by any other Party, their agents, employees, servants or attorneys, or anyone else, other than the statements expressly written in this Settlement Agreement and Release.

10. Interpretation of Agreement. As used in this Agreement, the singular or plural number shall be deemed to include the other whenever the context so indicates or requires. The language of all parts of this Agreement shall in all cases be construed as a whole, according to its fair meaning, not strictly for or against any of the Parties.

11. Counterparts. This Agreement may be executed simultaneously or in any number of original or faxed counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same agreement.

12. Authorization. Each of the undersigned represents and warrants that he or she is competent and authorized to execute this Agreement, and further represents and warrants that he or she has read and understands the terms of this Agreement.

13. Binding Effect. This Agreement shall be binding on and shall inure to the benefit of the Parties and their respective successors, heirs, and assigns.

14. No Admission of Liability. The Parties each agree that entry into this Agreement does not constitute a determination or admission of liability under the ACI SERP by the ACI SERP Settlement Plan Sponsors, and that the allocation and allowance of the ACI SERP Claim constitutes a settlement of the ACI SERP Claim to avoid the expense and time of further litigation.

15. Governing Law. This Agreement shall be governed by and construed under the laws of either the State of Delaware or the Province of Quebec, as may be applicable, without regard to the conflict of laws provisions thereof.

16. Jurisdiction. In connection with any action, suit, or proceeding arising from, in connection with, or relating to this Agreement, the Parties each agree to submit to the exclusive jurisdiction and venue of the United States Bankruptcy Court for the District of Delaware or the CCAA Court, as may be applicable, and any appellate courts with jurisdiction over the U.S. Court and the CCAA Court.

17. Effectiveness; Termination. The Parties acknowledge that the Debtors intend to seek approval of this Agreement by the U.S. Court and the CCAA Court and that this Agreement shall only become effective upon entry of an order approving the Agreement by each of the U.S. Court and the CCAA Court (the "Effective Date").

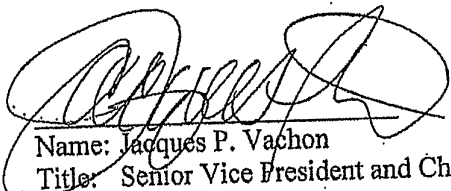
IN WITNESS WHEREOF, the Parties, by their duly authorized representatives, have executed this Agreement this 17 day of October, 2011.

CLAIMANT:

[REDACTED]

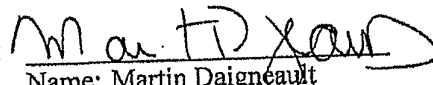
THE DEBTORS:

AbitibiBowater Inc.

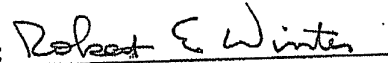
By: 
Name: Jacques P. Vachon
Title: Senior Vice President and Chief Legal Officer

APPROVED BY:

Ernst & Young Inc., in its capacity as the court-appointed Monitor in respect of the Matter of the Plan of Compromise or Arrangement of AbitibiBowater Inc. and its subsidiaries and affiliates, and not in its personal or corporate capacity.

By: 
Name: Martin Daigneault
Title: Senior Vice-President

Avidity Partners, LLC
as Post-Effective Date Claims Agent,
by its counsel Paul Hastings LP

By: 
Name: Robert E. Winter
Title: Counsel

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (the "Agreement") is entered into by and between AbitibiBowater Inc. and its affiliates in the above captioned cases (collectively, together with the affiliates who applied for protection from their creditors under Canada's *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (as amended, the "CCAA") and as reorganized, the "Debtors") and ~~Donald Hopson~~ ("Claimant"). The Debtors and Claimant are each referred to individually herein as a "Party" and collectively, as the "Parties."

WHEREAS, the Debtors filed creditor protection proceedings in the United States and Canada (the "Restructuring Cases") on April 16, 2009 and April 17, 2009, respectively (the "Petition Date"). In November 2010, the U.S. bankruptcy court (the "U.S. Court") and the Quebec Superior Court (the "CCAA Court") entered orders confirming and sanctioning the Debtors' chapter 11 and CCAA restructuring plans (the confirmed chapter 11 plan, the "Chapter 11 Plan" and accompanying disclosure statement, the "Disclosure Statement", and together with the sanctioned CCAA plan (the "CCAA Plan" and the accompanying information circular, the "Information Circular") the "Restructuring Plans"). The Restructuring Plans went effective on December 9, 2010.

WHEREAS, as of the Petition Date, the Debtors suspended all payments on account of pre-filing supplemental executive retirement plans (collectively, the "Old

Drive Company Limited, Bowater Treated Wood Inc., Canexel Hardboard Inc., 9068-9050 Québec Inc., Alliance Forest Products Inc. (2001), Bowater Belledune Sawmill Inc., Bowater Maritimes Inc., Bowater Mitis Inc., Bowater Guérette Inc., and Bowater Couturier Inc.

SERPs”), including the Canadian Supplemental Executive Retirement Plan (SERP) for Executive Employees of Abitibi-Consolidated Inc. (the “ACI SERP”). The Restructuring Plans terminated all such plans. See CCAA Plan Supplement 6.9(1); Amended CCAA Plan Supplement 6.9(2); Chapter 11 Plan § 6.9; Supplement 7B (as amended). In accordance with the Restructuring Plans, however, the Debtors established new non-qualified and non-registered plans (the “New SERPs”) pursuant to which (a) all employees and beneficiaries in active status as of the Effective Date were eligible to receive benefits under the New SERPs substantially similar to those under the Old SERPs; and (b) all retirees, beneficiaries and deferred vested participants (collectively, “Retirees”), as of the Effective Date, were eligible to receive benefits under the New SERPs substantially similar to those under the Old SERPs, provided however, that the benefits to a participant under the New SERP(s) will be 10% to 35% lower, depending on the applicable Old SERP(s), the benefits under the New Plans will be subject to an annual per-participant cap, and depending on the applicable Old SERP, the benefits being further reduced by any secured pension benefits received or to be received in respect of the Old SERP. The ACI SERP is subject to a 10% reduction in benefits and a CDN\$50,000 per participant annual cap. In addition, some participants under the ACI SERP received secured pension benefits in respect of the ACI SERP and accordingly, were ineligible to participate in the applicable New SERP or were eligible to participate in the applicable New SERP subject to further reduction of their benefits.

WHEREAS, as a condition of participating in the New SERPs, the Restructuring Plans required eligible plan participants to waive and forfeit any and all claims in respect of the Old SERPs. In August 2010, the Debtors mailed election notices

to all SERP claimants (the "SERP Election Notices") offering them a choice between (1) participating in the New SERPs and waiving all their claims against the Debtors arising under the relevant Old SERPs, or (2) retaining their claims against the Debtors arising under the Old SERPs, and receiving distributions on account of such claims (if and when allowed) as part of the Restructuring Cases. Claimant was not eligible to participate in a New SERP or was eligible to participate in a New SERP but elected to retain his claims under the ACI SERP (the "ACI SERP Claims").

WHEREAS, at the time the SERP Election Notices were circulated, AbitibiBowater Inc. and Abitibi-Consolidated Inc. were identified as sponsors of the ACI SERP. Other Debtors may also be potential sponsors of the ACI SERP, and may also be potentially liable for the ACI SERP Claims. The Company, the post-effective date claims agent (the "Claims Agent") appointed under the Chapter 11 Plan, and the monitor appointed in the CCAA proceedings by the CCAA Court (the "Monitor"), have analyzed the likelihood of other Debtors' liability for the ACI SERP Claims.

WHEREAS, among other things, the Claims Agent, the Monitor, and the Claimant dispute the liability of the various Debtors for the ACI SERP Claims.

WHEREAS, to avoid the expense and inconvenience of further litigation, the Parties have agreed to settle on the allowed amount of Claimant's ACI SERP Claim and allocate such claim against various Debtors based on an agreement regarding each such Debtors' probable estimated liability for the claim as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and releases set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. ACI SERP Claim Allowance. Claimant shall have an allowed general unsecured ACI SERP Claim (the "Allowed ACI SERP Claim") in the amount of **CDN \$54,978.00** which shall be allocated, solely for purposes of this Agreement, against each of the following Debtors: AbitibiBowater Inc., Bowater Incorporated, Donohue Corp., Abitibi Consolidated Sales Corporation, Abitibi-Consolidated Corporation, Bowater Canadian Forest Products Inc., Abitibi-Consolidated Inc., and Abitibi-Consolidated Company of Canada (collectively, the "ACI SERP Settlement Sponsors"). Except for purposes of this Agreement, the Debtors, the Claims Agent and the Monitor do not concede that the ACI SERP Settlement Sponsors have legal liability for the ACI SERP.

2. ACI SERP Claim Allocation: The Allowed ACI SERP Claim will be allocated against the ACI SERP Settlement Sponsors in the following percentages based upon the agreed-upon relative risk of liability of each particular ACI SERP Settlement Sponsor, resulting in the corresponding portion of the Allowed ACI SERP Claim being allowed against the ACI SERP Settlement Sponsor in the indicated amounts (the "Risk-Adjusted Allowed ACI SERP Claim Amount"):

Allowed ACI SERP Claim Amount	ACI SERP Settlement Sponsor	% of Allowed ACI SERP Claim Allocated against ACI SERP Settlement Sponsor	Risk-Adjusted/Allowed ACI SERP Claim Amount	Applicable General Unsecured Claim Class	Estimated % Recovery Rate from Debtor based on Disclosure Statement and Information Circular	Estimated Recovery on Account of Risk-Adjusted Allowed ACI SERP Claim Amount
CDN\$54,978.00	Bowater Canadian Forest Products Inc.	23%	CDN\$12,644.94		36.50%	CDN\$4,615.40
CDN\$54,978.00	Abitibi-Consolidated Inc.	100%	CDN\$54,978.00		3.4%	CDN\$1,869.25
CDN\$54,978.00	Abitibi Consolidated Company of Canada	95%	CDN\$52,229.10		17.10%	CDN\$8,931.18
US\$45,264.28	AbitibiBowater Inc.	100%	US\$45,264.28	Class 6A	0.8%	US\$362.11

US\$45,264.28	Bowater Incorporated	23%	US\$10,410.79	Class 6S	48.4%	US\$5,038.82
US\$45,264.28	Donohue Corp.	20%	US\$9,052.86	Class 6DD	28.4%	US\$2,571.01
US\$45,264.28	Abitibi Consolidated Sales Corp.	20%	US\$9,052.86	Class 6H	23.4%	US\$2,118.37
US\$45,264.28	Abitibi Consolidated Corporation	20%	US\$9,052.86	Class 6F	12.0%	US\$1,086.34
			Total Estimated Recovery (CDNS)			\$28,991.00
			% Recovery (CDNS:CDNS)		52%	

* Currency conversions use the Bank of Canada's noon spot rate as of the Petition Date of CDN \$1.00 – US\$0.8290.

3. No Fixed Recoveries on Allowed ACI SERP Claims: The

Allowed ACI SERP Claim and Risk-Adjusted Allowed ACI SERP Claim Amounts constitute Claimant's sole Allowed claims arising under, in connection with, or relating to the ACI SERP, and all other claims (if any), including any such claims against any other Debtor or Debtor's affiliate (including for the avoidance of doubt, Bowater Canada Finance Corporation), are deemed withdrawn and expunged. Notwithstanding anything to the contrary contained in this Agreement, this Agreement does not fix recoveries or guarantee an aggregate 52% recovery on the Allowed ACI SERP Claim or a recovery against each ACI SERP Settlement Sponsor at the estimated recovery rate set forth in the applicable Disclosure Statement or Information Circular. Actual recoveries on account of such claims depend on the other claims that are ultimately allowed or disallowed against each ACI SERP Settlement Sponsor and the ultimate trading value of the New ABH Common Stock (as defined in the Chapter 11 Plan). The estimated recoveries set forth in paragraph 2 above (a) are based on the assumptions and estimated recovery rates for each ACI SERP Settlement Sponsor contained in the Disclosure Statement and Information Circular, and (b) the implied stock price of US\$25 per share of New ABH Common Stock contained in the Disclosure Statement and Information Circular. After full administration of the Restructuring Cases, actual recoveries on the Allowed ACI SERP

Claims and the Risk-Adjusted Allowed ACI SERP Claim Amounts may be significantly more or less than 52% of the claim amounts.

4. Allowed ACI SERP Claim Distributions. The Debtors will make an initial distribution of New ABH Common Stock on account of the Allowed ACI SERP Claims and the Risk-Adjusted Allowed ACI SERP Claim Amounts on the first interim distribution date after entry of orders by the U.S. Court and Canadian Courts approving this Agreement on which it is reasonably practicable for the Debtors to do so. All distributions on account of the Allowed ACI SERP Claims and Risk-Adjusted Allowed ACI SERP Claim Amounts will be subject to all applicable holdbacks and other restrictions under the Restructuring Plans (if any).

5. Agreement on Allowed Claims and Distributions. Other than the Allowed ACI SERP Claim and the Risk-Adjusted Allowed ACI SERP Claim Amounts, Claimant agrees to withdraw with prejudice all other claims asserted in connection with or arising from the ACI SERP, whether in a proof of claim or otherwise, and upon the Effective Date, all such claims shall be deemed withdrawn with prejudice and expunged, including, for the avoidance of doubt, all claims (if any) asserted against Bowater Canada Finance Corporation.

6. Injunction. Other than with respect to his rights under this Agreement, Claimant is permanently enjoined from, and agrees not to take, any of the following actions on account of his ACI SERP Claim: (a) commencing or continuing in any manner any action or other proceeding against the Debtors or their respective property; (b) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order against the Debtors or their respective property; (c) creating,

perfecting, or enforcing any lien or encumbrance against the Debtors or their respective property; (d) asserting a setoff, right of subrogation or recoupment of any kind against any debt, liability or obligation due to the Debtors or their respective property; and (e) commencing or continuing any action, in any manner, in any place that does not comply with or is inconsistent with the provisions of this Agreement and the Restructuring Plans.

7. Release by Claimant. Other than with respect to its rights under this Agreement and the Allowed ACI SERP Claim and the Risk-Adjusted Allowed ACI SERP Claim Amounts, the Claimant and each of its successors, assigns, spouses and dependents (collectively, the "Claimant Releasors") hereby release and forever discharge the Debtors (including Bowater Canada Finance Corporation), Avidity Partners, LLC, in its capacity as the Post-Effective Date Claims Agent, and Ernst & Young Inc., in its capacity as the court-appointed Monitor in respect of the Matter of the Plan of Compromise or Arrangement of AbitibiBowater Inc. and its subsidiaries and affiliates, in each case along with each of their past, present, and future direct and indirect parents, subsidiaries, affiliates, related entities, directors, officers, employees, attorneys, representatives, agents, receivers, insurers, and each of their predecessors, successors, heirs and assigns (collectively, the "Debtor Releasees") from any and all causes of action, demands, damages, costs, debts, liabilities, losses or claims of any kind, whether known or unknown, that the Claimant Releasors may now have or ever have had, or hereafter shall or may have, against the Debtor Releasees arising from, in connection with, or related to the ACI SERP.

8. Complete and Final Agreement. This Agreement sets forth the entire agreement between the Parties pertaining to the subject matter hereof. This

Agreement supersedes and replaces any and all prior or contemporaneous verbal or written agreements between the Parties concerning the subject matter hereof. No modification of, or amendment to, this Agreement shall be valid unless it is in writing and signed by the Parties hereto.

9. No Reliance. No Party has relied on or been induced to execute this Agreement by any statements, representations, agreements or promises, oral or written, made by any other Party, their agents, employees, servants or attorneys, or anyone else, other than the statements expressly written in this Settlement Agreement and Release.

10. Interpretation of Agreement. As used in this Agreement, the singular or plural number shall be deemed to include the other whenever the context so indicates or requires. The language of all parts of this Agreement shall in all cases be construed as a whole, according to its fair meaning, not strictly for or against any of the Parties.

11. Counterparts. This Agreement may be executed simultaneously or in any number of original or faxed counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same agreement.

12. Authorization. Each of the undersigned represents and warrants that he or she is competent and authorized to execute this Agreement, and further represents and warrants that he or she has read and understands the terms of this Agreement.

13. Binding Effect. This Agreement shall be binding on and shall inure to the benefit of the Parties and their respective successors, heirs, and assigns.

14. No Admission of Liability. The Parties each agree that entry into this Agreement does not constitute a determination or admission of liability under the ACI SERP by the ACI SERP Settlement Plan Sponsors, and that the allocation and allowance of the ACI SERP Claim constitutes a settlement of the ACI SERP Claim to avoid the expense and time of further litigation.

15. Governing Law. This Agreement shall be governed by and construed under the laws of either the State of Delaware or the Province of Quebec, as may be applicable, without regard to the conflict of laws provisions thereof.

16. Jurisdiction. In connection with any action, suit, or proceeding arising from, in connection with, or relating to this Agreement, the Parties each agree to submit to the exclusive jurisdiction and venue of the United States Bankruptcy Court for the District of Delaware or the CCAA Court, as may be applicable, and any appellate courts with jurisdiction over the U.S. Court and the CCAA Court.

17. Effectiveness; Termination. The Parties acknowledge that the Debtors intend to seek approval of this Agreement by the U.S. Court and the CCAA Court and that this Agreement shall only become effective upon entry of an order approving the Agreement by each of the U.S. Court and the CCAA Court (the "Effective Date").

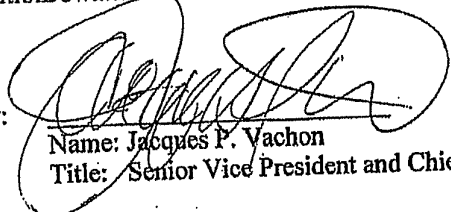
IN WITNESS WHEREOF, the Parties, by their duly authorized representatives, have executed this Agreement this ___ day of October, 2011.

CLAIMANT:


Donald Hopkins

THE DEBTORS:

AbitibiBowater Inc.

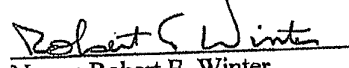
By: 
Name: Jacques P. Vachon
Title: Senior Vice President and Chief Legal Officer

APPROVED BY:

Ernst & Young Inc., in its capacity as the court-appointed Monitor in respect of the Matter of the Plan of Compromise or Arrangement of AbitibiBowater Inc. and its subsidiaries and affiliates, and not in its personal or corporate capacity.

By: 
Name: Martin Daigneault
Title: Senior Vice-President

Avidity Partners, LLC
as Post-Effective Date Claims Agent,
by its counsel Paul Hastings LP

By: 
Name: Robert E. Winter
Title: Counsel

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (the "Agreement") is entered into by and between AbitibiBowater Inc. and its affiliates in the above captioned cases (collectively, together with the affiliates who applied for protection from their creditors under Canada's *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (as amended, the "CCAA") and as reorganized, the "Debtors") and Michel Doyon ("Claimant"). The Debtors and Claimant are each referred to individually herein as a "Party" and collectively, as the "Parties."

WHEREAS, the Debtors filed creditor protection proceedings in the United States and Canada (the "Restructuring Cases") on April 16, 2009 and April 17, 2009, respectively (the "Petition Date"). In November 2010, the U.S. bankruptcy court (the "U.S. Court") and the Quebec Superior Court (the "CCAA Court") entered orders confirming and sanctioning the Debtors' chapter 11 and CCAA restructuring plans (the confirmed chapter 11 plan, the "Chapter 11 Plan" and accompanying disclosure statement, the "Disclosure Statement", and together with the sanctioned CCAA plan (the "CCAA Plan" and the accompanying information circular, the "Information Circular") the "Restructuring Plans"). The Restructuring Plans went effective on December 9, 2010.

WHEREAS, as of the Petition Date, the Debtors suspended all payments on account of pre-filing supplemental executive retirement plans (collectively, the "Old

Drive Company Limited, Bowater Treated Wood Inc., Canexel Hardboard Inc., 9068-9050 Québec Inc., Alliance Forest Products Inc. (2001), Bowater Belledune Sawmill Inc., Bowater Maritimes Inc., Bowater Mitis Inc., Bowater Guérette Inc., and Bowater Couturier Inc.

SERPs”), including the Canadian Supplemental Executive Retirement Plan (SERP) for Executive Employees of Abitibi-Consolidated Inc. (the “ACI SERP”). The Restructuring Plans terminated all such plans. See CCAA Plan Supplement 6.9(1); Amended CCAA Plan Supplement 6.9(2); Chapter 11 Plan § 6.9; Supplement 7B (as amended). In accordance with the Restructuring Plans, however, the Debtors established new non-qualified and non-registered plans (the “New SERPs”) pursuant to which (a) all employees and beneficiaries in active status as of the Effective Date were eligible to receive benefits under the New SERPs substantially similar to those under the Old SERPs; and (b) all retirees, beneficiaries and deferred vested participants (collectively, “Retirees”), as of the Effective Date, were eligible to receive benefits under the New SERPs substantially similar to those under the Old SERPs, provided however, that the benefits to a participant under the New SERP(s) will be 10% to 35% lower, depending on the applicable Old SERP(s), the benefits under the New Plans will be subject to an annual per-participant cap, and depending on the applicable Old SERP, the benefits being further reduced by any secured pension benefits received or to be received in respect of the Old SERP. The ACI SERP is subject to a 10% reduction in benefits and a CDN\$50,000 per participant annual cap. In addition, some participants under the ACI SERP received secured pension benefits in respect of the ACI SERP and accordingly, were ineligible to participate in the applicable New SERP or were eligible to participate in the applicable New SERP subject to further reduction of their benefits.

WHEREAS, as a condition of participating in the New SERPs, the Restructuring Plans required eligible plan participants to waive and forfeit any and all claims in respect of the Old SERPs. In August 2010, the Debtors mailed election notices

to all SERP claimants (the "SERP Election Notices") offering them a choice between (1) participating in the New SERPs and waiving all their claims against the Debtors arising under the relevant Old SERPs, or (2) retaining their claims against the Debtors arising under the Old SERPs, and receiving distributions on account of such claims (if and when allowed) as part of the Restructuring Cases. Claimant was not eligible to participate in a New SERP or was eligible to participate in a New SERP but elected to retain his claims under the ACI SERP (the "ACI SERP Claims").

WHEREAS, at the time the SERP Election Notices were circulated, AbitibiBowater Inc. and Abitibi-Consolidated Inc. were identified as sponsors of the ACI SERP. Other Debtors may also be potential sponsors of the ACI SERP, and may also be potentially liable for the ACI SERP Claims. The Company, the post-effective date claims agent (the "Claims Agent") appointed under the Chapter 11 Plan, and the monitor appointed in the CCAA proceedings by the CCAA Court (the "Monitor"), have analyzed the likelihood of other Debtors' liability for the ACI SERP Claims.

WHEREAS, among other things, the Claims Agent, the Monitor, and the Claimant dispute the liability of the various Debtors for the ACI SERP Claims.

WHEREAS, to avoid the expense and inconvenience of further litigation, the Parties have agreed to settle on the allowed amount of Claimant's ACI SERP Claim and allocate such claim against various Debtors based on an agreement regarding each such Debtors' probable estimated liability for the claim as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and releases set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. ACI SERP Claim Allowance. Claimant shall have an allowed general unsecured ACI SERP Claim (the “Allowed ACI SERP Claim”) in the amount of **CDN \$82,002.00** which shall be allocated, solely for purposes of this Agreement, against each of the following Debtors: AbitibiBowater Inc., Bowater Incorporated, Donohue Corp., Abitibi Consolidated Sales Corporation, Abitibi-Consolidated Corporation, Bowater Canadian Forest Products Inc., Abitibi-Consolidated Inc., and Abitibi-Consolidated Company of Canada (collectively, the “ACI SERP Settlement Sponsors”). Except for purposes of this Agreement, the Debtors, the Claims Agent and the Monitor do not concede that the ACI SERP Settlement Sponsors have legal liability for the ACI SERP.

2. ACI SERP Claim Allocation: The Allowed ACI SERP Claim will be allocated against the ACI SERP Settlement Sponsors in the following percentages based upon the agreed-upon relative risk of liability of each particular ACI SERP Settlement Sponsor, resulting in the corresponding portion of the Allowed ACI SERP Claim being allowed against the ACI SERP Settlement Sponsor in the indicated amounts (the “Risk-Adjusted Allowed ACI SERP Claim Amount”):

Allowed ACI SERP Claim Amount	ACI SERP Settlement Sponsor	% of Allowed ACI SERP Claim Allocated against ACI SERP Settlement Sponsor	Risk-Adjusted/Allowed ACI SERP Claim Amount	Applicable General Unsecured Claim Class	Estimated % Recovery Rate from Debtor based on Disclosure Statement and Information Circular	Estimated Recovery on Account of Risk-Adjusted Allowed ACI SERP Claim Amount
CDN\$82,002.00	Bowater Canadian Forest Products Inc.	23%	CDN\$18,860.46		36.50%	CDN\$6,884.07
CDN\$82,002.00	Abitibi-Consolidated Inc.	100%	CDN\$82,002.00		3.4%	CDN\$2,788.07
CDN\$82,002.00	Abitibi Consolidated Company of Canada	95%	CDN\$77,901.90		17.10%	CDN\$13,321.22
US\$67,513.58	AbitibiBowater Inc.	100%	US\$67,513.58	Class 6A	0.8%	US\$540.11

US\$67,513.58	Bowater Incorporated	23%	US\$15,528.12	Class 6S	48.4%	US\$7,515.61
US\$67,513.58	Donohue Corp.	20%	US\$13,502.72	Class 6DD	28.4%	US\$3,834.77
US\$67,513.58	Abitibi Consolidated Sales Corp.	20%	US\$13,502.72	Class 6H	23.4%	US\$3,159.64
US\$67,513.58	Abitibi Consolidated Corporation	20%	US\$13,502.72	Class 6F	12.0%	US\$1,620.33
			Total Estimated Recovery (CDN\$)			\$43,241.29
			% Recovery (CDN\$:CDN\$)		52%	

* Currency conversions use the Bank of Canada's noon spot rate as of the Petition Date of CDN \$1.00 – US\$0.8290.

3. No Fixed Recoveries on Allowed ACI SERP Claims: The

Allowed ACI SERP Claim and Risk-Adjusted Allowed ACI SERP Claim Amounts constitute Claimant's sole Allowed claims arising under, in connection with, or relating to the ACI SERP, and all other claims (if any), including any such claims against any other Debtor or Debtor's affiliate (including for the avoidance of doubt, Bowater Canada Finance Corporation), are deemed withdrawn and expunged. Notwithstanding anything to the contrary contained in this Agreement, this Agreement does not fix recoveries or guarantee an aggregate 52% recovery on the Allowed ACI SERP Claim or a recovery against each ACI SERP Settlement Sponsor at the estimated recovery rate set forth in the applicable Disclosure Statement or Information Circular. Actual recoveries on account of such claims depend on the other claims that are ultimately allowed or disallowed against each ACI SERP Settlement Sponsor and the ultimate trading value of the New ABH Common Stock (as defined in the Chapter 11 Plan). The estimated recoveries set forth in paragraph 2 above (a) are based on the assumptions and estimated recovery rates for each ACI SERP Settlement Sponsor contained in the Disclosure Statement and Information Circular, and (b) the implied stock price of US\$25 per share of New ABH Common Stock contained in the Disclosure Statement and Information Circular. After full administration of the Restructuring Cases, actual recoveries on the Allowed ACI SERP

Claims and the Risk-Adjusted Allowed ACI SERP Claim Amounts may be significantly more or less than 52% of the claim amounts.

4. Allowed ACI SERP Claim Distributions. The Debtors will make an initial distribution of New ABH Common Stock on account of the Allowed ACI SERP Claims and the Risk-Adjusted Allowed ACI SERP Claim Amounts on the first interim distribution date after entry of orders by the U.S. Court and Canadian Courts approving this Agreement on which it is reasonably practicable for the Debtors to do so. All distributions on account of the Allowed ACI SERP Claims and Risk-Adjusted Allowed ACI SERP Claim Amounts will be subject to all applicable holdbacks and other restrictions under the Restructuring Plans (if any).

5. Agreement on Allowed Claims and Distributions. Other than the Allowed ACI SERP Claim and the Risk-Adjusted Allowed ACI SERP Claim Amounts, Claimant agrees to withdraw with prejudice all other claims asserted in connection with or arising from the ACI SERP, whether in a proof of claim or otherwise, and upon the Effective Date, all such claims shall be deemed withdrawn with prejudice and expunged, including, for the avoidance of doubt, all claims (if any) asserted against Bowater Canada Finance Corporation.

6. Injunction. Other than with respect to his rights under this Agreement, Claimant is permanently enjoined from, and agrees not to take, any of the following actions on account of his ACI SERP Claim: (a) commencing or continuing in any manner any action or other proceeding against the Debtors or their respective property; (b) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order against the Debtors or their respective property; (c) creating,

perfecting, or enforcing any lien or encumbrance against the Debtors or their respective property; (d) asserting a setoff, right of subrogation or recoupment of any kind against any debt, liability or obligation due to the Debtors or their respective property; and (e) commencing or continuing any action, in any manner, in any place that does not comply with or is inconsistent with the provisions of this Agreement and the Restructuring Plans.

7. Release by Claimant. Other than with respect to its rights under this Agreement and the Allowed ACI SERP Claim and the Risk-Adjusted Allowed ACI SERP Claim Amounts, the Claimant and each of its successors, assigns, spouses and dependents (collectively, the "Claimant Releasors") hereby release and forever discharge the Debtors (including Bowater Canada Finance Corporation), Avidity Partners, LLC, in its capacity as the Post-Effective Date Claims Agent, and Ernst & Young Inc., in its capacity as the court-appointed Monitor in respect of the Matter of the Plan of Compromise or Arrangement of AbitibiBowater Inc. and its subsidiaries and affiliates, in each case along with each of their past, present, and future direct and indirect parents, subsidiaries, affiliates, related entities, directors, officers, employees, attorneys, representatives, agents, receivers, insurers, and each of their predecessors, successors, heirs and assigns (collectively, the "Debtor Releasees") from any and all causes of action, demands, damages, costs, debts, liabilities, losses or claims of any kind, whether known or unknown, that the Claimant Releasors may now have or ever have had, or hereafter shall or may have, against the Debtor Releasees arising from, in connection with, or related to the ACI SERP.

8. Complete and Final Agreement. This Agreement sets forth the entire agreement between the Parties pertaining to the subject matter hereof. This

Agreement supersedes and replaces any and all prior or contemporaneous verbal or written agreements between the Parties concerning the subject matter hereof. No modification of, or amendment to, this Agreement shall be valid unless it is in writing and signed by the Parties hereto.

9. No Reliance. No Party has relied on or been induced to execute this Agreement by any statements, representations, agreements or promises, oral or written, made by any other Party, their agents, employees, servants or attorneys, or anyone else, other than the statements expressly written in this Settlement Agreement and Release.

10. Interpretation of Agreement. As used in this Agreement, the singular or plural number shall be deemed to include the other whenever the context so indicates or requires. The language of all parts of this Agreement shall in all cases be construed as a whole, according to its fair meaning, not strictly for or against any of the Parties.

11. Counterparts. This Agreement may be executed simultaneously or in any number of original or faxed counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same agreement.

12. Authorization. Each of the undersigned represents and warrants that he or she is competent and authorized to execute this Agreement, and further represents and warrants that he or she has read and understands the terms of this Agreement.

13. Binding Effect. This Agreement shall be binding on and shall inure to the benefit of the Parties and their respective successors, heirs, and assigns.

14. No Admission of Liability. The Parties each agree that entry into this Agreement does not constitute a determination or admission of liability under the ACI SERP by the ACI SERP Settlement Plan Sponsors, and that the allocation and allowance of the ACI SERP Claim constitutes a settlement of the ACI SERP Claim to avoid the expense and time of further litigation.

15. Governing Law. This Agreement shall be governed by and construed under the laws of either the State of Delaware or the Province of Quebec, as may be applicable, without regard to the conflict of laws provisions thereof.

16. Jurisdiction. In connection with any action, suit, or proceeding arising from, in connection with, or relating to this Agreement, the Parties each agree to submit to the exclusive jurisdiction and venue of the United States Bankruptcy Court for the District of Delaware or the CCAA Court, as may be applicable, and any appellate courts with jurisdiction over the U.S. Court and the CCAA Court.

17. Effectiveness; Termination. The Parties acknowledge that the Debtors intend to seek approval of this Agreement by the U.S. Court and the CCAA Court and that this Agreement shall only become effective upon entry of an order approving the Agreement by each of the U.S. Court and the CCAA Court (the "Effective Date").

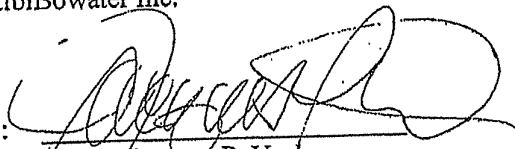
EN FOI DE QUOI, les parties, par l'intermédiaire de leurs représentants dûment autorisés,
ont signé la présente convention le __ octobre 2011.

RÉCLAMANT :


Michel Doyon

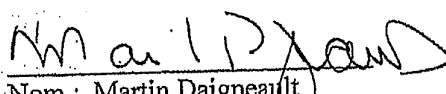
DÉBITEURS :

AbitibiBowater Inc.

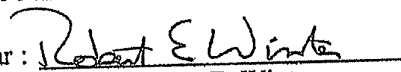
Par : 
Nom : Jacques P. Vachon
Titre : Premier vice-président et chef du contentieux

APPROUVÉ PAR :

Ernst & Young Inc., en sa qualité de contrôleur nommé par le tribunal à l'égard de
l'affaire du plan de transaction ou d'arrangement d'AbitibiBowater Inc. et de ses filiales et
membres du même groupe, et non à titre personnel ou en qualité de société.

Par : 
Nom : Martin Daigneault
Titre : Premier vice-président

Avidity Partners, LLC
à titre d'agent des réclamations après la date de prise d'effet,
par l'intermédiaire de son conseiller juridique Paul Hastings LP

Par : 
Name: Robert E. Winter
Title: Counsel

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (the "Agreement") is entered into by and between AbitibiBowater Inc. and its affiliates in the above captioned cases (collectively, together with the affiliates who applied for protection from their creditors under Canada's *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (as amended, the "CCAA") and as reorganized, the "Debtors") and ~~Christine Janelle~~ ("Claimant"). The Debtors and Claimant are each referred to individually herein as a "Party" and collectively, as the "Parties."

WHEREAS, the Debtors filed creditor protection proceedings in the United States and Canada (the "Restructuring Cases") on April 16, 2009 and April 17, 2009, respectively (the "Petition Date"). In November 2010, the U.S. bankruptcy court (the "U.S. Court") and the Quebec Superior Court (the "CCAA Court") entered orders confirming and sanctioning the Debtors' chapter 11 and CCAA restructuring plans (the confirmed chapter 11 plan, the "Chapter 11 Plan" and accompanying disclosure statement, the "Disclosure Statement", and together with the sanctioned CCAA plan (the "CCAA Plan" and the accompanying information circular, the "Information Circular") the "Restructuring Plans"). The Restructuring Plans went effective on December 9, 2010.

WHEREAS, as of the Petition Date, the Debtors suspended all payments on account of pre-filing supplemental executive retirement plans (collectively, the "Old

Drive Company Limited, Bowater Treated Wood Inc., Canoxel Hardboard Inc., 9068-9050 Québec Inc., Alliance Forest Products Inc. (2001), Bowater Belledune Sawmill Inc., Bowater Maritimes Inc., Bowater Mitis Inc., Bowater Guérette Inc., and Bowater Couturier Inc.

SERPs”), including the Canadian Supplemental Executive Retirement Plan (SERP) for Executive Employees of Abitibi-Consolidated Inc. (the “ACI SERP”). The Restructuring Plans terminated all such plans. See CCAA Plan Supplement 6.9(1); Amended CCAA Plan Supplement 6.9(2); Chapter 11 Plan § 6.9; Supplement 7B (as amended). In accordance with the Restructuring Plans, however, the Debtors established new non-qualified and non-registered plans (the “New SERPs”) pursuant to which (a) all employees and beneficiaries in active status as of the Effective Date were eligible to receive benefits under the New SERPs substantially similar to those under the Old SERPs; and (b) all retirees, beneficiaries and deferred vested participants (collectively, “Retirees”), as of the Effective Date, were eligible to receive benefits under the New SERPs substantially similar to those under the Old SERPs, provided however, that the benefits to a participant under the New SERP(s) will be 10% to 35% lower, depending on the applicable Old SERP(s), the benefits under the New Plans will be subject to an annual per-participant cap, and depending on the applicable Old SERP, the benefits being further reduced by any secured pension benefits received or to be received in respect of the Old SERP. The ACI SERP is subject to a 10% reduction in benefits and a CDN\$50,000 per participant annual cap. In addition, some participants under the ACI SERP received secured pension benefits in respect of the ACI SERP and accordingly, were ineligible to participate in the applicable New SERP or were eligible to participate in the applicable New SERP subject to further reduction of their benefits.

WHEREAS, as a condition of participating in the New SERPs, the Restructuring Plans required eligible plan participants to waive and forfeit any and all claims in respect of the Old SERPs. In August 2010, the Debtors mailed election notices

to all SERP claimants (the "SERP Election Notices") offering them a choice between (1) participating in the New SERPs and waiving all their claims against the Debtors arising under the relevant Old SERPs, or (2) retaining their claims against the Debtors arising under the Old SERPs, and receiving distributions on account of such claims (if and when allowed) as part of the Restructuring Cases. Claimant was not eligible to participate in a New SERP or was eligible to participate in a New SERP but elected to retain his claims under the ACI SERP (the "ACI SERP Claims").

WHEREAS, at the time the SERP Election Notices were circulated, AbitibiBowater Inc. and Abitibi-Consolidated Inc. were identified as sponsors of the ACI SERP. Other Debtors may also be potential sponsors of the ACI SERP, and may also be potentially liable for the ACI SERP Claims. The Company, the post-effective date claims agent (the "Claims Agent") appointed under the Chapter 11 Plan, and the monitor appointed in the CCAA proceedings by the CCAA Court (the "Monitor"), have analyzed the likelihood of other Debtors' liability for the ACI SERP Claims.

WHEREAS, among other things, the Claims Agent, the Monitor, and the Claimant dispute the liability of the various Debtors for the ACI SERP Claims.

WHEREAS, to avoid the expense and inconvenience of further litigation, the Parties have agreed to settle on the allowed amount of Claimant's ACI SERP Claim and allocate such claim against various Debtors based on an agreement regarding each such Debtors' probable estimated liability for the claim as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and releases set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. ACI SERP Claim Allowance. Claimant shall have an allowed general unsecured ACI SERP Claim (the "Allowed ACI SERP Claim") in the amount of **CDN \$181,907.00** which shall be allocated, solely for purposes of this Agreement, against each of the following Debtors: AbitibiBowater Inc., Bowater Incorporated, Donohue Corp., Abitibi Consolidated Sales Corporation, Abitibi-Consolidated Corporation, Bowater Canadian Forest Products Inc., Abitibi-Consolidated Inc., and Abitibi-Consolidated Company of Canada (collectively, the "ACI SERP Settlement Sponsors"). Except for purposes of this Agreement, the Debtors, the Claims Agent and the Monitor do not concede that the ACI SERP Settlement Sponsors have legal liability for the ACI SERP.

2. ACI SERP Claim Allocation: The Allowed ACI SERP Claim will be allocated against the ACI SERP Settlement Sponsors in the following percentages based upon the agreed-upon relative risk of liability of each particular ACI SERP Settlement Sponsor, resulting in the corresponding portion of the Allowed ACI SERP Claim being allowed against the ACI SERP Settlement Sponsor in the indicated amounts (the "Risk-Adjusted Allowed ACI SERP Claim Amount"):

Allowed ACI SERP Claim Amount	ACI SERP Settlement Sponsor	% of Allowed ACI SERP Claim Allocated against ACI SERP Settlement Sponsor	Risk-Adjusted Allowed ACI SERP Claim Amount	Applicable General Unsecured Claim Class	Estimated % Recovery Rate from Debtor based on Disclosure Statement and Information Circular	Estimated Recovery on Account of Risk-Adjusted Allowed ACI SERP Claim Amount
CDN\$181,907.00	Bowater Canadian Forest Products Inc.	23%	CDN\$41,838.61		36.50%	CDN\$15,271.09
CDN\$181,907.00	Abitibi-Consolidated Inc.	100%	CDN\$181,907.00		3.4%	CDN\$6,184.84
CDN\$181,907.00	Abitibi Consolidated Company of Canada	95%	CDN\$172,811.65		17.10%	CDN\$29,550.79
US\$149,767.00	AbitibiBowater Inc.	100%	US\$149,767.00	Class 6A	0.8%	US\$1,198.14

US\$149,767.00	Bowater Incorporated	23%	US\$34,446.41	Class 6S	48.4%	US\$16,672.06
US\$149,767.00	Donohue Corp.	20%	US\$29,953.40	Class 6DD	28.4%	US\$8,506.77
US\$149,767.00	Abitibi Consolidated Sales Corp.	20%	US\$29,953.40	Class 6H	23.4%	US\$7,009.10
US\$149,767.00	Abitibi Consolidated Corporation	20%	US\$29,953.40	Class 6F	12.0%	US\$3,594.41
					Total Estimated Recovery (CDN\$)	\$95,923.20
					% Recovery (CDN\$:CDN\$)	52%

* Currency conversions use the Bank of Canada's noon spot rate as of the Petition Date of CDN \$1.00 – US\$0.8290.

3. No Fixed Recoveries on Allowed ACI SERP Claims: The

Allowed ACI SERP Claim and Risk-Adjusted Allowed ACI SERP Claim Amounts constitute Claimant's sole Allowed claims arising under, in connection with, or relating to the ACI SERP, and all other claims (if any), including any such claims against any other Debtor or Debtor's affiliate (including for the avoidance of doubt, Bowater Canada Finance Corporation), are deemed withdrawn and expunged. Notwithstanding anything to the contrary contained in this Agreement, this Agreement does not fix recoveries or guarantee an aggregate 52% recovery on the Allowed ACI SERP Claim or a recovery against each ACI SERP Settlement Sponsor at the estimated recovery rate set forth in the applicable Disclosure Statement or Information Circular. Actual recoveries on account of such claims depend on the other claims that are ultimately allowed or disallowed against each ACI SERP Settlement Sponsor and the ultimate trading value of the New ABH Common Stock (as defined in the Chapter 11 Plan). The estimated recoveries set forth in paragraph 2 above (a) are based on the assumptions and estimated recovery rates for each ACI SERP Settlement Sponsor contained in the Disclosure Statement and Information Circular, and (b) the implied stock price of US\$25 per share of New ABH Common Stock contained in the Disclosure Statement and Information Circular. After full administration of the Restructuring Cases, actual recoveries on the Allowed ACI SERP

Claims and the Risk-Adjusted Allowed ACI SERP Claim Amounts may be significantly more or less than 52% of the claim amounts.

4. Allowed ACI SERP Claim Distributions. The Debtors will make an initial distribution of New ABH Common Stock on account of the Allowed ACI SERP Claims and the Risk-Adjusted Allowed ACI SERP Claim Amounts on the first interim distribution date after entry of orders by the U.S. Court and Canadian Courts approving this Agreement on which it is reasonably practicable for the Debtors to do so. All distributions on account of the Allowed ACI SERP Claims and Risk-Adjusted Allowed ACI SERP Claim Amounts will be subject to all applicable holdbacks and other restrictions under the Restructuring Plans (if any).

5. Agreement on Allowed Claims and Distributions. Other than the Allowed ACI SERP Claim and the Risk-Adjusted Allowed ACI SERP Claim Amounts, Claimant agrees to withdraw with prejudice all other claims asserted in connection with or arising from the ACI SERP, whether in a proof of claim or otherwise, and upon the Effective Date, all such claims shall be deemed withdrawn with prejudice and expunged, including, for the avoidance of doubt, all claims (if any) asserted against Bowater Canada Finance Corporation.

6. Injunction. Other than with respect to his rights under this Agreement, Claimant is permanently enjoined from, and agrees not to take, any of the following actions on account of his ACI SERP Claim: (a) commencing or continuing in any manner any action or other proceeding against the Debtors or their respective property; (b) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order against the Debtors or their respective property; (c) creating,

perfecting, or enforcing any lien or encumbrance against the Debtors or their respective property; (d) asserting a setoff, right of subrogation or recoupment of any kind against any debt, liability or obligation due to the Debtors or their respective property; and (e) commencing or continuing any action, in any manner, in any place that does not comply with or is inconsistent with the provisions of this Agreement and the Restructuring Plans.

7. Release by Claimant. Other than with respect to its rights under this Agreement and the Allowed ACI SERP Claim and the Risk-Adjusted Allowed ACI SERP Claim Amounts, the Claimant and each of its successors, assigns, spouses and dependents (collectively, the "Claimant Releasors") hereby release and forever discharge the Debtors (including Bowater Canada Finance Corporation), Avidity Partners, LLC, in its capacity as the Post-Effective Date Claims Agent, and Ernst & Young Inc., in its capacity as the court-appointed Monitor in respect of the Matter of the Plan of Compromise or Arrangement of AbitibiBowater Inc. and its subsidiaries and affiliates, in each case along with each of their past, present, and future direct and indirect parents, subsidiaries, affiliates, related entities, directors, officers, employees, attorneys, representatives, agents, receivers, insurers, and each of their predecessors, successors, heirs and assigns (collectively, the "Debtor Releasees") from any and all causes of action, demands, damages, costs, debts, liabilities, losses or claims of any kind, whether known or unknown, that the Claimant Releasors may now have or ever have had, or hereafter shall or may have, against the Debtor Releasees arising from, in connection with, or related to the ACI SERP.

8. Complete and Final Agreement. This Agreement sets forth the entire agreement between the Parties pertaining to the subject matter hereof. This

Agreement supersedes and replaces any and all prior or contemporaneous verbal or written agreements between the Parties concerning the subject matter hereof. No modification of, or amendment to, this Agreement shall be valid unless it is in writing and signed by the Parties hereto.

9. No Reliance. No Party has relied on or been induced to execute this Agreement by any statements, representations, agreements or promises, oral or written, made by any other Party, their agents, employees, servants or attorneys, or anyone else, other than the statements expressly written in this Settlement Agreement and Release.

10. Interpretation of Agreement. As used in this Agreement, the singular or plural number shall be deemed to include the other whenever the context so indicates or requires. The language of all parts of this Agreement shall in all cases be construed as a whole, according to its fair meaning, not strictly for or against any of the Parties.

11. Counterparts. This Agreement may be executed simultaneously or in any number of original or faxed counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same agreement.

12. Authorization. Each of the undersigned represents and warrants that he or she is competent and authorized to execute this Agreement, and further represents and warrants that he or she has read and understands the terms of this Agreement.

13. Binding Effect. This Agreement shall be binding on and shall inure to the benefit of the Parties and their respective successors, heirs, and assigns.

14. No Admission of Liability. The Parties each agree that entry into this Agreement does not constitute a determination or admission of liability under the ACI SERP by the ACI SERP Settlement Plan Sponsors, and that the allocation and allowance of the ACI SERP Claim constitutes a settlement of the ACI SERP Claim to avoid the expense and time of further litigation.

15. Governing Law. This Agreement shall be governed by and construed under the laws of either the State of Delaware or the Province of Quebec, as may be applicable, without regard to the conflict of laws provisions thereof.

16. Jurisdiction. In connection with any action, suit, or proceeding arising from, in connection with, or relating to this Agreement, the Parties each agree to submit to the exclusive jurisdiction and venue of the United States Bankruptcy Court for the District of Delaware or the CCAA Court, as may be applicable, and any appellate courts with jurisdiction over the U.S. Court and the CCAA Court.

17. Effectiveness; Termination. The Parties acknowledge that the Debtors intend to seek approval of this Agreement by the U.S. Court and the CCAA Court and that this Agreement shall only become effective upon entry of an order approving the Agreement by each of the U.S. Court and the CCAA Court (the "Effective Date").

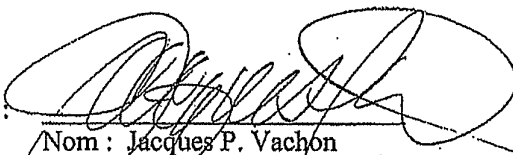
EN FOI DE QUOI, les parties, par l'intermédiaire de leurs représentants dûment autorisés,
ont signé la présente convention le __ octobre 2011.

RÉCLAMANT :

[REDACTED]

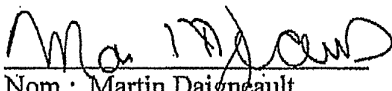
DÉBITEURS :

AbitibiBowater Inc.

Par : 
Nom : Jacques P. Vachon
Titre : Premier vice-président et chef du contentieux

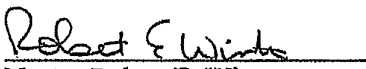
APPROUVÉ PAR :

Ernst & Young Inc., en sa qualité de contrôleur nommé par le tribunal à l'égard de
l'affaire du plan de transaction ou d'arrangement d'AbitibiBowater Inc. et de ses filiales et
membres du même groupe, et non à titre personnel ou en qualité de société.

Par : 
Nom : Martin Daigneault
Titre : Premier vice-président

Avidity Partners, LLC

à titre d'agent des réclamations après la date de prise d'effet,
par l'intermédiaire de son conseiller juridique Paul Hastings LP

Par : 
Name: Robert E. Winter
Title: Counsel

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (the "Agreement") is entered into by and between AbitibiBowater Inc. and its affiliates in the above captioned cases (collectively, together with the affiliates who applied for protection from their creditors under Canada's *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (as amended, the "CCAA") and as reorganized, the "Debtors") and [REDACTED] ("Claimant"). The Debtors and Claimant are each referred to individually herein as a "Party" and collectively, as the "Parties."

WHEREAS, the Debtors filed creditor protection proceedings in the United States and Canada (the "Restructuring Cases") on April 16, 2009 and April 17, 2009, respectively (the "Petition Date"). In November 2010, the U.S. bankruptcy court (the "U.S. Court") and the Quebec Superior Court (the "CCAA Court") entered orders confirming and sanctioning the Debtors' chapter 11 and CCAA restructuring plans (the confirmed chapter 11 plan, the "Chapter 11 Plan" and accompanying disclosure statement, the "Disclosure Statement", and together with the sanctioned CCAA plan (the "CCAA Plan" and the accompanying information circular, the "Information Circular") the "Restructuring Plans"). The Restructuring Plans went effective on December 9, 2010.

WHEREAS, as of the Petition Date, the Debtors suspended all payments on account of pre-filing supplemental executive retirement plans (collectively, the "Old

Drive Company Limited, Bowater Treated Wood Inc., Canexel Hardboard Inc., 9068-9050 Québec Inc., Alliance Forest Products Inc. (2001), Bowater Belledune Sawmill Inc., Bowater Maritimes Inc., Bowater Mitis Inc., Bowater Guérette Inc., and Bowater Couturier Inc.

SERPs”), including the Canadian Supplemental Executive Retirement Plan (SERP) for Executive Employees of Abitibi-Consolidated Inc. (the “ACI SERP”). The Restructuring Plans terminated all such plans. See CCAA Plan Supplement 6.9(1); Amended CCAA Plan Supplement 6.9(2); Chapter 11 Plan § 6.9; Supplement 7B (as amended). In accordance with the Restructuring Plans, however, the Debtors established new non-qualified and non-registered plans (the “New SERPs”) pursuant to which (a) all employees and beneficiaries in active status as of the Effective Date were eligible to receive benefits under the New SERPs substantially similar to those under the Old SERPs; and (b) all retirees, beneficiaries and deferred vested participants (collectively, “Retirees”), as of the Effective Date, were eligible to receive benefits under the New SERPs substantially similar to those under the Old SERPs, provided however, that the benefits to a participant under the New SERP(s) will be 10% to 35% lower, depending on the applicable Old SERP(s), the benefits under the New Plans will be subject to an annual per-participant cap, and depending on the applicable Old SERP, the benefits being further reduced by any secured pension benefits received or to be received in respect of the Old SERP. The ACI SERP is subject to a 10% reduction in benefits and a CDN\$50,000 per participant annual cap. In addition, some participants under the ACI SERP received secured pension benefits in respect of the ACI SERP and accordingly, were ineligible to participate in the applicable New SERP or were eligible to participate in the applicable New SERP subject to further reduction of their benefits.

WHEREAS, as a condition of participating in the New SERPs, the Restructuring Plans required eligible plan participants to waive and forfeit any and all claims in respect of the Old SERPs. In August 2010, the Debtors mailed election notices

to all SERP claimants (the "SERP Election Notices") offering them a choice between (1) participating in the New SERPs and waiving all their claims against the Debtors arising under the relevant Old SERPs, or (2) retaining their claims against the Debtors arising under the Old SERPs, and receiving distributions on account of such claims (if and when allowed) as part of the Restructuring Cases. Claimant was not eligible to participate in a New SERP or was eligible to participate in a New SERP but elected to retain his claims under the ACI SERP (the "ACI SERP Claims").

WHEREAS, at the time the SERP Election Notices were circulated, AbitibiBowater Inc. and Abitibi-Consolidated Inc. were identified as sponsors of the ACI SERP. Other Debtors may also be potential sponsors of the ACI SERP, and may also be potentially liable for the ACI SERP Claims. The Company, the post-effective date claims agent (the "Claims Agent") appointed under the Chapter 11 Plan, and the monitor appointed in the CCAA proceedings by the CCAA Court (the "Monitor"), have analyzed the likelihood of other Debtors' liability for the ACI SERP Claims.

WHEREAS, among other things, the Claims Agent, the Monitor, and the Claimant dispute the liability of the various Debtors for the ACI SERP Claims.

WHEREAS, to avoid the expense and inconvenience of further litigation, the Parties have agreed to settle on the allowed amount of Claimant's ACI SERP Claim and allocate such claim against various Debtors based on an agreement regarding each such Debtors' probable estimated liability for the claim as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and releases set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. ACI SERP Claim Allowance. Claimant shall have an allowed general unsecured ACI SERP Claim (the “Allowed ACI SERP Claim”) in the amount of **CDN \$341,020.00** which shall be allocated, solely for purposes of this Agreement, against each of the following Debtors: AbitibiBowater Inc., Bowater Incorporated, Donohue Corp., Abitibi Consolidated Sales Corporation, Abitibi-Consolidated Corporation, Bowater Canadian Forest Products Inc., Abitibi-Consolidated Inc., and Abitibi-Consolidated Company of Canada (collectively, the “ACI SERP Settlement Sponsors”). Except for purposes of this Agreement, the Debtors, the Claims Agent and the Monitor do not concede that the ACI SERP Settlement Sponsors have legal liability for the ACI SERP.

2. ACI SERP Claim Allocation: The Allowed ACI SERP Claim will be allocated against the ACI SERP Settlement Sponsors in the following percentages based upon the agreed-upon relative risk of liability of each particular ACI SERP Settlement Sponsor, resulting in the corresponding portion of the Allowed ACI SERP Claim being allowed against the ACI SERP Settlement Sponsor in the indicated amounts (the “Risk-Adjusted Allowed ACI SERP Claim Amount”):

Allowed ACI SERP Claim Amount	ACI SERP Settlement Sponsor	% of Allowed ACI SERP Claim Allocated against ACI SERP Settlement Sponsor	Risk-Adjusted/Allowed ACI SERP Claim Amount	Applicable General Unsecured Claim Class	Estimated % Recovery Rate from Debtor based on Disclosure Statement and Information Circular	Estimated Recovery on Account of Risk-Adjusted Allowed ACI SERP Claim Amount
CDN\$341,020.00	Bowater Canadian Forest Products Inc.	23%	CDN\$78,434.60		36.50%	CDN\$28,628.63
CDN\$341,020.00	Abitibi-Consolidated Inc.	100%	CDN\$341,020.00		3.4%	CDN\$11,594.68
CDN\$341,020.00	Abitibi Consolidated Company of Canada	95%	CDN\$323,969.00		17.10%	CDN\$55,398.70
US\$280,767.33	AbitibiBowater Inc.	100%	US\$280,767.33	Class 6A	0.8%	US\$2,246.14

US\$280,767.33	Bowater Incorporated	23%	US\$64,576.49	Class 6S	48.4%	US\$31,255.02
US\$280,767.33	Donohue Corp.	20%	US\$56,153.47	Class 6DD	28.4%	US\$15,947.58
US\$280,767.33	Abitibi Consolidated Sales Corp.	20%	US\$56,153.47	Class 6H	23.4%	US\$13,139.91
US\$280,767.33	Abitibi Consolidated Corporation	20%	US\$56,153.47	Class 6F	12.0%	US\$6,738.42
			Total Estimated Recovery (CDNS)			\$179,826.67
			% Recovery (CDNS:CDNS)		52%	

* Currency conversions use the Bank of Canada's noon spot rate as of the Petition Date of CDN \$1.00 – US\$0.8290.

3. No Fixed Recoveries on Allowed ACI SERP Claims: The

Allowed ACI SERP Claim and Risk-Adjusted Allowed ACI SERP Claim Amounts constitute Claimant's sole Allowed claims arising under, in connection with, or relating to the ACI SERP, and all other claims (if any), including any such claims against any other Debtor or Debtor's affiliate (including for the avoidance of doubt, Bowater Canada Finance Corporation), are deemed withdrawn and expunged. Notwithstanding anything to the contrary contained in this Agreement, this Agreement does not fix recoveries or guarantee an aggregate 52% recovery on the Allowed ACI SERP Claim or a recovery against each ACI SERP Settlement Sponsor at the estimated recovery rate set forth in the applicable Disclosure Statement or Information Circular. Actual recoveries on account of such claims depend on the other claims that are ultimately allowed or disallowed against each ACI SERP Settlement Sponsor and the ultimate trading value of the New ABH Common Stock (as defined in the Chapter 11 Plan). The estimated recoveries set forth in paragraph 2 above (a) are based on the assumptions and estimated recovery rates for each ACI SERP Settlement Sponsor contained in the Disclosure Statement and Information Circular, and (b) the implied stock price of US\$25 per share of New ABH Common Stock contained in the Disclosure Statement and Information Circular. After full administration of the Restructuring Cases, actual recoveries on the Allowed ACI SERP

Claims and the Risk-Adjusted Allowed ACI SERP Claim Amounts may be significantly more or less than 52% of the claim amounts.

4. Allowed ACI SERP Claim Distributions. The Debtors will make an initial distribution of New ABH Common Stock on account of the Allowed ACI SERP Claims and the Risk-Adjusted Allowed ACI SERP Claim Amounts on the first interim distribution date after entry of orders by the U.S. Court and Canadian Courts approving this Agreement on which it is reasonably practicable for the Debtors to do so. All distributions on account of the Allowed ACI SERP Claims and Risk-Adjusted Allowed ACI SERP Claim Amounts will be subject to all applicable holdbacks and other restrictions under the Restructuring Plans (if any).

5. Agreement on Allowed Claims and Distributions. Other than the Allowed ACI SERP Claim and the Risk-Adjusted Allowed ACI SERP Claim Amounts, Claimant agrees to withdraw with prejudice all other claims asserted in connection with or arising from the ACI SERP, whether in a proof of claim or otherwise, and upon the Effective Date, all such claims shall be deemed withdrawn with prejudice and expunged, including, for the avoidance of doubt, all claims (if any) asserted against Bowater Canada Finance Corporation.

6. Injunction. Other than with respect to his rights under this Agreement, Claimant is permanently enjoined from, and agrees not to take, any of the following actions on account of his ACI SERP Claim: (a) commencing or continuing in any manner any action or other proceeding against the Debtors or their respective property; (b) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order against the Debtors or their respective property; (c) creating,

perfecting, or enforcing any lien or encumbrance against the Debtors or their respective property; (d) asserting a setoff, right of subrogation or recoupment of any kind against any debt, liability or obligation due to the Debtors or their respective property; and (e) commencing or continuing any action, in any manner, in any place that does not comply with or is inconsistent with the provisions of this Agreement and the Restructuring Plans.

7. Release by Claimant. Other than with respect to its rights under this Agreement and the Allowed ACI SERP Claim and the Risk-Adjusted Allowed ACI SERP Claim Amounts, the Claimant and each of its successors, assigns, spouses and dependents (collectively, the "Claimant Releasors") hereby release and forever discharge the Debtors (including Bowater Canada Finance Corporation), Avidity Partners, LLC, in its capacity as the Post-Effective Date Claims Agent, and Ernst & Young Inc., in its capacity as the court-appointed Monitor in respect of the Matter of the Plan of Compromise or Arrangement of AbitibiBowater Inc. and its subsidiaries and affiliates, in each case along with each of their past, present, and future direct and indirect parents, subsidiaries, affiliates, related entities, directors, officers, employees, attorneys, representatives, agents, receivers, insurers, and each of their predecessors, successors, heirs and assigns (collectively, the "Debtor Releasees") from any and all causes of action, demands, damages, costs, debts, liabilities, losses or claims of any kind, whether known or unknown, that the Claimant Releasors may now have or ever have had, or hereafter shall or may have, against the Debtor Releasees arising from, in connection with, or related to the ACI SERP.

8. Complete and Final Agreement. This Agreement sets forth the entire agreement between the Parties pertaining to the subject matter hereof. This

Agreement supersedes and replaces any and all prior or contemporaneous verbal or written agreements between the Parties concerning the subject matter hereof. No modification of, or amendment to, this Agreement shall be valid unless it is in writing and signed by the Parties hereto.

9. No Reliance. No Party has relied on or been induced to execute this Agreement by any statements, representations, agreements or promises, oral or written, made by any other Party, their agents, employees, servants or attorneys, or anyone else, other than the statements expressly written in this Settlement Agreement and Release.

10. Interpretation of Agreement. As used in this Agreement, the singular or plural number shall be deemed to include the other whenever the context so indicates or requires. The language of all parts of this Agreement shall in all cases be construed as a whole, according to its fair meaning, not strictly for or against any of the Parties.

11. Counterparts. This Agreement may be executed simultaneously or in any number of original or faxed counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same agreement.

12. Authorization. Each of the undersigned represents and warrants that he or she is competent and authorized to execute this Agreement, and further represents and warrants that he or she has read and understands the terms of this Agreement.

13. Binding Effect. This Agreement shall be binding on and shall inure to the benefit of the Parties and their respective successors, heirs, and assigns.

14. No Admission of Liability. The Parties each agree that entry into this Agreement does not constitute a determination or admission of liability under the ACI SERP by the ACI SERP Settlement Plan Sponsors, and that the allocation and allowance of the ACI SERP Claim constitutes a settlement of the ACI SERP Claim to avoid the expense and time of further litigation.

15. Governing Law. This Agreement shall be governed by and construed under the laws of either the State of Delaware or the Province of Quebec, as may be applicable, without regard to the conflict of laws provisions thereof.

16. Jurisdiction. In connection with any action, suit, or proceeding arising from, in connection with, or relating to this Agreement, the Parties each agree to submit to the exclusive jurisdiction and venue of the United States Bankruptcy Court for the District of Delaware or the CCAA Court, as may be applicable, and any appellate courts with jurisdiction over the U.S. Court and the CCAA Court.

17. Effectiveness; Termination. The Parties acknowledge that the Debtors intend to seek approval of this Agreement by the U.S. Court and the CCAA Court and that this Agreement shall only become effective upon entry of an order approving the Agreement by each of the U.S. Court and the CCAA Court (the "Effective Date").

EN FOI DE QUOI, les parties, par l'intermédiaire de leurs représentants dûment autorisés,
ont signé la présente convention le ^{NOUVEAU} 2 octobre 2011.

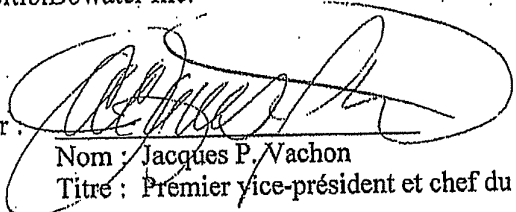
RÉCLAMANT :

[REDACTED]

DÉBITEURS :

AbitibiBowater Inc.

Par :


Nom : Jacques P. Vachon

Titre : Premier vice-président et chef du contentieux

APPROUVÉ PAR :

Ernst & Young Inc., en sa qualité de contrôleur nommé par le tribunal à l'égard de
l'affaire du plan de transaction ou d'arrangement d'AbitibiBowater Inc. et de ses filiales et
membres du même groupe, et non à titre personnel ou en qualité de société.

Par :

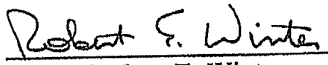

Nom : Martin Daigneault

Titre : Premier vice-président

Avidity Partners, LLC

à titre d'agent des réclamations après la date de prise d'effet,
par l'intermédiaire de son conseiller juridique Paul Hastings LP

Par :



Name: Robert E. Winter

Title: Counsel

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (the "Agreement") is entered into by and between AbitibiBowater Inc. and its affiliates in the above captioned cases (collectively, together with the affiliates who applied for protection from their creditors under Canada's *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (as amended, the "CCAA") and as reorganized, the "Debtors") and [REDACTED] ("Claimant"). The Debtors and Claimant are each referred to individually herein as a "Party" and collectively, as the "Parties."

WHEREAS, the Debtors filed creditor protection proceedings in the United States and Canada (the "Restructuring Cases") on April 16, 2009 and April 17, 2009, respectively (the "Petition Date"). In November 2010, the U.S. bankruptcy court (the "U.S. Court") and the Quebec Superior Court (the "CCAA Court") entered orders confirming and sanctioning the Debtors' chapter 11 and CCAA restructuring plans (the confirmed chapter 11 plan, the "Chapter 11 Plan" and accompanying disclosure statement, the "Disclosure Statement", and together with the sanctioned CCAA plan (the "CCAA Plan" and the accompanying information circular, the "Information Circular") the "Restructuring Plans"). The Restructuring Plans went effective on December 9, 2010.

WHEREAS, as of the Petition Date, the Debtors suspended all payments on account of pre-filing supplemental executive retirement plans (collectively, the "Old

Drive Company Limited, Bowater Treated Wood Inc., Canexel Hardboard Inc., 9068-9050 Québec Inc., Alliance Forest Products Inc. (2001), Bowater Belledune Sawmill Inc., Bowater Maritimes Inc., Bowater Mitis Inc., Bowater Guérette Inc., and Bowater Couturier Inc.

SERPs”), including the Canadian Supplemental Executive Retirement Plan (SERP) for Executive Employees of Abitibi-Consolidated Inc. (the “ACI SERP”). The Restructuring Plans terminated all such plans. See CCAA Plan Supplement 6.9(1); Amended CCAA Plan Supplement 6.9(2); Chapter 11 Plan § 6.9; Supplement 7B (as amended). In accordance with the Restructuring Plans, however, the Debtors established new non-qualified and non-registered plans (the “New SERPs”) pursuant to which (a) all employees and beneficiaries in active status as of the Effective Date were eligible to receive benefits under the New SERPs substantially similar to those under the Old SERPs; and (b) all retirees, beneficiaries and deferred vested participants (collectively, “Retirees”), as of the Effective Date, were eligible to receive benefits under the New SERPs substantially similar to those under the Old SERPs, provided however, that the benefits to a participant under the New SERP(s) will be 10% to 35% lower, depending on the applicable Old SERP(s), the benefits under the New Plans will be subject to an annual per-participant cap, and depending on the applicable Old SERP, the benefits being further reduced by any secured pension benefits received or to be received in respect of the Old SERP. The ACI SERP is subject to a 10% reduction in benefits and a CDN\$50,000 per participant annual cap. In addition, some participants under the ACI SERP received secured pension benefits in respect of the ACI SERP and accordingly, were ineligible to participate in the applicable New SERP or were eligible to participate in the applicable New SERP subject to further reduction of their benefits.

WHEREAS, as a condition of participating in the New SERPs, the Restructuring Plans required eligible plan participants to waive and forfeit any and all claims in respect of the Old SERPs. In August 2010, the Debtors mailed election notices

to all SERP claimants (the "SERP Election Notices") offering them a choice between (1) participating in the New SERPs and waiving all their claims against the Debtors arising under the relevant Old SERPs, or (2) retaining their claims against the Debtors arising under the Old SERPs, and receiving distributions on account of such claims (if and when allowed) as part of the Restructuring Cases. Claimant was not eligible to participate in a New SERP or was eligible to participate in a New SERP but elected to retain his claims under the ACI SERP (the "ACI SERP Claims").

WHEREAS, at the time the SERP Election Notices were circulated, AbitibiBowater Inc. and Abitibi-Consolidated Inc. were identified as sponsors of the ACI SERP. Other Debtors may also be potential sponsors of the ACI SERP, and may also be potentially liable for the ACI SERP Claims. The Company, the post-effective date claims agent (the "Claims Agent") appointed under the Chapter 11 Plan, and the monitor appointed in the CCAA proceedings by the CCAA Court (the "Monitor"), have analyzed the likelihood of other Debtors' liability for the ACI SERP Claims.

WHEREAS, among other things, the Claims Agent, the Monitor, and the Claimant dispute the liability of the various Debtors for the ACI SERP Claims.

WHEREAS, to avoid the expense and inconvenience of further litigation, the Parties have agreed to settle on the allowed amount of Claimant's ACI SERP Claim and allocate such claim against various Debtors based on an agreement regarding each such Debtors' probable estimated liability for the claim as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and releases set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. ACI SERP Claim Allowance. Claimant shall have an allowed general unsecured ACI SERP Claim (the “Allowed ACI SERP Claim”) in the amount of **CDN \$73,743.00** which shall be allocated, solely for purposes of this Agreement, against each of the following Debtors: AbitibiBowater Inc., Bowater Incorporated, Donohue Corp., Abitibi Consolidated Sales Corporation, Abitibi-Consolidated Corporation, Bowater Canadian Forest Products Inc., Abitibi-Consolidated Inc., and Abitibi-Consolidated Company of Canada (collectively, the “ACI SERP Settlement Sponsors”). Except for purposes of this Agreement, the Debtors, the Claims Agent and the Monitor do not concede that the ACI SERP Settlement Sponsors have legal liability for the ACI SERP.

2. ACI SERP Claim Allocation: The Allowed ACI SERP Claim will be allocated against the ACI SERP Settlement Sponsors in the following percentages based upon the agreed-upon relative risk of liability of each particular ACI SERP Settlement Sponsor, resulting in the corresponding portion of the Allowed ACI SERP Claim being allowed against the ACI SERP Settlement Sponsor in the indicated amounts (the “Risk-Adjusted Allowed ACI SERP Claim Amount”):

Allowed ACI SERP Claim Amount	ACI SERP Settlement Sponsor	% of Allowed ACI SERP Claim Allocated against ACI SERP Settlement Sponsor	Risk-Adjusted/Allowed ACI SERP Claim Amount	Applicable General Unsecured Claim Class	Estimated % Recovery Rate from Debtor based on Disclosure Statement and Information Circular	Estimated Recovery on Account of Risk-Adjusted Allowed ACI SERP Claim Amount
CDN\$73,743.00	Bowater Canadian Forest Products Inc.	23%	CDN\$16,960.89		36.50%	CDN\$6,190.72
CDN\$73,743.00	Abitibi-Consolidated Inc.	100%	CDN\$73,743.00		3.4%	CDN\$2,507.26
CDN\$73,743.00	Abitibi Consolidated Company of Canada	95%	CDN\$70,055.85		17.10%	CDN\$11,979.55
US\$60,713.82	AbitibiBowater Inc.	100%	US\$60,713.82	Class 6A	0.8%	US\$485.71

US\$60,713.82	Bowater Incorporated	23%	US\$13,964.18	Class 6S	48.4%	US\$6,758.66
US\$60,713.82	Donohue Corp.	20%	US\$12,142.76	Class 6DD	28.4%	US\$3,448.54
US\$60,713.82	Abitibi Consolidated Sales Corp.	20%	US\$12,142.76	Class 6H	23.4%	US\$2,841.41
US\$60,713.82	Abitibi Consolidated Corporation	20%	US\$12,142.76	Class 6F	12.0%	US\$1,457.13
			Total Estimated Recovery (CDNS)			\$38,886.16
			% Recovery (CDNS:CDNS)		52%	

* Currency conversions use the Bank of Canada's noon spot rate as of the Petition Date of CDN \$1.00 – US\$0.8290.

3. No Fixed Recoveries on Allowed ACI SERP Claims: The

Allowed ACI SERP Claim and Risk-Adjusted Allowed ACI SERP Claim Amounts constitute Claimant's sole Allowed claims arising under, in connection with, or relating to the ACI SERP, and all other claims (if any), including any such claims against any other Debtor or Debtor's affiliate (including for the avoidance of doubt, Bowater Canada Finance Corporation), are deemed withdrawn and expunged. Notwithstanding anything to the contrary contained in this Agreement, this Agreement does not fix recoveries or guarantee an aggregate 52% recovery on the Allowed ACI SERP Claim or a recovery against each ACI SERP Settlement Sponsor at the estimated recovery rate set forth in the applicable Disclosure Statement or Information Circular. Actual recoveries on account of such claims depend on the other claims that are ultimately allowed or disallowed against each ACI SERP Settlement Sponsor and the ultimate trading value of the New ABH Common Stock (as defined in the Chapter 11 Plan). The estimated recoveries set forth in paragraph 2 above (a) are based on the assumptions and estimated recovery rates for each ACI SERP Settlement Sponsor contained in the Disclosure Statement and Information Circular, and (b) the implied stock price of US\$25 per share of New ABH Common Stock contained in the Disclosure Statement and Information Circular. After full administration of the Restructuring Cases, actual recoveries on the Allowed ACI SERP

Claims and the Risk-Adjusted Allowed ACI SERP Claim Amounts may be significantly more or less than 52% of the claim amounts.

4. Allowed ACI SERP Claim Distributions. The Debtors will make an initial distribution of New ABH Common Stock on account of the Allowed ACI SERP Claims and the Risk-Adjusted Allowed ACI SERP Claim Amounts on the first interim distribution date after entry of orders by the U.S. Court and Canadian Courts approving this Agreement on which it is reasonably practicable for the Debtors to do so. All distributions on account of the Allowed ACI SERP Claims and Risk-Adjusted Allowed ACI SERP Claim Amounts will be subject to all applicable holdbacks and other restrictions under the Restructuring Plans (if any).

5. Agreement on Allowed Claims and Distributions. Other than the Allowed ACI SERP Claim and the Risk-Adjusted Allowed ACI SERP Claim Amounts, Claimant agrees to withdraw with prejudice all other claims asserted in connection with or arising from the ACI SERP, whether in a proof of claim or otherwise, and upon the Effective Date, all such claims shall be deemed withdrawn with prejudice and expunged, including, for the avoidance of doubt, all claims (if any) asserted against Bowater Canada Finance Corporation.

6. Injunction. Other than with respect to his rights under this Agreement, Claimant is permanently enjoined from, and agrees not to take, any of the following actions on account of his ACI SERP Claim: (a) commencing or continuing in any manner any action or other proceeding against the Debtors or their respective property; (b) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order against the Debtors or their respective property; (c) creating,

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7. Release by Claimant. Other than with respect to its rights under this Agreement and the Allowed ACI SERP Claim and the Risk-Adjusted Allowed ACI SERP Claim Amounts, the Claimant and each of its successors, assigns, spouses and dependents (collectively, the "Claimant Releasors") hereby release and forever discharge the Debtors (including Bowater Canada Finance Corporation), Avidity Partners, LLC, in its capacity as the Post-Effective Date Claims Agent, and Ernst & Young Inc., in its capacity as the court-appointed Monitor in respect of the Matter of the Plan of Compromise or Arrangement of AbitibiBowater Inc. and its subsidiaries and affiliates, in each case along with each of their past, present, and future direct and indirect parents, subsidiaries, affiliates, related entities, directors, officers, employees, attorneys, representatives, agents, receivers, insurers, and each of their predecessors, successors, heirs and assigns (collectively, the "Debtor Releasees") from any and all causes of action, demands, damages, costs, debts, liabilities, losses or claims of any kind, whether known or unknown, that the Claimant Releasors may now have or ever have had, or hereafter shall or may have, against the Debtor Releasees arising from, in connection with, or related to the ACI SERP.

8. Complete and Final Agreement. This Agreement sets forth the entire agreement between the Parties pertaining to the subject matter hereof. This

Agreement supersedes and replaces any and all prior or contemporaneous verbal or written agreements between the Parties concerning the subject matter hereof. No modification of, or amendment to, this Agreement shall be valid unless it is in writing and signed by the Parties hereto.

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10. Interpretation of Agreement. As used in this Agreement, the singular or plural number shall be deemed to include the other whenever the context so indicates or requires. The language of all parts of this Agreement shall in all cases be construed as a whole, according to its fair meaning, not strictly for or against any of the Parties.

11. Counterparts. This Agreement may be executed simultaneously or in any number of original or faxed counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same agreement.

12. Authorization. Each of the undersigned represents and warrants that he or she is competent and authorized to execute this Agreement, and further represents and warrants that he or she has read and understands the terms of this Agreement.

13. Binding Effect. This Agreement shall be binding on and shall inure to the benefit of the Parties and their respective successors, heirs, and assigns.

14. No Admission of Liability. The Parties each agree that entry into this Agreement does not constitute a determination or admission of liability under the ACI SERP by the ACI SERP Settlement Plan Sponsors, and that the allocation and allowance of the ACI SERP Claim constitutes a settlement of the ACI SERP Claim to avoid the expense and time of further litigation.

15. Governing Law. This Agreement shall be governed by and construed under the laws of either the State of Delaware or the Province of Quebec, as may be applicable, without regard to the conflict of laws provisions thereof.

16. Jurisdiction. In connection with any action, suit, or proceeding arising from, in connection with, or relating to this Agreement, the Parties each agree to submit to the exclusive jurisdiction and venue of the United States Bankruptcy Court for the District of Delaware or the CCAA Court, as may be applicable, and any appellate courts with jurisdiction over the U.S. Court and the CCAA Court.

17. Effectiveness; Termination. The Parties acknowledge that the Debtors intend to seek approval of this Agreement by the U.S. Court and the CCAA Court and that this Agreement shall only become effective upon entry of an order approving the Agreement by each of the U.S. Court and the CCAA Court (the "Effective Date").

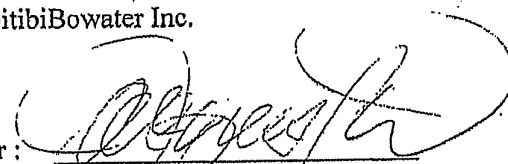
EN FOI DE QUOI, les parties, par l'intermédiaire de leurs représentants dûment autorisés,
ont signé la présente convention le 14 octobre 2011.

RÉCLAMANT :


Jérôme Marteau

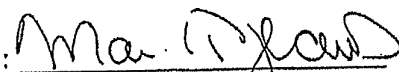
DÉBITEURS :

AbitibiBowater Inc.

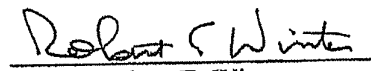
Par : 
Nom : Jacques P. Vachon
Titre : Premier vice-président et chef du contentieux

APPROUVÉ PAR :

Ernst & Young Inc., en sa qualité de contrôleur nommé par le tribunal à l'égard de
l'affaire du plan de transaction ou d'arrangement d'AbitibiBowater Inc. et de ses filiales et
membres du même groupe, et non à titre personnel ou en qualité de société.

Par : 
Nom : Martin Daigheault
Titre : Premier vice-président

Avidity Partners, LLC
à titre d'agent des réclamations après la date de prise d'effet,
par l'intermédiaire de son conseiller juridique Paul Hastings LP

Par : 
Name: Robert E. Winter
Title: Counsel

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (the "Agreement") is entered into by and between AbitibiBowater Inc. and its affiliates in the above captioned cases (collectively, together with the affiliates who applied for protection from their creditors under Canada's *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (as amended, the "CCAA") and as reorganized, the "Debtors") and [REDACTED] ("Claimant"). The Debtors and Claimant are each referred to individually herein as a "Party" and collectively, as the "Parties."

WHEREAS, the Debtors filed creditor protection proceedings in the United States and Canada (the "Restructuring Cases") on April 16, 2009 and April 17, 2009, respectively (the "Petition Date"). In November 2010, the U.S. bankruptcy court (the "U.S. Court") and the Quebec Superior Court (the "CCAA Court") entered orders confirming and sanctioning the Debtors' chapter 11 and CCAA restructuring plans (the confirmed chapter 11 plan, the "Chapter 11 Plan" and accompanying disclosure statement, the "Disclosure Statement", and together with the sanctioned CCAA plan (the "CCAA Plan" and the accompanying information circular, the "Information Circular") the "Restructuring Plans"). The Restructuring Plans went effective on December 9, 2010.

WHEREAS, as of the Petition Date, the Debtors suspended all payments on account of pre-filing supplemental executive retirement plans (collectively, the "Old

Drive Company Limited, Bowater Treated Wood Inc., Canexel Hardboard Inc., 9068-9050 Québec Inc., Alliance Forest Products Inc. (2001), Bowater Belledune Sawmill Inc., Bowater Maritimes Inc., Bowater Mitis Inc., Bowater Guérette Inc., and Bowater Couturier Inc.

SERPs”), including the Canadian Supplemental Executive Retirement Plan (SERP) for Executive Employees of Abitibi-Consolidated Inc. (the “ACI SERP”). The Restructuring Plans terminated all such plans. See CCAA Plan Supplement 6.9(1); Amended CCAA Plan Supplement 6.9(2); Chapter 11 Plan § 6.9; Supplement 7B (as amended). In accordance with the Restructuring Plans, however, the Debtors established new non-qualified and non-registered plans (the “New SERPs”) pursuant to which (a) all employees and beneficiaries in active status as of the Effective Date were eligible to receive benefits under the New SERPs substantially similar to those under the Old SERPs; and (b) all retirees, beneficiaries and deferred vested participants (collectively, “Retirees”), as of the Effective Date, were eligible to receive benefits under the New SERPs substantially similar to those under the Old SERPs, provided however, that the benefits to a participant under the New SERP(s) will be 10% to 35% lower, depending on the applicable Old SERP(s), the benefits under the New Plans will be subject to an annual per-participant cap, and depending on the applicable Old SERP, the benefits being further reduced by any secured pension benefits received or to be received in respect of the Old SERP. The ACI SERP is subject to a 10% reduction in benefits and a CDN\$50,000 per participant annual cap. In addition, some participants under the ACI SERP received secured pension benefits in respect of the ACI SERP and accordingly, were ineligible to participate in the applicable New SERP or were eligible to participate in the applicable New SERP subject to further reduction of their benefits.

WHEREAS, as a condition of participating in the New SERPs, the Restructuring Plans required eligible plan participants to waive and forfeit any and all claims in respect of the Old SERPs. In August 2010, the Debtors mailed election notices

to all SERP claimants (the "SERP Election Notices") offering them a choice between (1) participating in the New SERPs and waiving all their claims against the Debtors arising under the relevant Old SERPs, or (2) retaining their claims against the Debtors arising under the Old SERPs, and receiving distributions on account of such claims (if and when allowed) as part of the Restructuring Cases. Claimant was not eligible to participate in a New SERP or was eligible to participate in a New SERP but elected to retain his claims under the ACI SERP (the "ACI SERP Claims").

WHEREAS, at the time the SERP Election Notices were circulated, AbitibiBowater Inc. and Abitibi-Consolidated Inc. were identified as sponsors of the ACI SERP. Other Debtors may also be potential sponsors of the ACI SERP, and may also be potentially liable for the ACI SERP Claims. The Company, the post-effective date claims agent (the "Claims Agent") appointed under the Chapter 11 Plan, and the monitor appointed in the CCAA proceedings by the CCAA Court (the "Monitor"), have analyzed the likelihood of other Debtors' liability for the ACI SERP Claims.

WHEREAS, among other things, the Claims Agent, the Monitor, and the Claimant dispute the liability of the various Debtors for the ACI SERP Claims.

WHEREAS, to avoid the expense and inconvenience of further litigation, the Parties have agreed to settle on the allowed amount of Claimant's ACI SERP Claim and allocate such claim against various Debtors based on an agreement regarding each such Debtors' probable estimated liability for the claim as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and releases set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. ACI SERP Claim Allowance. Claimant shall have an allowed general unsecured ACI SERP Claim (the “Allowed ACI SERP Claim”) in the amount of **CDN \$316,193.00** which shall be allocated, solely for purposes of this Agreement, against each of the following Debtors: AbitibiBowater Inc., Bowater Incorporated, Donohue Corp., Abitibi Consolidated Sales Corporation, Abitibi-Consolidated Corporation, Bowater Canadian Forest Products Inc., Abitibi-Consolidated Inc., and Abitibi-Consolidated Company of Canada (collectively, the “ACI SERP Settlement Sponsors”). Except for purposes of this Agreement, the Debtors, the Claims Agent and the Monitor do not concede that the ACI SERP Settlement Sponsors have legal liability for the ACI SERP.

2. ACI SERP Claim Allocation: The Allowed ACI SERP Claim will be allocated against the ACI SERP Settlement Sponsors in the following percentages based upon the agreed-upon relative risk of liability of each particular ACI SERP Settlement Sponsor; resulting in the corresponding portion of the Allowed ACI SERP Claim being allowed against the ACI SERP Settlement Sponsor in the indicated amounts (the “Risk-Adjusted Allowed ACI SERP Claim Amount”):

Allowed ACI SERP Claim Amount	ACI SERP Settlement Sponsor	% of Allowed ACI SERP Claim Allocated against ACI SERP Settlement Sponsor	Risk-Adjusted Allowed ACI SERP Claim Amount	Applicable General Unsecured Claim Class	Estimated % Recovery Rate from Debtor based on Disclosure Statement and Information Circular	Estimated Recovery on Account of Risk-Adjusted Allowed ACI SERP Claim Amount
CDN\$316,193.00	Bowater Canadian Forest Products Inc.	23%	CDN\$72,724.39		36.50%	CDN\$26,544.40
CDN\$316,193.00	Abitibi-Consolidated Inc.	100%	CDN\$316,193.00		3.4%	CDN\$10,750.56
CDN\$316,193.00	Abitibi Consolidated Company of Canada	95%	CDN\$300,383.35		17.10%	CDN\$51,365.55
US\$260,326.86	AbitibiBowater Inc.	100%	US\$260,326.86	Class 6A	0.8%	US\$2,082.61

US\$260,326.86	Bowater Incorporated	23%	US\$59,875.18	Class 6S	48.4%	US\$28,979.59
US\$260,326.86	Donohue Corp.	20%	US\$52,065.37	Class 6DD	28.4%	US\$14,786.57
US\$260,326.86	Abitibi Consolidated Sales Corp.	20%	US\$52,065.37	Class 6H	23.4%	US\$12,183.30
US\$260,326.86	Abitibi Consolidated Corporation	20%	US\$52,065.37	Class 6F	12.0%	US\$6,247.84
					Total Estimated Recovery (CDNS)	\$166,734.89
					% Recovery (CDNS:CDNS)	52%

* Currency conversions use the Bank of Canada's noon spot rate as of the Petition Date of CDN \$1.00 – US\$0.8290.

3. No Fixed Recoveries on Allowed ACI SERP Claims: The

Allowed ACI SERP Claim and Risk-Adjusted Allowed ACI SERP Claim Amounts constitute Claimant's sole Allowed claims arising under, in connection with, or relating to the ACI SERP, and all other claims (if any), including any such claims against any other Debtor or Debtor's affiliate (including for the avoidance of doubt, Bowater Canada Finance Corporation), are deemed withdrawn and expunged. Notwithstanding anything to the contrary contained in this Agreement, this Agreement does not fix recoveries or guarantee an aggregate 52% recovery on the Allowed ACI SERP Claim or a recovery against each ACI SERP Settlement Sponsor at the estimated recovery rate set forth in the applicable Disclosure Statement or Information Circular. Actual recoveries on account of such claims depend on the other claims that are ultimately allowed or disallowed against each ACI SERP Settlement Sponsor and the ultimate trading value of the New ABH Common Stock (as defined in the Chapter 11 Plan). The estimated recoveries set forth in paragraph 2 above (a) are based on the assumptions and estimated recovery rates for each ACI SERP Settlement Sponsor contained in the Disclosure Statement and Information Circular, and (b) the implied stock price of US\$25 per share of New ABH Common Stock contained in the Disclosure Statement and Information Circular. After full administration of the Restructuring Cases, actual recoveries on the Allowed ACI SERP

Claims and the Risk-Adjusted Allowed ACI SERP Claim Amounts may be significantly more or less than 52% of the claim amounts.

4. Allowed ACI SERP Claim Distributions. The Debtors will make an initial distribution of New ABH Common Stock on account of the Allowed ACI SERP Claims and the Risk-Adjusted Allowed ACI SERP Claim Amounts on the first interim distribution date after entry of orders by the U.S. Court and Canadian Courts approving this Agreement on which it is reasonably practicable for the Debtors to do so. All distributions on account of the Allowed ACI SERP Claims and Risk-Adjusted Allowed ACI SERP Claim Amounts will be subject to all applicable holdbacks and other restrictions under the Restructuring Plans (if any).

5. Agreement on Allowed Claims and Distributions. Other than the Allowed ACI SERP Claim and the Risk-Adjusted Allowed ACI SERP Claim Amounts, Claimant agrees to withdraw with prejudice all other claims asserted in connection with or arising from the ACI SERP, whether in a proof of claim or otherwise, and upon the Effective Date, all such claims shall be deemed withdrawn with prejudice and expunged, including, for the avoidance of doubt, all claims (if any) asserted against Bowater Canada Finance Corporation.

6. Injunction. Other than with respect to his rights under this Agreement, Claimant is permanently enjoined from, and agrees not to take, any of the following actions on account of his ACI SERP Claim: (a) commencing or continuing in any manner any action or other proceeding against the Debtors or their respective property; (b) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order against the Debtors or their respective property; (c) creating,

perfecting, or enforcing any lien or encumbrance against the Debtors or their respective property; (d) asserting a setoff, right of subrogation or recoupment of any kind against any debt, liability or obligation due to the Debtors or their respective property; and (e) commencing or continuing any action, in any manner, in any place that does not comply with or is inconsistent with the provisions of this Agreement and the Restructuring Plans.

7. Release by Claimant. Other than with respect to its rights under this Agreement and the Allowed ACI SERP Claim and the Risk-Adjusted Allowed ACI SERP Claim Amounts, the Claimant and each of its successors, assigns, spouses and dependents (collectively, the "Claimant Releasors") hereby release and forever discharge the Debtors (including Bowater Canada Finance Corporation), Avidity Partners, LLC, in its capacity as the Post-Effective Date Claims Agent, and Ernst & Young Inc., in its capacity as the court-appointed Monitor in respect of the Matter of the Plan of Compromise or Arrangement of AbitibiBowater Inc. and its subsidiaries and affiliates, in each case along with each of their past, present, and future direct and indirect parents, subsidiaries, affiliates, related entities, directors, officers, employees, attorneys, representatives, agents, receivers, insurers, and each of their predecessors, successors, heirs and assigns (collectively, the "Debtor Releasees") from any and all causes of action, demands, damages, costs, debts, liabilities, losses or claims of any kind, whether known or unknown, that the Claimant Releasors may now have or ever have had, or hereafter shall or may have, against the Debtor Releasees arising from, in connection with, or related to the ACI SERP.

8. Complete and Final Agreement. This Agreement sets forth the entire agreement between the Parties pertaining to the subject matter hereof. This

Agreement supersedes and replaces any and all prior or contemporaneous verbal or written agreements between the Parties concerning the subject matter hereof. No modification of, or amendment to, this Agreement shall be valid unless it is in writing and signed by the Parties hereto.

9. No Reliance. No Party has relied on or been induced to execute this Agreement by any statements, representations, agreements or promises, oral or written, made by any other Party, their agents, employees, servants or attorneys, or anyone else, other than the statements expressly written in this Settlement Agreement and Release.

10. Interpretation of Agreement. As used in this Agreement, the singular or plural number shall be deemed to include the other whenever the context so indicates or requires. The language of all parts of this Agreement shall in all cases be construed as a whole, according to its fair meaning, not strictly for or against any of the Parties.

11. Counterparts. This Agreement may be executed simultaneously or in any number of original or faxed counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same agreement.

12. Authorization. Each of the undersigned represents and warrants that he or she is competent and authorized to execute this Agreement, and further represents and warrants that he or she has read and understands the terms of this Agreement.

13. Binding Effect. This Agreement shall be binding on and shall inure to the benefit of the Parties and their respective successors, heirs, and assigns.

14. No Admission of Liability. The Parties each agree that entry into this Agreement does not constitute a determination or admission of liability under the ACI SERP by the ACI SERP Settlement Plan Sponsors, and that the allocation and allowance of the ACI SERP Claim constitutes a settlement of the ACI SERP Claim to avoid the expense and time of further litigation.

15. Governing Law. This Agreement shall be governed by and construed under the laws of either the State of Delaware or the Province of Quebec, as may be applicable, without regard to the conflict of laws provisions thereof.

16. Jurisdiction. In connection with any action, suit, or proceeding arising from, in connection with, or relating to this Agreement, the Parties each agree to submit to the exclusive jurisdiction and venue of the United States Bankruptcy Court for the District of Delaware or the CCAA Court, as may be applicable, and any appellate courts with jurisdiction over the U.S. Court and the CCAA Court.

17. Effectiveness; Termination. The Parties acknowledge that the Debtors intend to seek approval of this Agreement by the U.S. Court and the CCAA Court and that this Agreement shall only become effective upon entry of an order approving the Agreement by each of the U.S. Court and the CCAA Court (the "Effective Date").

DATE HEURE RECEPTION
10 novembre 2011 10:43:02 HNE

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IN WITNESS WHEREOF, the Parties, by their duly authorized representatives, have
executed this Agreement this 31 day of October, 2011.

CLAIMANT:

[Redacted signature block]

THE DEBTORS:

AbitibiBowater Inc.

By:

Name: Jacques P. Vachon

Title: Senior Vice President and Chief Legal Officer

APPROVED BY:

Ernst & Young Inc., in its capacity as the court-appointed Monitor in respect of the
Matter of the Plan of Compromise or Arrangement of AbitibiBowater Inc. and its
subsidiaries and affiliates, and not in its personal or corporate capacity.

By:

Name: Martin Daigneault

Title: Senior Vice-President

Avidity Partners, LLC
as Post-Effective Date Claims Agent,
by its counsel Paul Hastings LP

By:

Name: Robert E. Winter

Title: Counsel

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (the "Agreement") is entered into by and between AbitibiBowater Inc. and its affiliates in the above captioned cases (collectively, together with the affiliates who applied for protection from their creditors under Canada's *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (as amended, the "CCAA") and as reorganized, the "Debtors") and [REDACTED] ("Claimant"). The Debtors and Claimant are each referred to individually herein as a "Party" and collectively, as the "Parties."

WHEREAS, the Debtors filed creditor protection proceedings in the United States and Canada (the "Restructuring Cases") on April 16, 2009 and April 17, 2009, respectively (the "Petition Date"). In November 2010, the U.S. bankruptcy court (the "U.S. Court") and the Quebec Superior Court (the "CCAA Court") entered orders confirming and sanctioning the Debtors' chapter 11 and CCAA restructuring plans (the confirmed chapter 11 plan, the "Chapter 11 Plan" and accompanying disclosure statement, the "Disclosure Statement", and together with the sanctioned CCAA plan (the "CCAA Plan" and the accompanying information circular, the "Information Circular") the "Restructuring Plans"). The Restructuring Plans went effective on December 9, 2010.

WHEREAS, as of the Petition Date, the Debtors suspended all payments on account of pre-filing supplemental executive retirement plans (collectively, the "Old

Drive Company Limited, Bowater Treated Wood Inc., Canexel Hardboard Inc., 9068-9050 Québec Inc., Alliance Forest Products Inc. (2001), Bowater Belledune Sawmill Inc., Bowater Maritimes Inc., Bowater Mitis Inc., Bowater Guérette Inc., and Bowater Couturier Inc.

SERPs”), including the Canadian Supplemental Executive Retirement Plan (SERP) for Executive Employees of Abitibi-Consolidated Inc. (the “ACI SERP”). The Restructuring Plans terminated all such plans. See CCAA Plan Supplement 6.9(1); Amended CCAA Plan Supplement 6.9(2); Chapter 11 Plan § 6.9; Supplement 7B (as amended). In accordance with the Restructuring Plans, however, the Debtors established new non-qualified and non-registered plans (the “New SERPs”) pursuant to which (a) all employees and beneficiaries in active status as of the Effective Date were eligible to receive benefits under the New SERPs substantially similar to those under the Old SERPs; and (b) all retirees, beneficiaries and deferred vested participants (collectively, “Retirees”), as of the Effective Date, were eligible to receive benefits under the New SERPs substantially similar to those under the Old SERPs, provided however, that the benefits to a participant under the New SERP(s) will be 10% to 35% lower, depending on the applicable Old SERP(s), the benefits under the New Plans will be subject to an annual per-participant cap, and depending on the applicable Old SERP, the benefits being further reduced by any secured pension benefits received or to be received in respect of the Old SERP. The ACI SERP is subject to a 10% reduction in benefits and a CDN\$50,000 per participant annual cap. In addition, some participants under the ACI SERP received secured pension benefits in respect of the ACI SERP and accordingly, were ineligible to participate in the applicable New SERP or were eligible to participate in the applicable New SERP subject to further reduction of their benefits.

WHEREAS, as a condition of participating in the New SERPs, the Restructuring Plans required eligible plan participants to waive and forfeit any and all claims in respect of the Old SERPs. In August 2010, the Debtors mailed election notices

to all SERP claimants (the "SERP Election Notices") offering them a choice between (1) participating in the New SERPs and waiving all their claims against the Debtors arising under the relevant Old SERPs, or (2) retaining their claims against the Debtors arising under the Old SERPs, and receiving distributions on account of such claims (if and when allowed) as part of the Restructuring Cases. Claimant was not eligible to participate in a New SERP or was eligible to participate in a New SERP but elected to retain his claims under the ACI SERP (the "ACI SERP Claims").

WHEREAS, at the time the SERP Election Notices were circulated, AbitibiBowater Inc. and Abitibi-Consolidated Inc. were identified as sponsors of the ACI SERP. Other Debtors may also be potential sponsors of the ACI SERP, and may also be potentially liable for the ACI SERP Claims. The Company, the post-effective date claims agent (the "Claims Agent") appointed under the Chapter 11 Plan, and the monitor appointed in the CCAA proceedings by the CCAA Court (the "Monitor"), have analyzed the likelihood of other Debtors' liability for the ACI SERP Claims.

WHEREAS, among other things, the Claims Agent, the Monitor, and the Claimant dispute the liability of the various Debtors for the ACI SERP Claims.

WHEREAS, to avoid the expense and inconvenience of further litigation, the Parties have agreed to settle on the allowed amount of Claimant's ACI SERP Claim and allocate such claim against various Debtors based on an agreement regarding each such Debtors' probable estimated liability for the claim as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and releases set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. ACI SERP Claim Allowance. Claimant shall have an allowed general unsecured ACI SERP Claim (the "Allowed ACI SERP Claim") in the amount of **CDN \$54,196.00** which shall be allocated, solely for purposes of this Agreement, against each of the following Debtors: AbitibiBowater Inc., Bowater Incorporated, Donohue Corp., Abitibi Consolidated Sales Corporation, Abitibi-Consolidated Corporation, Bowater Canadian Forest Products Inc., Abitibi-Consolidated Inc., and Abitibi-Consolidated Company of Canada (collectively, the "ACI SERP Settlement Sponsors"). Except for purposes of this Agreement, the Debtors, the Claims Agent and the Monitor do not concede that the ACI SERP Settlement Sponsors have legal liability for the ACI SERP.

2. ACI SERP Claim Allocation: The Allowed ACI SERP Claim will be allocated against the ACI SERP Settlement Sponsors in the following percentages based upon the agreed-upon relative risk of liability of each particular ACI SERP Settlement Sponsor, resulting in the corresponding portion of the Allowed ACI SERP Claim being allowed against the ACI SERP Settlement Sponsor in the indicated amounts (the "Risk-Adjusted Allowed ACI SERP Claim Amount"):

Allowed ACI SERP Claim Amount	ACI SERP Settlement Sponsor	% of Allowed ACI SERP Claim Allocated against ACI SERP Settlement Sponsor	Risk-Adjusted/Allowed ACI SERP Claim Amount	Applicable General Unsecured Claim Class	Estimated % Recovery Rate from Debtor based on Disclosure Statement and Information Circular	Estimated Recovery on Account of Risk-Adjusted Allowed ACI SERP Claim Amount
CDN\$54,196.00	Bowater Canadian Forest Products Inc.	23%	CDN\$12,465.08		36.50%	CDN\$4,549.75
CDN\$54,196.00	Abitibi-Consolidated Inc.	100%	CDN\$54,196.00		3.4%	CDN\$1,842.66
CDN\$54,196.00	Abitibi Consolidated Company of Canada	95%	CDN\$51,486.20		17.10%	CDN\$8,804.14
US\$44,620.45	AbitibiBowater Inc.	100%	US\$44,620.45	Class 6A	0.8%	US\$356.96

US\$44,620.45	Bowater Incorporated	23%	US\$10,262.70	Class 6S	48.4%	US\$4,967.15
US\$44,620.45	Donohue Corp.	20%	US\$8,924.09	Class 6DD	28.4%	US\$2,534.44
US\$44,620.45	Abitibi Consolidated Sales Corp.	20%	US\$8,924.09	Class 6H	23.4%	US\$2,088.24
US\$44,620.45	Abitibi Consolidated Corporation	20%	US\$8,924.09	Class 6F	12.0%	US\$1,070.89
					Total Estimated Recovery (CDN\$)	\$28,578.63
					% Recovery (CDN\$:CDN\$)	52%

* Currency conversions use the Bank of Canada's noon spot rate as of the Petition Date of CDN \$1.00 – US\$0.8290.

3. No Fixed Recoveries on Allowed ACI SERP Claims: The

Allowed ACI SERP Claim and Risk-Adjusted Allowed ACI SERP Claim Amounts constitute Claimant's sole Allowed claims arising under, in connection with, or relating to the ACI SERP, and all other claims (if any), including any such claims against any other Debtor or Debtor's affiliate (including for the avoidance of doubt, Bowater Canada Finance Corporation), are deemed withdrawn and expunged. Notwithstanding anything to the contrary contained in this Agreement, this Agreement does not fix recoveries or guarantee an aggregate 52% recovery on the Allowed ACI SERP Claim or a recovery against each ACI SERP Settlement Sponsor at the estimated recovery rate set forth in the applicable Disclosure Statement or Information Circular. Actual recoveries on account of such claims depend on the other claims that are ultimately allowed or disallowed against each ACI SERP Settlement Sponsor and the ultimate trading value of the New ABH Common Stock (as defined in the Chapter 11 Plan). The estimated recoveries set forth in paragraph 2 above (a) are based on the assumptions and estimated recovery rates for each ACI SERP Settlement Sponsor contained in the Disclosure Statement and Information Circular, and (b) the implied stock price of US\$25 per share of New ABH Common Stock contained in the Disclosure Statement and Information Circular. After full administration of the Restructuring Cases, actual recoveries on the Allowed ACI SERP

Claims and the Risk-Adjusted Allowed ACI SERP Claim Amounts may be significantly more or less than 52% of the claim amounts.

4. Allowed ACI SERP Claim Distributions. The Debtors will make an initial distribution of New ABH Common Stock on account of the Allowed ACI SERP Claims and the Risk-Adjusted Allowed ACI SERP Claim Amounts on the first interim distribution date after entry of orders by the U.S. Court and Canadian Courts approving this Agreement on which it is reasonably practicable for the Debtors to do so. All distributions on account of the Allowed ACI SERP Claims and Risk-Adjusted Allowed ACI SERP Claim Amounts will be subject to all applicable holdbacks and other restrictions under the Restructuring Plans (if any).

5. Agreement on Allowed Claims and Distributions. Other than the Allowed ACI SERP Claim and the Risk-Adjusted Allowed ACI SERP Claim Amounts, Claimant agrees to withdraw with prejudice all other claims asserted in connection with or arising from the ACI SERP, whether in a proof of claim or otherwise, and upon the Effective Date, all such claims shall be deemed withdrawn with prejudice and expunged, including, for the avoidance of doubt, all claims (if any) asserted against Bowater Canada Finance Corporation.

6. Injunction. Other than with respect to his rights under this Agreement, Claimant is permanently enjoined from, and agrees not to take, any of the following actions on account of his ACI SERP Claim: (a) commencing or continuing in any manner any action or other proceeding against the Debtors or their respective property; (b) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order against the Debtors or their respective property; (c) creating,

perfecting, or enforcing any lien or encumbrance against the Debtors or their respective property; (d) asserting a setoff, right of subrogation or recoupment of any kind against any debt, liability or obligation due to the Debtors or their respective property; and (e) commencing or continuing any action, in any manner, in any place that does not comply with or is inconsistent with the provisions of this Agreement and the Restructuring Plans.

7. Release by Claimant. Other than with respect to its rights under this Agreement and the Allowed ACI SERP Claim and the Risk-Adjusted Allowed ACI SERP Claim Amounts, the Claimant and each of its successors, assigns, spouses and dependents (collectively, the "Claimant Releasors") hereby release and forever discharge the Debtors (including Bowater Canada Finance Corporation), Avidity Partners, LLC, in its capacity as the Post-Effective Date Claims Agent, and Ernst & Young Inc., in its capacity as the court-appointed Monitor in respect of the Matter of the Plan of Compromise or Arrangement of AbitibiBowater Inc. and its subsidiaries and affiliates, in each case along with each of their past, present, and future direct and indirect parents, subsidiaries, affiliates, related entities, directors, officers, employees, attorneys, representatives, agents, receivers, insurers, and each of their predecessors, successors, heirs and assigns (collectively, the "Debtor Releasees") from any and all causes of action, demands, damages, costs, debts, liabilities, losses or claims of any kind, whether known or unknown, that the Claimant Releasors may now have or ever have had, or hereafter shall or may have, against the Debtor Releasees arising from, in connection with, or related to the ACI SERP.

8. Complete and Final Agreement. This Agreement sets forth the entire agreement between the Parties pertaining to the subject matter hereof. This

Agreement supersedes and replaces any and all prior or contemporaneous verbal or written agreements between the Parties concerning the subject matter hereof. No modification of, or amendment to, this Agreement shall be valid unless it is in writing and signed by the Parties hereto.

9. No Reliance. No Party has relied on or been induced to execute this Agreement by any statements, representations, agreements or promises, oral or written, made by any other Party, their agents, employees, servants or attorneys, or anyone else, other than the statements expressly written in this Settlement Agreement and Release.

10. Interpretation of Agreement. As used in this Agreement, the singular or plural number shall be deemed to include the other whenever the context so indicates or requires. The language of all parts of this Agreement shall in all cases be construed as a whole, according to its fair meaning, not strictly for or against any of the Parties.

11. Counterparts. This Agreement may be executed simultaneously or in any number of original or faxed counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same agreement.

12. Authorization. Each of the undersigned represents and warrants that he or she is competent and authorized to execute this Agreement, and further represents and warrants that he or she has read and understands the terms of this Agreement.

13. Binding Effect. This Agreement shall be binding on and shall inure to the benefit of the Parties and their respective successors, heirs, and assigns.

14. No Admission of Liability. The Parties each agree that entry into this Agreement does not constitute a determination or admission of liability under the ACI SERP by the ACI SERP Settlement Plan Sponsors, and that the allocation and allowance of the ACI SERP Claim constitutes a settlement of the ACI SERP Claim to avoid the expense and time of further litigation.

15. Governing Law. This Agreement shall be governed by and construed under the laws of either the State of Delaware or the Province of Quebec, as may be applicable, without regard to the conflict of laws provisions thereof.

16. Jurisdiction. In connection with any action, suit, or proceeding arising from, in connection with, or relating to this Agreement, the Parties each agree to submit to the exclusive jurisdiction and venue of the United States Bankruptcy Court for the District of Delaware or the CCAA Court, as may be applicable, and any appellate courts with jurisdiction over the U.S. Court and the CCAA Court.

17. Effectiveness; Termination. The Parties acknowledge that the Debtors intend to seek approval of this Agreement by the U.S. Court and the CCAA Court and that this Agreement shall only become effective upon entry of an order approving the Agreement by each of the U.S. Court and the CCAA Court (the “Effective Date”).

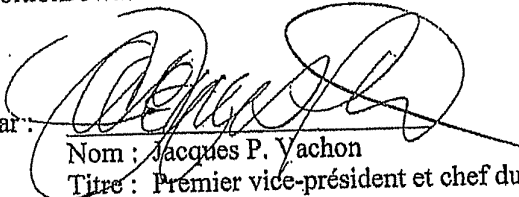
EN FOI DE QUOI, les parties, par l'intermédiaire de leurs représentants dûment autorisés,
ont signé la présente convention le __ octobre 2011.

RÉCLAMANT :

[REDACTED]

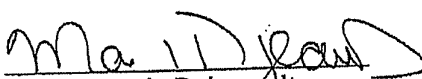
DÉBITEURS :

AbitibiBowater Inc.

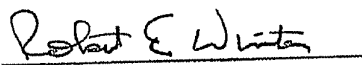
Par : 
Nom : Jacques P. Yachon
Titre : Premier vice-président et chef du contentieux

APPROUVÉ PAR :

Ernst & Young Inc., en sa qualité de contrôleur nommé par le tribunal à l'égard de
l'affaire du plan de transaction ou d'arrangement d'AbitibiBowater Inc. et de ses filiales et
membres du même groupe, et non à titre personnel ou en qualité de société.

Par : 
Nom : Martin Daigneault
Titre : Premier vice-président

Avidity Partners, LLC
à titre d'agent des réclamations après la date de prise d'effet,
par l'intermédiaire de son conseiller juridique Paul Hastings LP

Par : 
Name: Robert E. Winter
Title: Counsel

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (the "Agreement") is entered into by and between AbitibiBowater Inc. and its affiliates in the above captioned cases (collectively, together with the affiliates who applied for protection from their creditors under Canada's *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (as amended, the "CCAA") and as reorganized, the "Debtors") and [REDACTED] (the "Claimant"). The Debtors and Claimant are each referred to individually herein as a "Party" and collectively, as the "Parties."

WHEREAS, the Debtors filed creditor protection proceedings in the United States and Canada (the "Restructuring Cases") on April 16, 2009 and April 17, 2009, respectively (the "Petition Date"). In November 2010, the U.S. bankruptcy court (the "U.S. Court") and the Quebec Superior Court (the "CCAA Court") entered orders confirming and sanctioning the Debtors' chapter 11 and CCAA restructuring plans (the confirmed chapter 11 plan, the "Chapter 11 Plan" and accompanying disclosure statement, the "Disclosure Statement", and together with the sanctioned CCAA plan (the "CCAA Plan" and the accompanying information circular, the "Information Circular") the "Restructuring Plans"). The Restructuring Plans went effective on December 9, 2010.

WHEREAS, as of the Petition Date, the Debtors suspended all payments on account of pre-filing supplemental executive retirement plans (collectively, the "Old

Drive Company Limited, Bowater Treated Wood Inc., Canoxel Hardboard Inc., 9068-9050 Québec Inc., Alliance Forest Products Inc. (2001), Bowater Belledune Sawmill Inc., Bowater Maritimes Inc., Bowater Mitis Inc., Bowater Guérette Inc., and Bowater Couturier Inc.

SERPs”), including the Canadian Supplemental Executive Retirement Plan (SERP) for Executive Employees of Abitibi-Consolidated Inc. (the “ACI SERP”). The Restructuring Plans terminated all such plans. See CCAA Plan Supplement 6.9(1); Amended CCAA Plan Supplement 6.9(2); Chapter 11 Plan § 6.9; Supplement 7B (as amended). In accordance with the Restructuring Plans, however, the Debtors established new non-qualified and non-registered plans (the “New SERPs”) pursuant to which (a) all employees and beneficiaries in active status as of the Effective Date were eligible to receive benefits under the New SERPs substantially similar to those under the Old SERPs; and (b) all retirees, beneficiaries and deferred vested participants (collectively, “Retirees”), as of the Effective Date, were eligible to receive benefits under the New SERPs substantially similar to those under the Old SERPs, provided however, that the benefits to a participant under the New SERP(s) will be 10% to 35% lower, depending on the applicable Old SERP(s), the benefits under the New Plans will be subject to an annual per-participant cap, and depending on the applicable Old SERP, the benefits being further reduced by any secured pension benefits received or to be received in respect of the Old SERP. The ACI SERP is subject to a 10% reduction in benefits and a CDN\$50,000 per participant annual cap. In addition, some participants under the ACI SERP received secured pension benefits in respect of the ACI SERP and accordingly, were ineligible to participate in the applicable New SERP or were eligible to participate in the applicable New SERP subject to further reduction of their benefits.

WHEREAS, as a condition of participating in the New SERPs, the Restructuring Plans required eligible plan participants to waive and forfeit any and all claims in respect of the Old SERPs. In August 2010, the Debtors mailed election notices

to all SERP claimants (the "SERP Election Notices") offering them a choice between (1) participating in the New SERPs and waiving all their claims against the Debtors arising under the relevant Old SERPs, or (2) retaining their claims against the Debtors arising under the Old SERPs, and receiving distributions on account of such claims (if and when allowed) as part of the Restructuring Cases. Claimant was not eligible to participate in a New SERP or was eligible to participate in a New SERP but elected to retain his claims under the ACI SERP (the "ACI SERP Claims").

WHEREAS, at the time the SERP Election Notices were circulated, AbitibiBowater Inc. and Abitibi-Consolidated Inc. were identified as sponsors of the ACI SERP. Other Debtors may also be potential sponsors of the ACI SERP, and may also be potentially liable for the ACI SERP Claims. The Company, the post-effective date claims agent (the "Claims Agent") appointed under the Chapter 11 Plan, and the monitor appointed in the CCAA proceedings by the CCAA Court (the "Monitor"), have analyzed the likelihood of other Debtors' liability for the ACI SERP Claims.

WHEREAS, among other things, the Claims Agent, the Monitor, and the Claimant dispute the liability of the various Debtors for the ACI SERP Claims.

WHEREAS, to avoid the expense and inconvenience of further litigation, the Parties have agreed to settle on the allowed amount of Claimant's ACI SERP Claim and allocate such claim against various Debtors based on an agreement regarding each such Debtors' probable estimated liability for the claim as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and releases set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. ACI SERP Claim Allowance. Claimant shall have an allowed general unsecured ACI SERP Claim (the “Allowed ACI SERP Claim”) in the amount of **CDN \$80,781.00** which shall be allocated, solely for purposes of this Agreement, against each of the following Debtors: AbitibiBowater Inc., Bowater Incorporated, Donohue Corp., Abitibi Consolidated Sales Corporation, Abitibi-Consolidated Corporation, Bowater Canadian Forest Products Inc., Abitibi-Consolidated Inc., and Abitibi-Consolidated Company of Canada (collectively, the “ACI SERP Settlement Sponsors”). Except for purposes of this Agreement, the Debtors, the Claims Agent and the Monitor do not concede that the ACI SERP Settlement Sponsors have legal liability for the ACI SERP.

2. ACI SERP Claim Allocation: The Allowed ACI SERP Claim will be allocated against the ACI SERP Settlement Sponsors in the following percentages based upon the agreed-upon relative risk of liability of each particular ACI SERP Settlement Sponsor, resulting in the corresponding portion of the Allowed ACI SERP Claim being allowed against the ACI SERP Settlement Sponsor in the indicated amounts (the “Risk-Adjusted Allowed ACI SERP Claim Amount”):

Allowed ACI SERP Claim Amount	ACI SERP Settlement Sponsor	% of Allowed ACI SERP Claim Allocated against ACI SERP Settlement Sponsor	Risk-Adjusted Allowed ACI SERP Claim Amount	Applicable General Unsecured Claim Class	Estimated % Recovery Rate from Debtor based on Disclosure Statement and Information Circular	Estimated Recovery on Account of Risk-Adjusted Allowed ACI SERP Claim Amount
CDN\$80,781.00	Bowater Canadian Forest Products Inc.	23%	CDN\$18,579.63		36.50%	CDN\$6,781.56
CDN\$80,781.00	Abitibi-Consolidated Inc.	100%	CDN\$80,781.00		3.4%	CDN\$2,746.55
CDN\$80,781.00	Abitibi Consolidated Company of Canada	95%	CDN\$76,741.95		17.10%	CDN\$13,122.87
US\$66,508.32	AbitibiBowater Inc.	100%	US\$66,508.32	Class 6A	0.8%	US\$532.07

US\$66,508.32	Bowater Incorporated	23%	US\$15,296.91	Class 6S	48.4%	US\$7,403.71
US\$66,508.32	Donohue Corp.	20%	US\$13,301.66	Class 6DD	28.4%	US\$3,777.67
US\$66,508.32	Abitibi Consolidated Sales Corp.	20%	US\$13,301.66	Class 6H	23.4%	US\$3,112.59
US\$66,508.32	Abitibi Consolidated Corporation	20%	US\$13,301.66	Class 6F	12.0%	US\$1,596.20
					Total Estimated Recovery (CDN\$)	\$42,597.44
					% Recovery (CDN\$:CDN\$)	52%

* Currency conversions use the Bank of Canada's noon spot rate as of the Petition Date of CDN \$1.00 = US\$0.8290.

3. No Fixed Recoveries on Allowed ACI SERP Claims: The Allowed ACI SERP Claim and Risk-Adjusted Allowed ACI SERP Claim Amounts constitute Claimant's sole Allowed claims arising under, in connection with, or relating to the ACI SERP, and all other claims (if any), including any such claims against any other Debtor or Debtor's affiliate (including for the avoidance of doubt, Bowater Canada Finance Corporation), are deemed withdrawn and expunged. Notwithstanding anything to the contrary contained in this Agreement, this Agreement does not fix recoveries or guarantee an aggregate 52% recovery on the Allowed ACI SERP Claim or a recovery against each ACI SERP Settlement Sponsor at the estimated recovery rate set forth in the applicable Disclosure Statement or Information Circular. Actual recoveries on account of such claims depend on the other claims that are ultimately allowed or disallowed against each ACI SERP Settlement Sponsor and the ultimate trading value of the New ABH Common Stock (as defined in the Chapter 11 Plan). The estimated recoveries set forth in paragraph 2 above (a) are based on the assumptions and estimated recovery rates for each ACI SERP Settlement Sponsor contained in the Disclosure Statement and Information Circular, and (b) the implied stock price of US\$25 per share of New ABH Common Stock contained in the Disclosure Statement and Information Circular. After full administration of the Restructuring Cases, actual recoveries on the Allowed ACI SERP

Claims and the Risk-Adjusted Allowed ACI SERP Claim Amounts may be significantly more or less than 52% of the claim amounts.

4. Allowed ACI SERP Claim Distributions. The Debtors will make an initial distribution of New ABH Common Stock on account of the Allowed ACI SERP Claims and the Risk-Adjusted Allowed ACI SERP Claim Amounts on the first interim distribution date after entry of orders by the U.S. Court and Canadian Courts approving this Agreement on which it is reasonably practicable for the Debtors to do so. All distributions on account of the Allowed ACI SERP Claims and Risk-Adjusted Allowed ACI SERP Claim Amounts will be subject to all applicable holdbacks and other restrictions under the Restructuring Plans (if any).

5. Agreement on Allowed Claims and Distributions. Other than the Allowed ACI SERP Claim and the Risk-Adjusted Allowed ACI SERP Claim Amounts, Claimant agrees to withdraw with prejudice all other claims asserted in connection with or arising from the ACI SERP, whether in a proof of claim or otherwise, and upon the Effective Date, all such claims shall be deemed withdrawn with prejudice and expunged, including, for the avoidance of doubt, all claims (if any) asserted against Bowater Canada Finance Corporation.

6. Injunction. Other than with respect to his rights under this Agreement, Claimant is permanently enjoined from, and agrees not to take, any of the following actions on account of his ACI SERP Claim: (a) commencing or continuing in any manner any action or other proceeding against the Debtors or their respective property; (b) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order against the Debtors or their respective property; (c) creating,

perfecting, or enforcing any lien or encumbrance against the Debtors or their respective property; (d) asserting a setoff, right of subrogation or recoupment of any kind against any debt, liability or obligation due to the Debtors or their respective property; and (e) commencing or continuing any action, in any manner, in any place that does not comply with or is inconsistent with the provisions of this Agreement and the Restructuring Plans.

7. Release by Claimant. Other than with respect to its rights under this Agreement and the Allowed ACI SERP Claim and the Risk-Adjusted Allowed ACI SERP Claim Amounts, the Claimant and each of its successors, assigns, spouses and dependents (collectively, the "Claimant Releasors") hereby release and forever discharge the Debtors (including Bowater Canada Finance Corporation), Avidity Partners, LLC, in its capacity as the Post-Effective Date Claims Agent, and Ernst & Young Inc., in its capacity as the court-appointed Monitor in respect of the Matter of the Plan of Compromise or Arrangement of AbitibiBowater Inc. and its subsidiaries and affiliates, in each case along with each of their past, present, and future direct and indirect parents, subsidiaries, affiliates, related entities, directors, officers, employees, attorneys, representatives, agents, receivers, insurers, and each of their predecessors, successors, heirs and assigns (collectively, the "Debtor Releasees") from any and all causes of action, demands, damages, costs, debts, liabilities, losses or claims of any kind, whether known or unknown, that the Claimant Releasors may now have or ever have had, or hereafter shall or may have, against the Debtor Releasees arising from, in connection with, or related to the ACI SERP.

8. Complete and Final Agreement. This Agreement sets forth the entire agreement between the Parties pertaining to the subject matter hereof. This

Agreement supersedes and replaces any and all prior or contemporaneous verbal or written agreements between the Parties concerning the subject matter hereof. No modification of, or amendment to, this Agreement shall be valid unless it is in writing and signed by the Parties hereto.

9. No Reliance. No Party has relied on or been induced to execute this Agreement by any statements, representations, agreements or promises, oral or written, made by any other Party, their agents, employees, servants or attorneys, or anyone else, other than the statements expressly written in this Settlement Agreement and Release.

10. Interpretation of Agreement. As used in this Agreement, the singular or plural number shall be deemed to include the other whenever the context so indicates or requires. The language of all parts of this Agreement shall in all cases be construed as a whole, according to its fair meaning, not strictly for or against any of the Parties.

11. Counterparts. This Agreement may be executed simultaneously or in any number of original or faxed counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same agreement.

12. Authorization. Each of the undersigned represents and warrants that he or she is competent and authorized to execute this Agreement, and further represents and warrants that he or she has read and understands the terms of this Agreement.

13. Binding Effect. This Agreement shall be binding on and shall inure to the benefit of the Parties and their respective successors, heirs, and assigns.

14. No Admission of Liability. The Parties each agree that entry into this Agreement does not constitute a determination or admission of liability under the ACI SERP by the ACI SERP Settlement Plan Sponsors, and that the allocation and allowance of the ACI SERP Claim constitutes a settlement of the ACI SERP Claim to avoid the expense and time of further litigation.

15. Governing Law. This Agreement shall be governed by and construed under the laws of either the State of Delaware or the Province of Quebec, as may be applicable, without regard to the conflict of laws provisions thereof.

16. Jurisdiction. In connection with any action, suit, or proceeding arising from, in connection with, or relating to this Agreement, the Parties each agree to submit to the exclusive jurisdiction and venue of the United States Bankruptcy Court for the District of Delaware or the CCAA Court, as may be applicable, and any appellate courts with jurisdiction over the U.S. Court and the CCAA Court.

17. Effectiveness; Termination. The Parties acknowledge that the Debtors intend to seek approval of this Agreement by the U.S. Court and the CCAA Court and that this Agreement shall only become effective upon entry of an order approving the Agreement by each of the U.S. Court and the CCAA Court (the "Effective Date").

RÉCLAMANT :

San Mateo Redoubt

AbitibiBowater Inc.

APPROUVÉ PAR :

Par : Martin Daigneault
Nom : Martin Daigneault
Titre : Premier vice-président

Par: Robert E. Winter
Name: Robert E. Winter
Title: Counsel

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (the "Agreement") is entered into by and between AbitibiBowater Inc. and its affiliates in the above captioned cases (collectively, together with the affiliates who applied for protection from their creditors under Canada's *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (as amended, the "CCAA") and as reorganized, the "Debtors") and [REDACTED] Sheffield ("Claimant"). The Debtors and Claimant are each referred to individually herein as a "Party" and collectively, as the "Parties."

WHEREAS, the Debtors filed creditor protection proceedings in the United States and Canada (the "Restructuring Cases") on April 16, 2009 and April 17, 2009, respectively (the "Petition Date"). In November 2010, the U.S. bankruptcy court (the "U.S. Court") and the Quebec Superior Court (the "CCAA Court") entered orders confirming and sanctioning the Debtors' chapter 11 and CCAA restructuring plans (the confirmed chapter 11 plan, the "Chapter 11 Plan" and accompanying disclosure statement, the "Disclosure Statement", and together with the sanctioned CCAA plan (the "CCAA Plan" and the accompanying information circular, the "Information Circular") the "Restructuring Plans"). The Restructuring Plans went effective on December 9, 2010.

WHEREAS, as of the Petition Date, the Debtors suspended all payments on account of pre-filing supplemental executive retirement plans (collectively, the "Old

Drive Company Limited, Bowater Treated Wood Inc., Canexel Hardboard Inc., 9068-9050 Québec Inc., Alliance Forest Products Inc. (2001), Bowater Belledune Sawmill Inc., Bowater Maritimes Inc., Bowater Mitis Inc., Bowater Guérette Inc., and Bowater Couturier Inc.

SERPs”), including the Canadian Supplemental Executive Retirement Plan (SERP) for Executive Employees of Abitibi-Consolidated Inc. (the “ACI SERP”). The Restructuring Plans terminated all such plans. See CCAA Plan Supplement 6.9(1); Amended CCAA Plan Supplement 6.9(2); Chapter 11 Plan § 6.9; Supplement 7B (as amended). In accordance with the Restructuring Plans, however, the Debtors established new non-qualified and non-registered plans (the “New SERPs”) pursuant to which (a) all employees and beneficiaries in active status as of the Effective Date were eligible to receive benefits under the New SERPs substantially similar to those under the Old SERPs; and (b) all retirees, beneficiaries and deferred vested participants (collectively, “Retirees”), as of the Effective Date, were eligible to receive benefits under the New SERPs substantially similar to those under the Old SERPs, provided however, that the benefits to a participant under the New SERP(s) will be 10% to 35% lower, depending on the applicable Old SERP(s); the benefits under the New Plans will be subject to an annual per-participant cap, and depending on the applicable Old SERP, the benefits being further reduced by any secured pension benefits received or to be received in respect of the Old SERP. The ACI SERP is subject to a 10% reduction in benefits and a CDN\$50,000 per participant annual cap. In addition, some participants under the ACI SERP received secured pension benefits in respect of the ACI SERP and accordingly, were ineligible to participate in the applicable New SERP or were eligible to participate in the applicable New SERP subject to further reduction of their benefits.

WHEREAS, as a condition of participating in the New SERPs, the Restructuring Plans required eligible plan participants to waive and forfeit any and all claims in respect of the Old SERPs. In August 2010, the Debtors mailed election notices

to all SERP claimants (the "SERP Election Notices") offering them a choice between (1) participating in the New SERPs and waiving all their claims against the Debtors arising under the relevant Old SERPs, or (2) retaining their claims against the Debtors arising under the Old SERPs, and receiving distributions on account of such claims (if and when allowed) as part of the Restructuring Cases. Claimant was not eligible to participate in a New SERP or was eligible to participate in a New SERP but elected to retain his claims under the ACI SERP (the "ACI SERP Claims").

WHEREAS, at the time the SERP Election Notices were circulated, AbitibiBowater Inc. and Abitibi-Consolidated Inc. were identified as sponsors of the ACI SERP. Other Debtors may also be potential sponsors of the ACI SERP, and may also be potentially liable for the ACI SERP Claims. The Company, the post-effective date claims agent (the "Claims Agent") appointed under the Chapter 11 Plan, and the monitor appointed in the CCAA proceedings by the CCAA Court (the "Monitor"), have analyzed the likelihood of other Debtors' liability for the ACI SERP Claims.

WHEREAS, among other things, the Claims Agent, the Monitor, and the Claimant dispute the liability of the various Debtors for the ACI SERP Claims.

WHEREAS, to avoid the expense and inconvenience of further litigation, the Parties have agreed to settle on the allowed amount of Claimant's ACI SERP Claim and allocate such claim against various Debtors based on an agreement regarding each such Debtors' probable estimated liability for the claim as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and releases set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. ACI SERP Claim Allowance. Claimant shall have an allowed general unsecured ACI SERP Claim (the "Allowed ACI SERP Claim") in the amount of **CDN \$276,347.00** which shall be allocated, solely for purposes of this Agreement, against each of the following Debtors: AbitibiBowater Inc., Bowater Incorporated, Donohue Corp.; Abitibi Consolidated Sales Corporation, Abitibi-Consolidated Corporation, Bowater Canadian Forest Products Inc., Abitibi-Consolidated Inc., and Abitibi-Consolidated Company of Canada (collectively, the "ACI SERP Settlement Sponsors"). Except for purposes of this Agreement, the Debtors, the Claims Agent and the Monitor do not concede that the ACI SERP Settlement Sponsors have legal liability for the ACI SERP.

2. ACI SERP Claim Allocation: The Allowed ACI SERP Claim will be allocated against the ACI SERP Settlement Sponsors in the following percentages based upon the agreed-upon relative risk of liability of each particular ACI SERP Settlement Sponsor, resulting in the corresponding portion of the Allowed ACI SERP Claim being allowed against the ACI SERP Settlement Sponsor in the indicated amounts (the "Risk-Adjusted Allowed ACI SERP Claim Amount"):

Allowed ACI SERP Claim Amount	ACI SERP Settlement Sponsor	% of Allowed ACI SERP Claim Allocated against ACI SERP Settlement Sponsor	Risk-Adjusted Allowed ACI SERP Claim Amount	Applicable General Unsecured Claim Class	Estimated % Recovery Rate from Debtor based on Disclosure Statement and Information Circular	Estimated Recovery on Account of Risk-Adjusted Allowed ACI SERP Claim Amount
CDN\$276,347.00	Bowater Canadian Forest Products Inc.	23%	CDN\$63,559.81		36.50%	CDN\$23,199.33
CDN\$276,347.00	Abitibi-Consolidated Inc.	100%	CDN\$276,347.00		3.4%	CDN\$9,395.80
CDN\$276,347.00	Abitibi Consolidated Company of Canada	95%	CDN\$262,529.65		17.10%	CDN\$44,892.57
US\$227,520.99	AbitibiBowater Inc.	100%	US\$227,520.99	Class 6A	0.8%	US\$1,820.17

US\$227,520.99	Bowater Incorporated	23%	US\$52,329.83	Class 6S	48.4%	US\$25,327.64
US\$227,520.99	Donohue Corp.	20%	US\$45,504.20	Class 6DD	28.4%	US\$12,923.19
US\$227,520.99	Abitibi Consolidated Sales Corp.	20%	US\$45,504.20	Class 6H	23.4%	US\$10,647.98
US\$227,520.99	Abitibi Consolidated Corporation	20%	US\$45,504.20	Class 6F	12.0%	US\$5,460.50
			Total Estimated Recovery (CDNS)			\$145,723.30
			% Recovery (CDNS:CDNS)		52%	

* Currency conversions use the Bank of Canada's noon spot rate as of the Petition Date of CDN \$1.00 – US\$0.8290.

3. No Fixed Recoveries on Allowed ACI SERP Claims: The

Allowed ACI SERP Claim and Risk-Adjusted Allowed ACI SERP Claim Amounts constitute Claimant's sole Allowed claims arising under, in connection with, or relating to the ACI SERP, and all other claims (if any), including any such claims against any other Debtor or Debtor's affiliate (including for the avoidance of doubt, Bowater Canada Finance Corporation), are deemed withdrawn and expunged. Notwithstanding anything to the contrary contained in this Agreement, this Agreement does not fix recoveries or guarantee an aggregate 52% recovery on the Allowed ACI SERP Claim or a recovery against each ACI SERP Settlement Sponsor at the estimated recovery rate set forth in the applicable Disclosure Statement or Information Circular. Actual recoveries on account of such claims depend on the other claims that are ultimately allowed or disallowed against each ACI SERP Settlement Sponsor and the ultimate trading value of the New ABH Common Stock (as defined in the Chapter 11 Plan). The estimated recoveries set forth in paragraph 2 above (a) are based on the assumptions and estimated recovery rates for each ACI SERP Settlement Sponsor contained in the Disclosure Statement and Information Circular, and (b) the implied stock price of US\$25 per share of New ABH Common Stock contained in the Disclosure Statement and Information Circular. After full administration of the Restructuring Cases, actual recoveries on the Allowed ACI SERP

Claims and the Risk-Adjusted Allowed ACI SERP Claim Amounts may be significantly more or less than 52% of the claim amounts.

4. Allowed ACI SERP Claim Distributions. The Debtors will make an initial distribution of New ABH Common Stock on account of the Allowed ACI SERP Claims and the Risk-Adjusted Allowed ACI SERP Claim Amounts on the first interim distribution date after entry of orders by the U.S. Court and Canadian Courts approving this Agreement on which it is reasonably practicable for the Debtors to do so. All distributions on account of the Allowed ACI SERP Claims and Risk-Adjusted Allowed ACI SERP Claim Amounts will be subject to all applicable holdbacks and other restrictions under the Restructuring Plans (if any).

5. Agreement on Allowed Claims and Distributions. Other than the Allowed ACI SERP Claim and the Risk-Adjusted Allowed ACI SERP Claim Amounts, Claimant agrees to withdraw with prejudice all other claims asserted in connection with or arising from the ACI SERP, whether in a proof of claim or otherwise, and upon the Effective Date, all such claims shall be deemed withdrawn with prejudice and expunged, including, for the avoidance of doubt, all claims (if any) asserted against Bowater Canada Finance Corporation.

6. Injunction. Other than with respect to his rights under this Agreement, Claimant is permanently enjoined from, and agrees not to take, any of the following actions on account of his ACI SERP Claim: (a) commencing or continuing in any manner any action or other proceeding against the Debtors or their respective property; (b) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order against the Debtors or their respective property; (c) creating,

perfecting, or enforcing any lien or encumbrance against the Debtors or their respective property; (d) asserting a setoff, right of subrogation or recoupment of any kind against any debt, liability or obligation due to the Debtors or their respective property; and (e) commencing or continuing any action, in any manner, in any place that does not comply with or is inconsistent with the provisions of this Agreement and the Restructuring Plans.

7. Release by Claimant. Other than with respect to its rights under this Agreement and the Allowed ACI SERP Claim and the Risk-Adjusted Allowed ACI SERP Claim Amounts, the Claimant and each of its successors, assigns, spouses and dependents (collectively, the "Claimant Releasors") hereby release and forever discharge the Debtors (including Bowater Canada Finance Corporation), Avidity Partners, LLC, in its capacity as the Post-Effective Date Claims Agent, and Ernst & Young Inc., in its capacity as the court-appointed Monitor in respect of the Matter of the Plan of Compromise or Arrangement of AbitibiBowater Inc. and its subsidiaries and affiliates, in each case along with each of their past, present, and future direct and indirect parents, subsidiaries, affiliates, related entities, directors, officers, employees, attorneys, representatives, agents, receivers, insurers, and each of their predecessors, successors, heirs and assigns (collectively, the "Debtor Releasees") from any and all causes of action, demands, damages, costs, debts, liabilities, losses or claims of any kind, whether known or unknown, that the Claimant Releasors may now have or ever have had, or hereafter shall or may have, against the Debtor Releasees arising from, in connection with, or related to the ACI SERP.

8. Complete and Final Agreement. This Agreement sets forth the entire agreement between the Parties pertaining to the subject matter hereof. This

Agreement supersedes and replaces any and all prior or contemporaneous verbal or written agreements between the Parties concerning the subject matter hereof. No modification of, or amendment to, this Agreement shall be valid unless it is in writing and signed by the Parties hereto.

9. No Reliance. No Party has relied on or been induced to execute this Agreement by any statements, representations, agreements or promises, oral or written, made by any other Party, their agents, employees, servants or attorneys, or anyone else, other than the statements expressly written in this Settlement Agreement and Release.

10. Interpretation of Agreement. As used in this Agreement, the singular or plural number shall be deemed to include the other whenever the context so indicates or requires. The language of all parts of this Agreement shall in all cases be construed as a whole, according to its fair meaning, not strictly for or against any of the Parties.

11. Counterparts. This Agreement may be executed simultaneously or in any number of original or faxed counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same agreement.

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15. Governing Law. This Agreement shall be governed by and construed under the laws of either the State of Delaware or the Province of Quebec, as may be applicable, without regard to the conflict of laws provisions thereof.

16. Jurisdiction. In connection with any action, suit, or proceeding arising from, in connection with, or relating to this Agreement, the Parties each agree to submit to the exclusive jurisdiction and venue of the United States Bankruptcy Court for the District of Delaware or the CCAA Court, as may be applicable, and any appellate courts with jurisdiction over the U.S. Court and the CCAA Court.

17. Effectiveness; Termination. The Parties acknowledge that the Debtors intend to seek approval of this Agreement by the U.S. Court and the CCAA Court and that this Agreement shall only become effective upon entry of an order approving the Agreement by each of the U.S. Court and the CCAA Court (the "Effective Date").

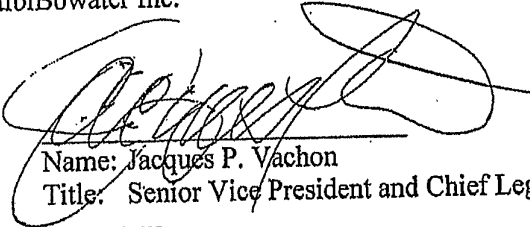
IN WITNESS WHEREOF, the Parties, by their duly authorized representatives, have executed this Agreement this 20th day of October, 2011.

CLAIMANT:

[REDACTED]

THE DEBTORS:

AbitibiBowater Inc.

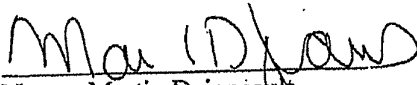
By: 

Name: Jacques P. Vachon

Title: Senior Vice President and Chief Legal Officer

APPROVED BY:

Ernst & Young Inc., in its capacity as the court-appointed Monitor in respect of the Matter of the Plan of Compromise or Arrangement of AbitibiBowater Inc. and its subsidiaries and affiliates, and not in its personal or corporate capacity.

By: 

Name: Martin Daigneault

Title: Senior Vice-President

Avidity Partners, LLC
as Post-Effective Date Claims Agent,
by its counsel Paul Hastings LP

By: 

Name: Robert E. Winter

Title: Counsel

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (the "Agreement") is entered into by and between AbitibiBowater Inc. and its affiliates in the above captioned cases (collectively, together with the affiliates who applied for protection from their creditors under Canada's *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (as amended, the "CCAA") and as reorganized, the "Debtors") and [REDACTED] (the "Claimant"). The Debtors and Claimant are each referred to individually herein as a "Party" and collectively, as the "Parties."

WHEREAS, the Debtors filed creditor protection proceedings in the United States and Canada (the "Restructuring Cases") on April 16, 2009 and April 17, 2009, respectively (the "Petition Date"). In November 2010, the U.S. bankruptcy court (the "U.S. Court") and the Quebec Superior Court (the "CCAA Court") entered orders confirming and sanctioning the Debtors' chapter 11 and CCAA restructuring plans (the confirmed chapter 11 plan, the "Chapter 11 Plan" and accompanying disclosure statement, the "Disclosure Statement", and together with the sanctioned CCAA plan (the "CCAA Plan" and the accompanying information circular, the "Information Circular") the "Restructuring Plans"). The Restructuring Plans went effective on December 9, 2010.

WHEREAS, as of the Petition Date, the Debtors suspended all payments on account of pre-filing supplemental executive retirement plans (collectively, the "Old

Drive Company Limited, Bowater Treated Wood Inc., Canexel Hardboard Inc., 9068-9050 Québec Inc., Alliance Forest Products Inc. (2001), Bowater Belledune Sawmill Inc., Bowater Maritimes Inc., Bowater Mitis Inc., Bowater Guérette Inc., and Bowater Couturier Inc.

SERPs”), including the Canadian Supplemental Executive Retirement Plan (SERP) for Executive Employees of Abitibi-Consolidated Inc. (the “ACI SERP”). The Restructuring Plans terminated all such plans. See CCAA Plan Supplement 6.9(1); Amended CCAA Plan Supplement 6.9(2); Chapter 11 Plan § 6.9; Supplement 7B (as amended). In accordance with the Restructuring Plans, however, the Debtors established new non-qualified and non-registered plans (the “New SERPs”) pursuant to which (a) all employees and beneficiaries in active status as of the Effective Date were eligible to receive benefits under the New SERPs substantially similar to those under the Old SERPs; and (b) all retirees, beneficiaries and deferred vested participants (collectively, “Retirees”), as of the Effective Date, were eligible to receive benefits under the New SERPs substantially similar to those under the Old SERPs, provided however, that the benefits to a participant under the New SERP(s) will be 10% to 35% lower, depending on the applicable Old SERP(s), the benefits under the New Plans will be subject to an annual per-participant cap, and depending on the applicable Old SERP, the benefits being further reduced by any secured pension benefits received or to be received in respect of the Old SERP. The ACI SERP is subject to a 10% reduction in benefits and a CDN\$50,000 per participant annual cap. In addition, some participants under the ACI SERP received secured pension benefits in respect of the ACI SERP and accordingly, were ineligible to participate in the applicable New SERP or were eligible to participate in the applicable New SERP subject to further reduction of their benefits.

WHEREAS, as a condition of participating in the New SERPs, the Restructuring Plans required eligible plan participants to waive and forfeit any and all claims in respect of the Old SERPs. In August 2010, the Debtors mailed election notices

to all SERP claimants (the "SERP Election Notices") offering them a choice between (1) participating in the New SERPs and waiving all their claims against the Debtors arising under the relevant Old SERPs, or (2) retaining their claims against the Debtors arising under the Old SERPs, and receiving distributions on account of such claims (if and when allowed) as part of the Restructuring Cases. Claimant was not eligible to participate in a New SERP or was eligible to participate in a New SERP but elected to retain his claims under the ACI SERP (the "ACI SERP Claims").

WHEREAS, at the time the SERP Election Notices were circulated, AbitibiBowater Inc. and Abitibi-Consolidated Inc. were identified as sponsors of the ACI SERP. Other Debtors may also be potential sponsors of the ACI SERP, and may also be potentially liable for the ACI SERP Claims. The Company, the post-effective date claims agent (the "Claims Agent") appointed under the Chapter 11 Plan, and the monitor appointed in the CCAA proceedings by the CCAA Court (the "Monitor"), have analyzed the likelihood of other Debtors' liability for the ACI SERP Claims.

WHEREAS, among other things, the Claims Agent, the Monitor, and the Claimant dispute the liability of the various Debtors for the ACI SERP Claims.

WHEREAS, to avoid the expense and inconvenience of further litigation, the Parties have agreed to settle on the allowed amount of Claimant's ACI SERP Claim and allocate such claim against various Debtors based on an agreement regarding each such Debtors' probable estimated liability for the claim as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and releases set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. ACI SERP Claim Allowance. Claimant shall have an allowed general unsecured ACI SERP Claim (the “Allowed ACI SERP Claim”) in the amount of **CDN \$88,045.00** which shall be allocated, solely for purposes of this Agreement, against each of the following Debtors: AbitibiBowater Inc., Bowater Incorporated, Donohue Corp., Abitibi Consolidated Sales Corporation, Abitibi-Consolidated Corporation, Bowater Canadian Forest Products Inc., Abitibi-Consolidated Inc., and Abitibi-Consolidated Company of Canada (collectively, the “ACI SERP Settlement Sponsors”). Except for purposes of this Agreement, the Debtors, the Claims Agent and the Monitor do not concede that the ACI SERP Settlement Sponsors have legal liability for the ACI SERP.

2. ACI SERP Claim Allocation: The Allowed ACI SERP Claim will be allocated against the ACI SERP Settlement Sponsors in the following percentages based upon the agreed-upon relative risk of liability of each particular ACI SERP Settlement Sponsor, resulting in the corresponding portion of the Allowed ACI SERP Claim being allowed against the ACI SERP Settlement Sponsor in the indicated amounts (the “Risk-Adjusted Allowed ACI SERP Claim Amount”):

Allowed ACI SERP Claim Amount	ACI SERP Settlement Sponsor	% of Allowed ACI SERP Claim Allocated against ACI SERP Settlement Sponsor	Risk-Adjusted/Allowed ACI SERP Claim Amount	Applicable General Unsecured Claim Class	Estimated % Recovery Rate from Debtor based on Disclosure Statement and Information Circular	Estimated Recovery on Account of Risk-Adjusted Allowed ACI SERP Claim Amount
CDN\$88,045.00	Bowater Canadian Forest Products Inc.	23%	CDN\$20,250.35		36.50%	CDN\$7,391.38
CDN\$88,045.00	Abitibi-Consolidated Inc.	100%	CDN\$88,045.00		3.4%	CDN\$2,993.53
CDN\$88,045.00	Abitibi Consolidated Company of Canada	95%	CDN\$83,642.75		17.10%	CDN\$14,302.91
US\$72,488.89	AbitibiBowater Inc.	100%	US\$72,488.89	Class 6A	0.8%	US\$579.91

US\$72,488.89	Bowater Incorporated	23%	US\$16,672.44	Class 6S	48.4%	US\$8,069.46
US\$72,488.89	Donohue Corp.	20%	US\$14,497.78	Class 6DD	28.4%	US\$4,117.37
US\$72,488.89	Abitibi Consolidated Sales Corp.	20%	US\$14,497.78	Class 6H	23.4%	US\$3,392.48
US\$72,488.89	Abitibi Consolidated Corporation	20%	US\$14,497.78	Class 6F	12.0%	US\$1,739.73
			Total Estimated Recovery (CDN\$)			\$46,427.89
			% Recovery (CDN\$: CDN\$)		52%	

* Currency conversions use the Bank of Canada's noon spot rate as of the Petition Date of CDN \$1.00 – US\$0.8290.

3. No Fixed Recoveries on Allowed ACI SERP Claims: The

Allowed ACI SERP Claim and Risk-Adjusted Allowed ACI SERP Claim Amounts constitute Claimant's sole Allowed claims arising under, in connection with, or relating to the ACI SERP, and all other claims (if any), including any such claims against any other Debtor or Debtor's affiliate (including for the avoidance of doubt, Bowater Canada Finance Corporation), are deemed withdrawn and expunged. Notwithstanding anything to the contrary contained in this Agreement, this Agreement does not fix recoveries or guarantee an aggregate 52% recovery on the Allowed ACI SERP Claim or a recovery against each ACI SERP Settlement Sponsor at the estimated recovery rate set forth in the applicable Disclosure Statement or Information Circular. Actual recoveries on account of such claims depend on the other claims that are ultimately allowed or disallowed against each ACI SERP Settlement Sponsor and the ultimate trading value of the New ABH Common Stock (as defined in the Chapter 11 Plan). The estimated recoveries set forth in paragraph 2 above (a) are based on the assumptions and estimated recovery rates for each ACI SERP Settlement Sponsor contained in the Disclosure Statement and Information Circular, and (b) the implied stock price of US\$25 per share of New ABH Common Stock contained in the Disclosure Statement and Information Circular. After full administration of the Restructuring Cases, actual recoveries on the Allowed ACI SERP

Claims and the Risk-Adjusted Allowed ACI SERP Claim Amounts may be significantly more or less than 52% of the claim amounts.

4. Allowed ACI SERP Claim Distributions. The Debtors will make an initial distribution of New ABH Common Stock on account of the Allowed ACI SERP Claims and the Risk-Adjusted Allowed ACI SERP Claim Amounts on the first interim distribution date after entry of orders by the U.S. Court and Canadian Courts approving this Agreement on which it is reasonably practicable for the Debtors to do so. All distributions on account of the Allowed ACI SERP Claims and Risk-Adjusted Allowed ACI SERP Claim Amounts will be subject to all applicable holdbacks and other restrictions under the Restructuring Plans (if any).

5. Agreement on Allowed Claims and Distributions. Other than the Allowed ACI SERP Claim and the Risk-Adjusted Allowed ACI SERP Claim Amounts, Claimant agrees to withdraw with prejudice all other claims asserted in connection with or arising from the ACI SERP, whether in a proof of claim or otherwise, and upon the Effective Date, all such claims shall be deemed withdrawn with prejudice and expunged, including, for the avoidance of doubt, all claims (if any) asserted against Bowater Canada Finance Corporation.

6. Injunction. Other than with respect to his rights under this Agreement, Claimant is permanently enjoined from, and agrees not to take, any of the following actions on account of his ACI SERP Claim: (a) commencing or continuing in any manner any action or other proceeding against the Debtors or their respective property; (b) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order against the Debtors or their respective property; (c) creating,

perfecting, or enforcing any lien or encumbrance against the Debtors or their respective property; (d) asserting a setoff, right of subrogation or recoupment of any kind against any debt, liability or obligation due to the Debtors or their respective property; and (e) commencing or continuing any action, in any manner, in any place that does not comply with or is inconsistent with the provisions of this Agreement and the Restructuring Plans.

7. Release by Claimant. Other than with respect to its rights under this Agreement and the Allowed ACI SERP Claim and the Risk-Adjusted Allowed ACI SERP Claim Amounts, the Claimant and each of its successors, assigns, spouses and dependents (collectively, the "Claimant Releasors") hereby release and forever discharge the Debtors (including Bowater Canada Finance Corporation), Avidity Partners, LLC, in its capacity as the Post-Effective Date Claims Agent, and Ernst & Young Inc., in its capacity as the court-appointed Monitor in respect of the Matter of the Plan of Compromise or Arrangement of AbitibiBowater Inc. and its subsidiaries and affiliates, in each case along with each of their past, present, and future direct and indirect parents, subsidiaries, affiliates, related entities, directors, officers, employees, attorneys, representatives, agents, receivers, insurers, and each of their predecessors, successors, heirs and assigns (collectively, the "Debtor Releasees") from any and all causes of action, demands, damages, costs, debts, liabilities, losses or claims of any kind, whether known or unknown, that the Claimant Releasors may now have or ever have had, or hereafter shall or may have, against the Debtor Releasees arising from, in connection with, or related to the ACI SERP.

8. Complete and Final Agreement. This Agreement sets forth the entire agreement between the Parties pertaining to the subject matter hereof. This

Agreement supersedes and replaces any and all prior or contemporaneous verbal or written agreements between the Parties concerning the subject matter hereof. No modification of, or amendment to, this Agreement shall be valid unless it is in writing and signed by the Parties hereto.

9. No Reliance. No Party has relied on or been induced to execute this Agreement by any statements, representations, agreements or promises, oral or written, made by any other Party, their agents, employees, servants or attorneys, or anyone else, other than the statements expressly written in this Settlement Agreement and Release.

10. Interpretation of Agreement. As used in this Agreement, the singular or plural number shall be deemed to include the other whenever the context so indicates or requires. The language of all parts of this Agreement shall in all cases be construed as a whole, according to its fair meaning, not strictly for or against any of the Parties.

11. Counterparts. This Agreement may be executed simultaneously or in any number of original or faxed counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same agreement.

12. Authorization. Each of the undersigned represents and warrants that he or she is competent and authorized to execute this Agreement, and further represents and warrants that he or she has read and understands the terms of this Agreement.

13. Binding Effect. This Agreement shall be binding on and shall inure to the benefit of the Parties and their respective successors, heirs, and assigns.

14. No Admission of Liability. The Parties each agree that entry into this Agreement does not constitute a determination or admission of liability under the ACI SERP by the ACI SERP Settlement Plan Sponsors, and that the allocation and allowance of the ACI SERP Claim constitutes a settlement of the ACI SERP Claim to avoid the expense and time of further litigation.

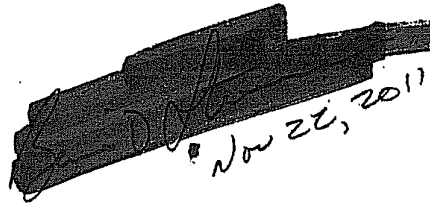
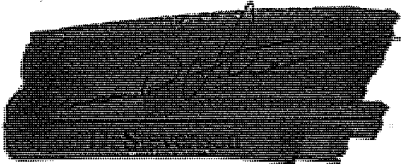
15. Governing Law. This Agreement shall be governed by and construed under the laws of either the State of Delaware or the Province of Quebec, as may be applicable, without regard to the conflict of laws provisions thereof.

16. Jurisdiction. In connection with any action, suit, or proceeding arising from, in connection with, or relating to this Agreement, the Parties each agree to submit to the exclusive jurisdiction and venue of the United States Bankruptcy Court for the District of Delaware or the CCAA Court, as may be applicable, and any appellate courts with jurisdiction over the U.S. Court and the CCAA Court.

17. Effectiveness; Termination. The Parties acknowledge that the Debtors intend to seek approval of this Agreement by the U.S. Court and the CCAA Court and that this Agreement shall only become effective upon entry of an order approving the Agreement by each of the U.S. Court and the CCAA Court (the "Effective Date").

IN WITNESS WHEREOF, the Parties, by their duly authorized representatives, have executed this Agreement this 26 day of October, 2011.

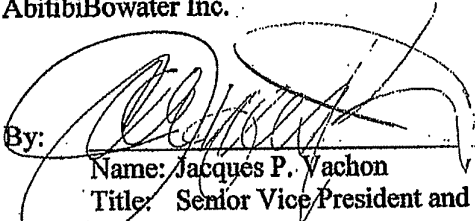
CLAIMANT:



Nov 26, 2011

THE DEBTORS:

AbitibiBowater Inc.

By: 

Name: Jacques P. Yachon

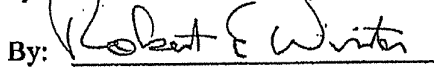
Title: Senior Vice President and Chief Legal Officer

APPROVED BY:

Ernst & Young Inc., in its capacity as the court-appointed Monitor in respect of the Matter of the Plan of Compromise or Arrangement of AbitibiBowater Inc. and its subsidiaries and affiliates, and not in its personal or corporate capacity.

By: _____
Name: Martin Daigneault
Title: Senior Vice-President

Avidity Partners, LLC
as Post-Effective Date Claims Agent,
by its counsel Paul Hastings LP

By: 
Name: Robert E. Winter
Title: Counsel

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (the "Agreement") is entered into by and between AbitibiBowater Inc. and its affiliates in the above captioned cases (collectively, together with the affiliates who applied for protection from their creditors under Canada's *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (as amended, the "CCAA") and as reorganized, the "Debtors") and [REDACTED] (the "Claimant"). The Debtors and Claimant are each referred to individually herein as a "Party" and collectively, as the "Parties."

WHEREAS, the Debtors filed creditor protection proceedings in the United States and Canada (the "Restructuring Cases") on April 16, 2009 and April 17, 2009, respectively (the "Petition Date"). In November 2010, the U.S. bankruptcy court (the "U.S. Court") and the Quebec Superior Court (the "CCAA Court") entered orders confirming and sanctioning the Debtors' chapter 11 and CCAA restructuring plans (the confirmed chapter 11 plan, the "Chapter 11 Plan" and accompanying disclosure statement, the "Disclosure Statement", and together with the sanctioned CCAA plan (the "CCAA Plan" and the accompanying information circular, the "Information Circular") the "Restructuring Plans"). The Restructuring Plans went effective on December 9, 2010.

WHEREAS, as of the Petition Date, the Debtors suspended all payments on account of pre-filing supplemental executive retirement plans (collectively, the "Old

Drive Company Limited, Bowater Treated Wood Inc., Canexel Hardboard Inc., 9068-9050 Québec Inc., Alliance Forest Products Inc. (2001), Bowater Belledune Sawmill Inc., Bowater Maritimes Inc., Bowater Mitis Inc., Bowater Guérette Inc., and Bowater Couturier Inc.

SERPs”), including the Canadian Supplemental Executive Retirement Plan (SERP) for Executive Employees of Abitibi-Consolidated Inc. (the “ACI SERP”). The Restructuring Plans terminated all such plans. See CCAA Plan Supplement 6.9(1); Amended CCAA Plan Supplement 6.9(2); Chapter 11 Plan § 6.9; Supplement 7B (as amended). In accordance with the Restructuring Plans, however, the Debtors established new non-qualified and non-registered plans (the “New SERPs”) pursuant to which (a) all employees and beneficiaries in active status as of the Effective Date were eligible to receive benefits under the New SERPs substantially similar to those under the Old SERPs; and (b) all retirees, beneficiaries and deferred vested participants (collectively, “Retirees”), as of the Effective Date, were eligible to receive benefits under the New SERPs substantially similar to those under the Old SERPs, provided however, that the benefits to a participant under the New SERP(s) will be 10% to 35% lower, depending on the applicable Old SERP(s), the benefits under the New Plans will be subject to an annual per-participant cap, and depending on the applicable Old SERP, the benefits being further reduced by any secured pension benefits received or to be received in respect of the Old SERP. The ACI SERP is subject to a 10% reduction in benefits and a CDN\$50,000 per participant annual cap. In addition, some participants under the ACI SERP received secured pension benefits in respect of the ACI SERP and accordingly, were ineligible to participate in the applicable New SERP or were eligible to participate in the applicable New SERP subject to further reduction of their benefits.

WHEREAS, as a condition of participating in the New SERPs, the Restructuring Plans required eligible plan participants to waive and forfeit any and all claims in respect of the Old SERPs. In August 2010, the Debtors mailed election notices

to all SERP claimants (the "SERP Election Notices") offering them a choice between (1) participating in the New SERPs and waiving all their claims against the Debtors arising under the relevant Old SERPs, or (2) retaining their claims against the Debtors arising under the Old SERPs, and receiving distributions on account of such claims (if and when allowed) as part of the Restructuring Cases. Claimant was not eligible to participate in a New SERP or was eligible to participate in a New SERP but elected to retain his claims under the ACI SERP (the "ACI SERP Claims").

WHEREAS, at the time the SERP Election Notices were circulated, AbitibiBowater Inc. and Abitibi-Consolidated Inc. were identified as sponsors of the ACI SERP. Other Debtors may also be potential sponsors of the ACI SERP, and may also be potentially liable for the ACI SERP Claims. The Company, the post-effective date claims agent (the "Claims Agent") appointed under the Chapter 11 Plan, and the monitor appointed in the CCAA proceedings by the CCAA Court (the "Monitor"), have analyzed the likelihood of other Debtors' liability for the ACI SERP Claims.

WHEREAS, among other things, the Claims Agent, the Monitor, and the Claimant dispute the liability of the various Debtors for the ACI SERP Claims.

WHEREAS, to avoid the expense and inconvenience of further litigation, the Parties have agreed to settle on the allowed amount of Claimant's ACI SERP Claim and allocate such claim against various Debtors based on an agreement regarding each such Debtors' probable estimated liability for the claim as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and releases set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. ACI SERP Claim Allowance. Claimant shall have an allowed general unsecured ACI SERP Claim (the “Allowed ACI SERP Claim”) in the amount of **CDN \$24,764.00** which shall be allocated, solely for purposes of this Agreement, against each of the following Debtors: AbitibiBowater Inc., Bowater Incorporated, Donohue Corp., Abitibi Consolidated Sales Corporation, Abitibi-Consolidated Corporation, Bowater Canadian Forest Products Inc., Abitibi-Consolidated Inc., and Abitibi-Consolidated Company of Canada (collectively, the “ACI SERP Settlement Sponsors”). Except for purposes of this Agreement, the Debtors, the Claims Agent and the Monitor do not concede that the ACI SERP Settlement Sponsors have legal liability for the ACI SERP.

2. ACI SERP Claim Allocation: The Allowed ACI SERP Claim will be allocated against the ACI SERP Settlement Sponsors in the following percentages based upon the agreed-upon relative risk of liability of each particular ACI SERP Settlement Sponsor, resulting in the corresponding portion of the Allowed ACI SERP Claim being allowed against the ACI SERP Settlement Sponsor in the indicated amounts (the “Risk-Adjusted Allowed ACI SERP Claim Amount”):

Allowed ACI SERP Claim Amount	ACI SERP Settlement Sponsor	% of Allowed ACI SERP Claim Allocated against ACI SERP Settlement Sponsor	Risk-Adjusted/Allowed ACI SERP Claim Amount	Applicable General Unsecured Claim Class	Estimated % Recovery Rate from Debtor based on Disclosure Statement and Information Circular	Estimated Recovery on Account of Risk-Adjusted Allowed ACI SERP Claim Amount
CDN\$24,764.00	Bowater Canadian Forest Products Inc.	23%	CDN\$5,695.72		36.50%	CDN\$2,078.94
CDN\$24,764.00	Abitibi-Consolidated Inc.	100%	CDN\$24,764.00		3.4%	CDN\$841.98
CDN\$24,764.00	Abitibi Consolidated Company of Canada	95%	CDN\$23,525.80		17.10%	CDN\$4,022.91
US\$20,388.61	AbitibiBowater Inc.	100%	US\$20,388.61	Class 6A	0.8%	US\$163.11

US\$20,388.61	Bowater Incorporated	23%	US\$4,689.38	Class 6S	48.4%	US\$2,269.66
US\$20,388.61	Donohue Corp.	20%	US\$4,077.72	Class 6DD	28.4%	US\$1,158.07
US\$20,388.61	Abitibi Consolidated Sales Corp.	20%	US\$4,077.72	Class 6H	23.4%	US\$954.19
US\$20,388.61	Abitibi Consolidated Corporation	20%	US\$4,077.72	Class 6F	12.0%	US\$489.33
			Total Estimated Recovery (CDN\$)			\$13,058.55
			% Recovery (CDN\$:CDN\$)		52%	

* Currency conversions use the Bank of Canada's noon spot rate as of the Petition Date of CDN \$1.00 – US\$0.8290.

3. No Fixed Recoveries on Allowed ACI SERP Claims: The

Allowed ACI SERP Claim and Risk-Adjusted Allowed ACI SERP Claim Amounts constitute Claimant's sole Allowed claims arising under, in connection with, or relating to the ACI SERP, and all other claims (if any), including any such claims against any other Debtor or Debtor's affiliate (including for the avoidance of doubt, Bowater Canada Finance Corporation), are deemed withdrawn and expunged. Notwithstanding anything to the contrary contained in this Agreement, this Agreement does not fix recoveries or guarantee an aggregate 52% recovery on the Allowed ACI SERP Claim or a recovery against each ACI SERP Settlement Sponsor at the estimated recovery rate set forth in the applicable Disclosure Statement or Information Circular. Actual recoveries on account of such claims depend on the other claims that are ultimately allowed or disallowed against each ACI SERP Settlement Sponsor and the ultimate trading value of the New ABH Common Stock (as defined in the Chapter 11 Plan). The estimated recoveries set forth in paragraph 2 above (a) are based on the assumptions and estimated recovery rates for each ACI SERP Settlement Sponsor contained in the Disclosure Statement and Information Circular, and (b) the implied stock price of US\$25 per share of New ABH Common Stock contained in the Disclosure Statement and Information Circular. After full administration of the Restructuring Cases, actual recoveries on the Allowed ACI SERP

Claims and the Risk-Adjusted Allowed ACI SERP Claim Amounts may be significantly more or less than 52% of the claim amounts.

4. Allowed ACI SERP Claim Distributions. The Debtors will make an initial distribution of New ABH Common Stock on account of the Allowed ACI SERP Claims and the Risk-Adjusted Allowed ACI SERP Claim Amounts on the first interim distribution date after entry of orders by the U.S. Court and Canadian Courts approving this Agreement on which it is reasonably practicable for the Debtors to do so. All distributions on account of the Allowed ACI SERP Claims and Risk-Adjusted Allowed ACI SERP Claim Amounts will be subject to all applicable holdbacks and other restrictions under the Restructuring Plans (if any).

5. Agreement on Allowed Claims and Distributions. Other than the Allowed ACI SERP Claim and the Risk-Adjusted Allowed ACI SERP Claim Amounts, Claimant agrees to withdraw with prejudice all other claims asserted in connection with or arising from the ACI SERP, whether in a proof of claim or otherwise, and upon the Effective Date, all such claims shall be deemed withdrawn with prejudice and expunged, including, for the avoidance of doubt, all claims (if any) asserted against Bowater Canada Finance Corporation.

6. Injunction. Other than with respect to his rights under this Agreement, Claimant is permanently enjoined from, and agrees not to take, any of the following actions on account of his ACI SERP Claim: (a) commencing or continuing in any manner any action or other proceeding against the Debtors or their respective property; (b) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order against the Debtors or their respective property; (c) creating,

perfecting, or enforcing any lien or encumbrance against the Debtors or their respective property; (d) asserting a setoff, right of subrogation or recoupment of any kind against any debt, liability or obligation due to the Debtors or their respective property; and (e) commencing or continuing any action, in any manner, in any place that does not comply with or is inconsistent with the provisions of this Agreement and the Restructuring Plans.

7. Release by Claimant. Other than with respect to its rights under this Agreement and the Allowed ACI SERP Claim and the Risk-Adjusted Allowed ACI SERP Claim Amounts, the Claimant and each of its successors, assigns, spouses and dependents (collectively, the "Claimant Releasors") hereby release and forever discharge the Debtors (including Bowater Canada Finance Corporation), Avidity Partners, LLC, in its capacity as the Post-Effective Date Claims Agent, and Ernst & Young Inc., in its capacity as the court-appointed Monitor in respect of the Matter of the Plan of Compromise or Arrangement of AbitibiBowater Inc. and its subsidiaries and affiliates, in each case along with each of their past, present, and future direct and indirect parents, subsidiaries, affiliates, related entities, directors, officers, employees, attorneys, representatives, agents, receivers, insurers, and each of their predecessors, successors, heirs and assigns (collectively, the "Debtor Releasees") from any and all causes of action, demands, damages, costs, debts, liabilities, losses or claims of any kind, whether known or unknown, that the Claimant Releasors may now have or ever have had, or hereafter shall or may have, against the Debtor Releasees arising from, in connection with, or related to the ACI SERP.

8. Complete and Final Agreement. This Agreement sets forth the entire agreement between the Parties pertaining to the subject matter hereof. This

Agreement supersedes and replaces any and all prior or contemporaneous verbal or written agreements between the Parties concerning the subject matter hereof. No modification of, or amendment to, this Agreement shall be valid unless it is in writing and signed by the Parties hereto.

9. No Reliance. No Party has relied on or been induced to execute this Agreement by any statements, representations, agreements or promises, oral or written, made by any other Party, their agents, employees, servants or attorneys, or anyone else, other than the statements expressly written in this Settlement Agreement and Release.

10. Interpretation of Agreement. As used in this Agreement, the singular or plural number shall be deemed to include the other whenever the context so indicates or requires. The language of all parts of this Agreement shall in all cases be construed as a whole, according to its fair meaning, not strictly for or against any of the Parties.

11. Counterparts. This Agreement may be executed simultaneously or in any number of original or faxed counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same agreement.

12. Authorization. Each of the undersigned represents and warrants that he or she is competent and authorized to execute this Agreement, and further represents and warrants that he or she has read and understands the terms of this Agreement.

13. Binding Effect. This Agreement shall be binding on and shall inure to the benefit of the Parties and their respective successors, heirs, and assigns.

14. No Admission of Liability. The Parties each agree that entry into this Agreement does not constitute a determination or admission of liability under the ACI SERP by the ACI SERP Settlement Plan Sponsors, and that the allocation and allowance of the ACI SERP Claim constitutes a settlement of the ACI SERP Claim to avoid the expense and time of further litigation.

15. Governing Law. This Agreement shall be governed by and construed under the laws of either the State of Delaware or the Province of Quebec, as may be applicable, without regard to the conflict of laws provisions thereof.

16. Jurisdiction. In connection with any action, suit, or proceeding arising from, in connection with, or relating to this Agreement, the Parties each agree to submit to the exclusive jurisdiction and venue of the United States Bankruptcy Court for the District of Delaware or the CCAA Court, as may be applicable, and any appellate courts with jurisdiction over the U.S. Court and the CCAA Court.

17. Effectiveness; Termination. The Parties acknowledge that the Debtors intend to seek approval of this Agreement by the U.S. Court and the CCAA Court and that this Agreement shall only become effective upon entry of an order approving the Agreement by each of the U.S. Court and the CCAA Court (the "Effective Date").

EN FOI DE QUOI, les parties, par l'intermédiaire de leurs représentants dûment autorisés,
ont signé la présente convention le __ octobre 2011.

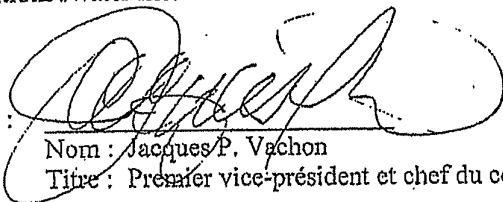
RÉCLAMANT :

[REDACTED]

DÉBITEURS :

AbitibiBowater Inc.

Par :



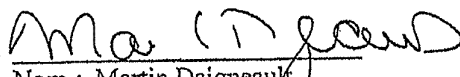
Nom : Jacques P. Vachon

Titre : Premier vice-président et chef du contentieux

APPROUVÉ PAR :

Ernst & Young Inc., en sa qualité de contrôleur nommé par le tribunal à l'égard de
l'affaire du plan de transaction ou d'arrangement d'AbitibiBowater Inc. et de ses filiales et
membres du même groupe, et non à titre personnel ou en qualité de société.

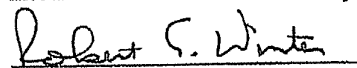
Par :


Nom : Martin Daigneault
Titre : Premier vice-président

Avidity Partners, LLC

à titre d'agent des réclamations après la date de prise d'effet,
par l'intermédiaire de son conseiller juridique Paul Hastings LP

Par :


Name: Robert E. Winter
Title: Counsel

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (the "Agreement") is entered into by and between AbitibiBowater Inc. and its affiliates in the above captioned cases (collectively, together with the affiliates who applied for protection from their creditors under Canada's *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (as amended, the "CCAA") and as reorganized, the "Debtors") and [REDACTED] ("Claimant"). The Debtors and Claimant are each referred to individually herein as a "Party" and collectively, as the "Parties."

WHEREAS, the Debtors filed creditor protection proceedings in the United States and Canada (the "Restructuring Cases") on April 16, 2009 and April 17, 2009, respectively (the "Petition Date"). In November 2010, the U.S. bankruptcy court (the "U.S. Court") and the Quebec Superior Court (the "CCAA Court") entered orders confirming and sanctioning the Debtors' chapter 11 and CCAA restructuring plans (the confirmed chapter 11 plan, the "Chapter 11 Plan" and accompanying disclosure statement, the "Disclosure Statement", and together with the sanctioned CCAA plan (the "CCAA Plan" and the accompanying information circular, the "Information Circular") the "Restructuring Plans"). The Restructuring Plans went effective on December 9, 2010.

WHEREAS, as of the Petition Date, the Debtors suspended all payments on account of pre-filing supplemental executive retirement plans (collectively, the "Old

Drive Company Limited, Bowater Treated Wood Inc., Canexel Hardboard Inc., 9068-9050 Québec Inc., Alliance Forest Products Inc. (2001), Bowater Belledune Sawmill Inc., Bowater Maritimes Inc., Bowater Mitis Inc., Bowater Guérette Inc., and Bowater Couturier Inc.

SERPs”), including the Canadian Supplemental Executive Retirement Plan (SERP) for Executive Employees of Abitibi-Consolidated Inc. (the “ACI SERP”). The Restructuring Plans terminated all such plans. See CCAA Plan Supplement 6.9(1); Amended CCAA Plan Supplement 6.9(2); Chapter 11 Plan § 6.9; Supplement 7B (as amended). In accordance with the Restructuring Plans, however, the Debtors established new non-qualified and non-registered plans (the “New SERPs”) pursuant to which (a) all employees and beneficiaries in active status as of the Effective Date were eligible to receive benefits under the New SERPs substantially similar to those under the Old SERPs; and (b) all retirees, beneficiaries and deferred vested participants (collectively, “Retirees”), as of the Effective Date, were eligible to receive benefits under the New SERPs substantially similar to those under the Old SERPs, provided however, that the benefits to a participant under the New SERP(s) will be 10% to 35% lower, depending on the applicable Old SERP(s), the benefits under the New Plans will be subject to an annual per-participant cap, and depending on the applicable Old SERP, the benefits being further reduced by any secured pension benefits received or to be received in respect of the Old SERP. The ACI SERP is subject to a 10% reduction in benefits and a CDN\$50,000 per participant annual cap. In addition, some participants under the ACI SERP received secured pension benefits in respect of the ACI SERP and accordingly, were ineligible to participate in the applicable New SERP or were eligible to participate in the applicable New SERP subject to further reduction of their benefits.

WHEREAS, as a condition of participating in the New SERPs, the Restructuring Plans required eligible plan participants to waive and forfeit any and all claims in respect of the Old SERPs. In August 2010, the Debtors mailed election notices

to all SERP claimants (the "SERP Election Notices") offering them a choice between (1) participating in the New SERPs and waiving all their claims against the Debtors arising under the relevant Old SERPs, or (2) retaining their claims against the Debtors arising under the Old SERPs, and receiving distributions on account of such claims (if and when allowed) as part of the Restructuring Cases. Claimant was not eligible to participate in a New SERP or was eligible to participate in a New SERP but elected to retain his claims under the ACI SERP (the "ACI SERP Claims").

WHEREAS, at the time the SERP Election Notices were circulated, AbitibiBowater Inc. and Abitibi-Consolidated Inc. were identified as sponsors of the ACI SERP. Other Debtors may also be potential sponsors of the ACI SERP, and may also be potentially liable for the ACI SERP Claims. The Company, the post-effective date claims agent (the "Claims Agent") appointed under the Chapter 11 Plan, and the monitor appointed in the CCAA proceedings by the CCAA Court (the "Monitor"), have analyzed the likelihood of other Debtors' liability for the ACI SERP Claims.

WHEREAS, among other things, the Claims Agent, the Monitor, and the Claimant dispute the liability of the various Debtors for the ACI SERP Claims.

WHEREAS, to avoid the expense and inconvenience of further litigation, the Parties have agreed to settle on the allowed amount of Claimant's ACI SERP Claim and allocate such claim against various Debtors based on an agreement regarding each such Debtors' probable estimated liability for the claim as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and releases set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. ACI SERP Claim Allowance. Claimant shall have an allowed general unsecured ACI SERP Claim (the "Allowed ACI SERP Claim") in the amount of **CDN \$464,702.00** which shall be allocated, solely for purposes of this Agreement, against each of the following Debtors: AbitibiBowater Inc., Bowater Incorporated, Donohue Corp., Abitibi Consolidated Sales Corporation, Abitibi-Consolidated Corporation, Bowater Canadian Forest Products Inc., Abitibi-Consolidated Inc., and Abitibi-Consolidated Company of Canada (collectively, the "ACI SERP Settlement Sponsors"). Except for purposes of this Agreement, the Debtors, the Claims Agent and the Monitor do not concede that the ACI SERP Settlement Sponsors have legal liability for the ACI SERP.

2. ACI SERP Claim Allocation: The Allowed ACI SERP Claim will be allocated against the ACI SERP Settlement Sponsors in the following percentages based upon the agreed-upon relative risk of liability of each particular ACI SERP Settlement Sponsor, resulting in the corresponding portion of the Allowed ACI SERP Claim being allowed against the ACI SERP Settlement Sponsor in the indicated amounts (the "Risk-Adjusted Allowed ACI SERP Claim Amount"):

Allowed ACI SERP Claim Amount	ACI SERP Settlement Sponsor	% of Allowed ACI SERP Claim Allocated against ACI SERP Settlement Sponsor	Risk-Adjusted/Allowed ACI SERP Claim Amount	Applicable General Unsecured Claim Class	Estimated % Recovery Rate from Debtor based on Disclosure Statement and Information Circular	Estimated Recovery on Account of Risk-Adjusted Allowed ACI SERP Claim Amount
CDN\$464,702.00	Bowater Canadian Forest Products Inc.	23%	CDN\$106,881.46		36.50%	CDN\$39,011.73
CDN\$464,702.00	Abitibi-Consolidated Inc.	100%	CDN\$464,702.00		3.4%	CDN\$15,799.87
CDN\$464,702.00	Abitibi Consolidated Company of Canada	95%	CDN\$441,466.90		17.10%	CDN\$75,490.84
US\$382,596.74	AbitibiBowater Inc.	100%	US\$382,596.74	Class 6A	0.8%	US\$3,060.77

US\$382,596.74	Bowater Incorporated	23%	US\$87,997.25	Class 6S	48.4%	US\$42,590.67
US\$382,596.74	Donohue Corp.	20%	US\$76,519.35	Class 6DD	28.4%	US\$21,731.49
US\$382,596.74	Abitibi Consolidated Sales Corp.	20%	US\$76,519.35	Class 6H	23.4%	US\$17,905.53
US\$382,596.74	Abitibi Consolidated Corporation	20%	US\$76,519.35	Class 6F	12.0%	US\$9,182.32
			Total Estimated Recovery (CDNS)			\$245,046.66
			% Recovery (CDNS:CDNS)		52%	

* Currency conversions use the Bank of Canada's noon spot rate as of the Petition Date of CDN \$1.00 – US\$0.8290.

3. No Fixed Recoveries on Allowed ACI SERP Claims: The

Allowed ACI SERP Claim and Risk-Adjusted Allowed ACI SERP Claim Amounts constitute Claimant's sole Allowed claims arising under, in connection with, or relating to the ACI SERP, and all other claims (if any), including any such claims against any other Debtor or Debtor's affiliate (including for the avoidance of doubt, Bowater Canada Finance Corporation), are deemed withdrawn and expunged. Notwithstanding anything to the contrary contained in this Agreement, this Agreement does not fix recoveries or guarantee an aggregate 52% recovery on the Allowed ACI SERP Claim or a recovery against each ACI SERP Settlement Sponsor at the estimated recovery rate set forth in the applicable Disclosure Statement or Information Circular. Actual recoveries on account of such claims depend on the other claims that are ultimately allowed or disallowed against each ACI SERP Settlement Sponsor and the ultimate trading value of the New ABH Common Stock (as defined in the Chapter 11 Plan). The estimated recoveries set forth in paragraph 2 above (a) are based on the assumptions and estimated recovery rates for each ACI SERP Settlement Sponsor contained in the Disclosure Statement and Information Circular, and (b) the implied stock price of US\$25 per share of New ABH Common Stock contained in the Disclosure Statement and Information Circular. After full administration of the Restructuring Cases, actual recoveries on the Allowed ACI SERP

Claims and the Risk-Adjusted Allowed ACI SERP Claim Amounts may be significantly more or less than 52% of the claim amounts.

4. Allowed ACI SERP Claim Distributions. The Debtors will make an initial distribution of New ABH Common Stock on account of the Allowed ACI SERP Claims and the Risk-Adjusted Allowed ACI SERP Claim Amounts on the first interim distribution date after entry of orders by the U.S. Court and Canadian Courts approving this Agreement on which it is reasonably practicable for the Debtors to do so. All distributions on account of the Allowed ACI SERP Claims and Risk-Adjusted Allowed ACI SERP Claim Amounts will be subject to all applicable holdbacks and other restrictions under the Restructuring Plans (if any).

5. Agreement on Allowed Claims and Distributions. Other than the Allowed ACI SERP Claim and the Risk-Adjusted Allowed ACI SERP Claim Amounts, Claimant agrees to withdraw with prejudice all other claims asserted in connection with or arising from the ACI SERP, whether in a proof of claim or otherwise, and upon the Effective Date, all such claims shall be deemed withdrawn with prejudice and expunged, including, for the avoidance of doubt, all claims (if any) asserted against Bowater Canada Finance Corporation.

6. Injunction. Other than with respect to his rights under this Agreement, Claimant is permanently enjoined from, and agrees not to take, any of the following actions on account of his ACI SERP Claim: (a) commencing or continuing in any manner any action or other proceeding against the Debtors or their respective property; (b) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order against the Debtors or their respective property; (c) creating,

perfecting, or enforcing any lien or encumbrance against the Debtors or their respective property; (d) asserting a setoff, right of subrogation or recoupment of any kind against any debt, liability or obligation due to the Debtors or their respective property; and (e) commencing or continuing any action, in any manner, in any place that does not comply with or is inconsistent with the provisions of this Agreement and the Restructuring Plans.

7. Release by Claimant. Other than with respect to its rights under this Agreement and the Allowed ACI SERP Claim and the Risk-Adjusted Allowed ACI SERP Claim Amounts, the Claimant and each of its successors, assigns, spouses and dependents (collectively, the "Claimant Releasors") hereby release and forever discharge the Debtors (including Bowater Canada Finance Corporation), Avidity Partners, LLC, in its capacity as the Post-Effective Date Claims Agent, and Ernst & Young Inc., in its capacity as the court-appointed Monitor in respect of the Matter of the Plan of Compromise or Arrangement of AbitibiBowater Inc. and its subsidiaries and affiliates, in each case along with each of their past, present, and future direct and indirect parents, subsidiaries, affiliates, related entities, directors, officers, employees, attorneys, representatives, agents, receivers, insurers, and each of their predecessors, successors, heirs and assigns (collectively, the "Debtor Releasees") from any and all causes of action, demands, damages, costs, debts, liabilities, losses or claims of any kind, whether known or unknown, that the Claimant Releasors may now have or ever have had, or hereafter shall or may have, against the Debtor Releasees arising from, in connection with, or related to the ACI SERP.

8. Complete and Final Agreement. This Agreement sets forth the entire agreement between the Parties pertaining to the subject matter hereof. This

Agreement supersedes and replaces any and all prior or contemporaneous verbal or written agreements between the Parties concerning the subject matter hereof. No modification of, or amendment to, this Agreement shall be valid unless it is in writing and signed by the Parties hereto.

9. No Reliance. No Party has relied on or been induced to execute this Agreement by any statements, representations, agreements or promises, oral or written, made by any other Party, their agents, employees, servants or attorneys, or anyone else, other than the statements expressly written in this Settlement Agreement and Release.

10. Interpretation of Agreement. As used in this Agreement, the singular or plural number shall be deemed to include the other whenever the context so indicates or requires. The language of all parts of this Agreement shall in all cases be construed as a whole, according to its fair meaning, not strictly for or against any of the Parties.

11. Counterparts. This Agreement may be executed simultaneously or in any number of original or faxed counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same agreement.

12. Authorization. Each of the undersigned represents and warrants that he or she is competent and authorized to execute this Agreement, and further represents and warrants that he or she has read and understands the terms of this Agreement.

13. Binding Effect. This Agreement shall be binding on and shall inure to the benefit of the Parties and their respective successors, heirs, and assigns.

14. No Admission of Liability. The Parties each agree that entry into this Agreement does not constitute a determination or admission of liability under the ACI SERP by the ACI SERP Settlement Plan Sponsors, and that the allocation and allowance of the ACI SERP Claim constitutes a settlement of the ACI SERP Claim to avoid the expense and time of further litigation.

15. Governing Law. This Agreement shall be governed by and construed under the laws of either the State of Delaware or the Province of Quebec, as may be applicable, without regard to the conflict of laws provisions thereof.

16. Jurisdiction. In connection with any action, suit, or proceeding arising from, in connection with, or relating to this Agreement, the Parties each agree to submit to the exclusive jurisdiction and venue of the United States Bankruptcy Court for the District of Delaware or the CCAA Court, as may be applicable, and any appellate courts with jurisdiction over the U.S. Court and the CCAA Court.

17. Effectiveness; Termination. The Parties acknowledge that the Debtors intend to seek approval of this Agreement by the U.S. Court and the CCAA Court and that this Agreement shall only become effective upon entry of an order approving the Agreement by each of the U.S. Court and the CCAA Court (the "Effective Date").

IN WITNESS WHEREOF, the Parties, by their duly authorized representatives, have executed this Agreement this 18th day of October, 2011.

CLAIMANT:

: By:

AbitibiBowater Inc.

Eye:

Name: Jacques P. Vaillon

Title: ~~Senior Vice President and Chief Legal Officer.~~

APPROVED BY:

Ernst & Young Inc., in its capacity as the court-appointed Monitor in respect of the Matter of the Plan of Compromise or Arrangement of AbitibiBowater Inc. and its subsidiaries and affiliates, and not in its personal or corporate capacity.

By:

Name: Martin Daigneault

Title: Senior Vice-President

**Avidity Partners, LLC
as Post-Effective Date Claims Agent,
by its counsel Paul Hastings LP**

By

Name: Robert E. Winter

Title: Counsel

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (the "Agreement") is entered into by and between AbitibiBowater Inc. and its affiliates in the above captioned cases (collectively, together with the affiliates who applied for protection from their creditors under Canada's *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (as amended, the "CCAA") and as reorganized, the "Debtors") and [REDACTED] ("Claimant"). The Debtors and Claimant are each referred to individually herein as a "Party" and collectively, as the "Parties."

WHEREAS, the Debtors filed creditor protection proceedings in the United States and Canada (the "Restructuring Cases") on April 16, 2009 and April 17, 2009, respectively (the "Petition Date"). In November 2010, the U.S. bankruptcy court (the "U.S. Court") and the Quebec Superior Court (the "CCAA Court") entered orders confirming and sanctioning the Debtors' chapter 11 and CCAA restructuring plans (the confirmed chapter 11 plan, the "Chapter 11 Plan" and accompanying disclosure statement, the "Disclosure Statement", and together with the sanctioned CCAA plan (the "CCAA Plan" and the accompanying information circular, the "Information Circular") the "Restructuring Plans"). The Restructuring Plans went effective on December 9, 2010.

WHEREAS, as of the Petition Date, the Debtors suspended all payments on account of pre-filing supplemental executive retirement plans (collectively, the "Old

Drive Company Limited, Bowater Treated Wood Inc., Canexel Hardboard Inc., 9068-9050 Québec Inc., Alliance Forest Products Inc. (2001), Bowater Belledune Sawmill Inc., Bowater Maritimes Inc., Bowater Mitis Inc., Bowater Guérette Inc., and Bowater Couturier Inc.

SERPs”), including the Canadian Supplemental Executive Retirement Plan (SERP) for Executive Employees of Abitibi-Consolidated Inc. (the “ACI SERP”). The Restructuring Plans terminated all such plans. *See* CCAA Plan Supplement 6.9(1); Amended CCAA Plan Supplement 6.9(2); Chapter 11 Plan § 6.9; Supplement 7B (as amended). In accordance with the Restructuring Plans, however, the Debtors established new non-qualified and non-registered plans (the “New SERPs”) pursuant to which (a) all employees and beneficiaries in active status as of the Effective Date were eligible to receive benefits under the New SERPs substantially similar to those under the Old SERPs; and (b) all retirees, beneficiaries and deferred vested participants (collectively, “Retirees”), as of the Effective Date, were eligible to receive benefits under the New SERPs substantially similar to those under the Old SERPs, provided however, that the benefits to a participant under the New SERP(s) will be 10% to 35% lower, depending on the applicable Old SERP(s), the benefits under the New Plans will be subject to an annual per-participant cap, and depending on the applicable Old SERP, the benefits being further reduced by any secured pension benefits received or to be received in respect of the Old SERP. The ACI SERP is subject to a 10% reduction in benefits and a CDN\$50,000 per participant annual cap. In addition, some participants under the ACI SERP received secured pension benefits in respect of the ACI SERP and accordingly, were ineligible to participate in the applicable New SERP or were eligible to participate in the applicable New SERP subject to further reduction of their benefits.

WHEREAS, as a condition of participating in the New SERPs, the Restructuring Plans required eligible plan participants to waive and forfeit any and all claims in respect of the Old SERPs. In August 2010, the Debtors mailed election notices

to all SERP claimants (the "SERP Election Notices") offering them a choice between (1) participating in the New SERPs and waiving all their claims against the Debtors arising under the relevant Old SERPs, or (2) retaining their claims against the Debtors arising under the Old SERPs, and receiving distributions on account of such claims (if and when allowed) as part of the Restructuring Cases. Claimant was not eligible to participate in a New SERP or was eligible to participate in a New SERP but elected to retain his claims under the ACI SERP (the "ACI SERP Claims").

WHEREAS, at the time the SERP Election Notices were circulated, AbitibiBowater Inc. and Abitibi-Consolidated Inc. were identified as sponsors of the ACI SERP. Other Debtors may also be potential sponsors of the ACI SERP, and may also be potentially liable for the ACI SERP Claims. The Company, the post-effective date claims agent (the "Claims Agent") appointed under the Chapter 11 Plan, and the monitor appointed in the CCAA proceedings by the CCAA Court (the "Monitor"), have analyzed the likelihood of other Debtors' liability for the ACI SERP Claims.

WHEREAS, among other things, the Claims Agent, the Monitor, and the Claimant dispute the liability of the various Debtors for the ACI SERP Claims.

WHEREAS, to avoid the expense and inconvenience of further litigation, the Parties have agreed to settle on the allowed amount of Claimant's ACI SERP Claim and allocate such claim against various Debtors based on an agreement regarding each such Debtors' probable estimated liability for the claim as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and releases set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. ACI SERP Claim Allowance. Claimant shall have an allowed general unsecured ACI SERP Claim (the “Allowed ACI SERP Claim”) in the amount of **CDN \$48,674.00** which shall be allocated, solely for purposes of this Agreement, against each of the following Debtors: AbitibiBowater Inc., Bowater Incorporated, Donohue Corp., Abitibi Consolidated Sales Corporation, Abitibi-Consolidated Corporation, Bowater Canadian Forest Products Inc., Abitibi-Consolidated Inc., and Abitibi-Consolidated Company of Canada (collectively, the “ACI SERP Settlement Sponsors”). Except for purposes of this Agreement, the Debtors, the Claims Agent and the Monitor do not concede that the ACI SERP Settlement Sponsors have legal liability for the ACI SERP.

2. ACI SERP Claim Allocation: The Allowed ACI SERP Claim will be allocated against the ACI SERP Settlement Sponsors in the following percentages based upon the agreed-upon relative risk of liability of each particular ACI SERP Settlement Sponsor, resulting in the corresponding portion of the Allowed ACI SERP Claim being allowed against the ACI SERP Settlement Sponsor in the indicated amounts (the “Risk-Adjusted Allowed ACI SERP Claim Amount”):

Allowed ACI SERP Claim Amount	ACI SERP Settlement Sponsor	% of Allowed ACI SERP Claim Allocated against ACI SERP Settlement Sponsor	Risk-Adjusted/Allowed ACI SERP Claim Amount	Applicable General Unsecured Claim Class	Estimated % Recovery Rate from Debtor based on Disclosure Statement and Information Circular	Estimated Recovery on Account of Risk-Adjusted Allowed ACI SERP Claim Amount
CDN\$48,674.00	Bowater Canadian Forest Products Inc.	23%	CDN\$11,195.02		36.50%	CDN\$4,086.18
CDN\$48,674.00	Abitibi-Consolidated Inc.	100%	CDN\$48,674.00		3.4%	CDN\$1,654.92
CDN\$48,674.00	Abitibi Consolidated Company of Canada	95%	CDN\$46,240.30		17.10%	CDN\$7,907.09
US\$40,074.10	AbitibiBowater Inc.	100%	US\$40,074.10	Class 6A	0.8%	US\$320.59

US\$40,074.10	Bowater Incorporated	23%	US\$9,217.04	Class 6S	48.4%	US\$4,461.05
US\$40,074.10	Donohue Corp.	20%	US\$8,014.82	Class 6DD	28.4%	US\$2,276.21
US\$40,074.10	Abitibi Consolidated Sales Corp.	20%	US\$8,014.82	Class 6H	23.4%	US\$1,875.47
US\$40,074.10	Abitibi Consolidated Corporation	20%	US\$8,014.82	Class 6F	12.0%	US\$961.78
			Total Estimated Recovery (CDNS)			\$25,666.77
			% Recovery (CDNS:CDNS)		52%	

* Currency conversions use the Bank of Canada's noon spot rate as of the Petition Date of CDN \$1.00 – US\$0.8290.

3. No Fixed Recoveries on Allowed ACI SERP Claims: The

Allowed ACI SERP Claim and Risk-Adjusted Allowed ACI SERP Claim Amounts constitute Claimant's sole Allowed claims arising under, in connection with, or relating to the ACI SERP, and all other claims (if any), including any such claims against any other Debtor or Debtor's affiliate (including for the avoidance of doubt, Bowater Canada Finance Corporation), are deemed withdrawn and expunged. Notwithstanding anything to the contrary contained in this Agreement, this Agreement does not fix recoveries or guarantee an aggregate 52% recovery on the Allowed ACI SERP Claim or a recovery against each ACI SERP Settlement Sponsor at the estimated recovery rate set forth in the applicable Disclosure Statement or Information Circular. Actual recoveries on account of such claims depend on the other claims that are ultimately allowed or disallowed against each ACI SERP Settlement Sponsor and the ultimate trading value of the New ABH Common Stock (as defined in the Chapter 11 Plan). The estimated recoveries set forth in paragraph 2 above (a) are based on the assumptions and estimated recovery rates for each ACI SERP Settlement Sponsor contained in the Disclosure Statement and Information Circular, and (b) the implied stock price of US\$25 per share of New ABH Common Stock contained in the Disclosure Statement and Information Circular. After full administration of the Restructuring Cases, actual recoveries on the Allowed ACI SERP

Claims and the Risk-Adjusted Allowed ACI SERP Claim Amounts may be significantly more or less than 52% of the claim amounts.

4. Allowed ACI SERP Claim Distributions. The Debtors will make an initial distribution of New ABH Common Stock on account of the Allowed ACI SERP Claims and the Risk-Adjusted Allowed ACI SERP Claim Amounts on the first interim distribution date after entry of orders by the U.S. Court and Canadian Courts approving this Agreement on which it is reasonably practicable for the Debtors to do so. All distributions on account of the Allowed ACI SERP Claims and Risk-Adjusted Allowed ACI SERP Claim Amounts will be subject to all applicable holdbacks and other restrictions under the Restructuring Plans (if any).

5. Agreement on Allowed Claims and Distributions. Other than the Allowed ACI SERP Claim and the Risk-Adjusted Allowed ACI SERP Claim Amounts, Claimant agrees to withdraw with prejudice all other claims asserted in connection with or arising from the ACI SERP, whether in a proof of claim or otherwise, and upon the Effective Date, all such claims shall be deemed withdrawn with prejudice and expunged, including, for the avoidance of doubt, all claims (if any) asserted against Bowater Canada Finance Corporation.

6. Injunction. Other than with respect to his rights under this Agreement, Claimant is permanently enjoined from, and agrees not to take, any of the following actions on account of his ACI SERP Claim: (a) commencing or continuing in any manner any action or other proceeding against the Debtors or their respective property; (b) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order against the Debtors or their respective property; (c) creating,

perfecting, or enforcing any lien or encumbrance against the Debtors or their respective property; (d) asserting a setoff, right of subrogation or recoupment of any kind against any debt, liability or obligation due to the Debtors or their respective property; and (e) commencing or continuing any action, in any manner, in any place that does not comply with or is inconsistent with the provisions of this Agreement and the Restructuring Plans.

7. Release by Claimant. Other than with respect to its rights under this Agreement and the Allowed ACI SERP Claim and the Risk-Adjusted Allowed ACI SERP Claim Amounts, the Claimant and each of its successors, assigns, spouses and dependents (collectively, the "Claimant Releasors") hereby release and forever discharge the Debtors (including Bowater Canada Finance Corporation), Avidity Partners, LLC, in its capacity as the Post-Effective Date Claims Agent, and Ernst & Young Inc., in its capacity as the court-appointed Monitor in respect of the Matter of the Plan of Compromise or Arrangement of AbitibiBowater Inc. and its subsidiaries and affiliates, in each case along with each of their past, present, and future direct and indirect parents, subsidiaries, affiliates, related entities, directors, officers, employees, attorneys, representatives, agents, receivers, insurers, and each of their predecessors, successors, heirs and assigns (collectively, the "Debtor Releasees") from any and all causes of action, demands, damages, costs, debts, liabilities, losses or claims of any kind, whether known or unknown, that the Claimant Releasors may now have or ever have had, or hereafter shall or may have, against the Debtor Releasees arising from, in connection with, or related to the ACI SERP.

8. Complete and Final Agreement. This Agreement sets forth the entire agreement between the Parties pertaining to the subject matter hereof. This

Agreement supersedes and replaces any and all prior or contemporaneous verbal or written agreements between the Parties concerning the subject matter hereof. No modification of, or amendment to, this Agreement shall be valid unless it is in writing and signed by the Parties hereto.

9. No Reliance. No Party has relied on or been induced to execute this Agreement by any statements, representations, agreements or promises, oral or written, made by any other Party, their agents, employees, servants or attorneys, or anyone else, other than the statements expressly written in this Settlement Agreement and Release.

10. Interpretation of Agreement. As used in this Agreement, the singular or plural number shall be deemed to include the other whenever the context so indicates or requires. The language of all parts of this Agreement shall in all cases be construed as a whole, according to its fair meaning, not strictly for or against any of the Parties.

11. Counterparts. This Agreement may be executed simultaneously or in any number of original or faxed counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same agreement.

12. Authorization. Each of the undersigned represents and warrants that he or she is competent and authorized to execute this Agreement, and further represents and warrants that he or she has read and understands the terms of this Agreement.

13. Binding Effect. This Agreement shall be binding on and shall inure to the benefit of the Parties and their respective successors, heirs, and assigns.

14. No Admission of Liability. The Parties each agree that entry into this Agreement does not constitute a determination or admission of liability under the ACI SERP by the ACI SERP Settlement Plan Sponsors, and that the allocation and allowance of the ACI SERP Claim constitutes a settlement of the ACI SERP Claim to avoid the expense and time of further litigation.

15. Governing Law. This Agreement shall be governed by and construed under the laws of either the State of Delaware or the Province of Quebec, as may be applicable, without regard to the conflict of laws provisions thereof.

16. Jurisdiction. In connection with any action, suit, or proceeding arising from, in connection with, or relating to this Agreement, the Parties each agree to submit to the exclusive jurisdiction and venue of the United States Bankruptcy Court for the District of Delaware or the CCAA Court, as may be applicable, and any appellate courts with jurisdiction over the U.S. Court and the CCAA Court.

17. Effectiveness; Termination. The Parties acknowledge that the Debtors intend to seek approval of this Agreement by the U.S. Court and the CCAA Court and that this Agreement shall only become effective upon entry of an order approving the Agreement by each of the U.S. Court and the CCAA Court (the "Effective Date").

EN FOI DE QUOI, les parties, par l'intermédiaire de leurs représentants dûment autorisés,
ont signé la présente convention le 10 octobre 2011.

RÉCLAMANT :



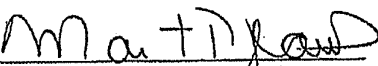
DÉBITEURS :

AbitibiBowater Inc.

Par : 
Nom : Jacques P. Vachon
Titre : Premier vice-président et chef du contentieux

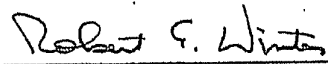
APPROUVÉ PAR :

Ernst & Young Inc., en sa qualité de contrôleur nommé par le tribunal à l'égard de
l'affaire du plan de transaction ou d'arrangement d'AbitibiBowater Inc. et de ses filiales et
membres du même groupe, et non à titre personnel ou en qualité de société.

Par : 
Nom : Martin Daigneault
Titre : Premier vice-président

Avidity Partners, LLC

à titre d'agent des réclamations après la date de prise d'effet,
par l'intermédiaire de son conseiller juridique Paul Hastings LP

Par : 
Name: Robert E. Winter
Title: Counsel

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (the "Agreement") is entered into by and between AbitibiBowater Inc. and its affiliates in the above captioned cases (collectively, together with the affiliates who applied for protection from their creditors under Canada's *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (as amended, the "CCAA") and as reorganized, the "Debtors") and [REDACTED] ("Claimant"). The Debtors and Claimant are each referred to individually herein as a "Party" and collectively, as the "Parties."

WHEREAS, the Debtors filed creditor protection proceedings in the United States and Canada (the "Restructuring Cases") on April 16, 2009 and April 17, 2009, respectively (the "Petition Date"). In November 2010, the U.S. bankruptcy court (the "U.S. Court") and the Quebec Superior Court (the "CCAA Court") entered orders confirming and sanctioning the Debtors' chapter 11 and CCAA restructuring plans (the confirmed chapter 11 plan, the "Chapter 11 Plan" and accompanying disclosure statement, the "Disclosure Statement", and together with the sanctioned CCAA plan (the "CCAA Plan" and the accompanying information circular, the "Information Circular") the "Restructuring Plans"). The Restructuring Plans went effective on December 9, 2010.

WHEREAS, as of the Petition Date, the Debtors suspended all payments on account of pre-filing supplemental executive retirement plans (collectively, the "Old

Drive Company Limited, Bowater Treated Wood Inc., Canexel Hardboard Inc., 9068-9050 Québec Inc., Alliance Forest Products Inc. (2001), Bowater Belledune Sawmill Inc., Bowater Maritimes Inc., Bowater Mitis Inc., Bowater Guérette Inc., and Bowater Couturier Inc.

SERPs”), including the Canadian Supplemental Executive Retirement Plan (SERP) for Executive Employees of Abitibi-Consolidated Inc. (the “ACI SERP”). The Restructuring Plans terminated all such plans. See CCAA Plan Supplement 6.9(1); Amended CCAA Plan Supplement 6.9(2); Chapter 11 Plan § 6.9; Supplement 7B (as amended). In accordance with the Restructuring Plans, however, the Debtors established new non-qualified and non-registered plans (the “New SERPs”) pursuant to which (a) all employees and beneficiaries in active status as of the Effective Date were eligible to receive benefits under the New SERPs substantially similar to those under the Old SERPs; and (b) all retirees, beneficiaries and deferred vested participants (collectively, “Retirees”), as of the Effective Date, were eligible to receive benefits under the New SERPs substantially similar to those under the Old SERPs, provided however, that the benefits to a participant under the New SERP(s) will be 10% to 35% lower, depending on the applicable Old SERP(s), the benefits under the New Plans will be subject to an annual per-participant cap, and depending on the applicable Old SERP, the benefits being further reduced by any secured pension benefits received or to be received in respect of the Old SERP. The ACI SERP is subject to a 10% reduction in benefits and a CDN\$50,000 per participant annual cap. In addition, some participants under the ACI SERP received secured pension benefits in respect of the ACI SERP and accordingly, were ineligible to participate in the applicable New SERP or were eligible to participate in the applicable New SERP subject to further reduction of their benefits.

WHEREAS, as a condition of participating in the New SERPs, the Restructuring Plans required eligible plan participants to waive and forfeit any and all claims in respect of the Old SERPs. In August 2010, the Debtors mailed election notices

to all SERP claimants (the "SERP Election Notices") offering them a choice between (1) participating in the New SERPs and waiving all their claims against the Debtors arising under the relevant Old SERPs, or (2) retaining their claims against the Debtors arising under the Old SERPs, and receiving distributions on account of such claims (if and when allowed) as part of the Restructuring Cases. Claimant was not eligible to participate in a New SERP or was eligible to participate in a New SERP but elected to retain his claims under the ACI SERP (the "ACI SERP Claims").

WHEREAS, at the time the SERP Election Notices were circulated, AbitibiBowater Inc. and Abitibi-Consolidated Inc. were identified as sponsors of the ACI SERP. Other Debtors may also be potential sponsors of the ACI SERP, and may also be potentially liable for the ACI SERP Claims. The Company, the post-effective date claims agent (the "Claims Agent") appointed under the Chapter 11 Plan, and the monitor appointed in the CCAA proceedings by the CCAA Court (the "Monitor"), have analyzed the likelihood of other Debtors' liability for the ACI SERP Claims.

WHEREAS, among other things, the Claims Agent, the Monitor, and the Claimant dispute the liability of the various Debtors for the ACI SERP Claims.

WHEREAS, to avoid the expense and inconvenience of further litigation, the Parties have agreed to settle on the allowed amount of Claimant's ACI SERP Claim and allocate such claim against various Debtors based on an agreement regarding each such Debtors' probable estimated liability for the claim as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and releases set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. ACI SERP Claim Allowance. Claimant shall have an allowed general unsecured ACI SERP Claim (the "Allowed ACI SERP Claim") in the amount of **CDN \$59,849.00** which shall be allocated, solely for purposes of this Agreement, against each of the following Debtors: AbitibiBowater Inc., Bowater Incorporated, Donohue Corp., Abitibi Consolidated Sales Corporation, Abitibi-Consolidated Corporation, Bowater Canadian Forest Products Inc., Abitibi-Consolidated Inc., and Abitibi-Consolidated Company of Canada (collectively, the "ACI SERP Settlement Sponsors"). Except for purposes of this Agreement, the Debtors, the Claims Agent and the Monitor do not concede that the ACI SERP Settlement Sponsors have legal liability for the ACI SERP.

2. ACI SERP Claim Allocation: The Allowed ACI SERP Claim will be allocated against the ACI SERP Settlement Sponsors in the following percentages based upon the agreed-upon relative risk of liability of each particular ACI SERP Settlement Sponsor, resulting in the corresponding portion of the Allowed ACI SERP Claim being allowed against the ACI SERP Settlement Sponsor in the indicated amounts (the "Risk-Adjusted Allowed ACI SERP Claim Amount"):

Allowed ACI SERP Claim Amount	ACI SERP Settlement Sponsor	% of Allowed ACI SERP Claim Allocated against ACI SERP Settlement Sponsor	Risk-Adjusted Allowed ACI SERP Claim Amount	Applicable General Unsecured Claim Class	Estimated % Recovery Rate from Debtor based on Disclosure Statement and Information Circular	Estimated Recovery on Account of Risk-Adjusted Allowed ACI SERP Claim Amount
CDN\$59,849.00	Bowater Canadian Forest Products Inc.	23%	CDN\$13,765.27		36.50%	CDN\$5,024.32
CDN\$59,849.00	Abitibi-Consolidated Inc.	100%	CDN\$59,849.00		3.4%	CDN\$2,034.87
CDN\$59,849.00	Abitibi Consolidated Company of Canada	95%	CDN\$56,856.55		17.10%	CDN\$9,722.47
US\$49,274.66	AbitibiBowater Inc.	100%	US\$49,274.66	Class 6A	0.8%	US\$394.20

US\$49,274.66	Bowater Incorporated	23%	US\$11,333.17	Class 6S	48.4%	US\$5,485.25
US\$49,274.66	Donohue Corp.	20%	US\$9,854.93	Class 6DD	28.4%	US\$2,798.80
US\$49,274.66	Abitibi Consolidated Sales Corp.	20%	US\$9,854.93	Class 6H	23.4%	US\$2,306.05
US\$49,274.66	Abitibi Consolidated Corporation	20%	US\$9,854.93	Class 6F	12.0%	US\$1,182.59
			Total Estimated Recovery (CDN\$)			\$31,559.57
			% Recovery (CDN\$: CDN\$)		52%	

* Currency conversions use the Bank of Canada's noon spot rate as of the Petition Date of CDN \$1.00 – US\$0.8290.

3. No Fixed Recoveries on Allowed ACI SERP Claims: The

Allowed ACI SERP Claim and Risk-Adjusted Allowed ACI SERP Claim Amounts constitute Claimant's sole Allowed claims arising under, in connection with, or relating to the ACI SERP, and all other claims (if any), including any such claims against any other Debtor or Debtor's affiliate (including for the avoidance of doubt, Bowater Canada Finance Corporation), are deemed withdrawn and expunged. Notwithstanding anything to the contrary contained in this Agreement, this Agreement does not fix recoveries or guarantee an aggregate 52% recovery on the Allowed ACI SERP Claim or a recovery against each ACI SERP Settlement Sponsor at the estimated recovery rate set forth in the applicable Disclosure Statement or Information Circular. Actual recoveries on account of such claims depend on the other claims that are ultimately allowed or disallowed against each ACI SERP Settlement Sponsor and the ultimate trading value of the New ABH Common Stock (as defined in the Chapter 11 Plan). The estimated recoveries set forth in paragraph 2 above (a) are based on the assumptions and estimated recovery rates for each ACI SERP Settlement Sponsor contained in the Disclosure Statement and Information Circular, and (b) the implied stock price of US\$25 per share of New ABH Common Stock contained in the Disclosure Statement and Information Circular. After full administration of the Restructuring Cases, actual recoveries on the Allowed ACI SERP

Claims and the Risk-Adjusted Allowed ACI SERP Claim Amounts may be significantly more or less than 52% of the claim amounts.

4. Allowed ACI SERP Claim Distributions. The Debtors will make an initial distribution of New ABH Common Stock on account of the Allowed ACI SERP Claims and the Risk-Adjusted Allowed ACI SERP Claim Amounts on the first interim distribution date after entry of orders by the U.S. Court and Canadian Courts approving this Agreement on which it is reasonably practicable for the Debtors to do so. All distributions on account of the Allowed ACI SERP Claims and Risk-Adjusted Allowed ACI SERP Claim Amounts will be subject to all applicable holdbacks and other restrictions under the Restructuring Plans (if any).

5. Agreement on Allowed Claims and Distributions. Other than the Allowed ACI SERP Claim and the Risk-Adjusted Allowed ACI SERP Claim Amounts, Claimant agrees to withdraw with prejudice all other claims asserted in connection with or arising from the ACI SERP, whether in a proof of claim or otherwise, and upon the Effective Date, all such claims shall be deemed withdrawn with prejudice and expunged, including, for the avoidance of doubt, all claims (if any) asserted against Bowater Canada Finance Corporation.

6. Injunction. Other than with respect to his rights under this Agreement, Claimant is permanently enjoined from, and agrees not to take, any of the following actions on account of his ACI SERP Claim: (a) commencing or continuing in any manner any action or other proceeding against the Debtors or their respective property; (b) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order against the Debtors or their respective property; (c) creating,

perfecting, or enforcing any lien or encumbrance against the Debtors or their respective property; (d) asserting a setoff, right of subrogation or recoupment of any kind against any debt, liability or obligation due to the Debtors or their respective property; and (e) commencing or continuing any action, in any manner, in any place that does not comply with or is inconsistent with the provisions of this Agreement and the Restructuring Plans.

7. Release by Claimant. Other than with respect to its rights under this Agreement and the Allowed ACI SERP Claim and the Risk-Adjusted Allowed ACI SERP Claim Amounts, the Claimant and each of its successors, assigns, spouses and dependents (collectively, the "Claimant Releasors") hereby release and forever discharge the Debtors (including Bowater Canada Finance Corporation), Avidity Partners, LLC, in its capacity as the Post-Effective Date Claims Agent, and Ernst & Young Inc., in its capacity as the court-appointed Monitor in respect of the Matter of the Plan of Compromise or Arrangement of AbitibiBowater Inc. and its subsidiaries and affiliates, in each case along with each of their past, present, and future direct and indirect parents, subsidiaries, affiliates, related entities, directors, officers, employees, attorneys, representatives, agents, receivers, insurers, and each of their predecessors, successors, heirs and assigns (collectively, the "Debtor Releasees") from any and all causes of action, demands, damages, costs, debts, liabilities, losses or claims of any kind, whether known or unknown, that the Claimant Releasors may now have or ever have had, or hereafter shall or may have, against the Debtor Releasees arising from, in connection with, or related to the ACI SERP.

8. Complete and Final Agreement. This Agreement sets forth the entire agreement between the Parties pertaining to the subject matter hereof. This

Agreement supersedes and replaces any and all prior or contemporaneous verbal or written agreements between the Parties concerning the subject matter hereof. No modification of, or amendment to, this Agreement shall be valid unless it is in writing and signed by the Parties hereto.

9. No Reliance. No Party has relied on or been induced to execute this Agreement by any statements, representations, agreements or promises, oral or written, made by any other Party, their agents, employees, servants or attorneys, or anyone else, other than the statements expressly written in this Settlement Agreement and Release.

10. Interpretation of Agreement. As used in this Agreement, the singular or plural number shall be deemed to include the other whenever the context so indicates or requires. The language of all parts of this Agreement shall in all cases be construed as a whole, according to its fair meaning, not strictly for or against any of the Parties.

11. Counterparts. This Agreement may be executed simultaneously or in any number of original or faxed counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same agreement.

12. Authorization. Each of the undersigned represents and warrants that he or she is competent and authorized to execute this Agreement, and further represents and warrants that he or she has read and understands the terms of this Agreement.

13. Binding Effect. This Agreement shall be binding on and shall inure to the benefit of the Parties and their respective successors, heirs, and assigns.

14. No Admission of Liability. The Parties each agree that entry into this Agreement does not constitute a determination or admission of liability under the ACI SERP by the ACI SERP Settlement Plan Sponsors, and that the allocation and allowance of the ACI SERP Claim constitutes a settlement of the ACI SERP Claim to avoid the expense and time of further litigation.

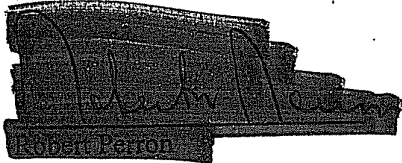
15. Governing Law. This Agreement shall be governed by and construed under the laws of either the State of Delaware or the Province of Quebec, as may be applicable, without regard to the conflict of laws provisions thereof.

16. Jurisdiction. In connection with any action, suit, or proceeding arising from, in connection with, or relating to this Agreement, the Parties each agree to submit to the exclusive jurisdiction and venue of the United States Bankruptcy Court for the District of Delaware or the CCAA Court, as may be applicable, and any appellate courts with jurisdiction over the U.S. Court and the CCAA Court.

17. Effectiveness; Termination. The Parties acknowledge that the Debtors intend to seek approval of this Agreement by the U.S. Court and the CCAA Court and that this Agreement shall only become effective upon entry of an order approving the Agreement by each of the U.S. Court and the CCAA Court (the "Effective Date").

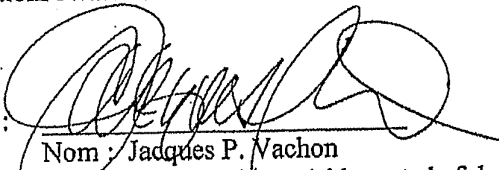
EN FOI DE QUOI, les parties, par l'intermédiaire de leurs représentants dûment autorisés,
ont signé la présente convention le 17 octobre 2011.

RÉCLAMANT :


Robert Patton

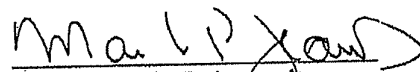
DÉBITEURS :

AbitibiBowater Inc.

Par : 
Nom : Jacques P. Vachon
Titre : Premier vice-président et chef du contentieux

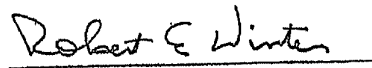
APPROUVÉ PAR :

Ernst & Young Inc., en sa qualité de contrôleur nommé par le tribunal à l'égard de
l'affaire du plan de transaction ou d'arrangement d'AbitibiBowater Inc. et de ses filiales et
membres du même groupe, et non à titre personnel ou en qualité de société.

Par : 
Nom : Martin Daigneault
Titre : Premier vice-président

Avidity Partners, LLC

à titre d'agent des réclamations après la date de prise d'effet,
par l'intermédiaire de son conseiller juridique Paul Hastings LP

Par : 
Name: Robert E. Winter
Title: Counsel

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (the "Agreement") is entered into by and between AbitibiBowater Inc. and its affiliates in the above captioned cases (collectively, together with the affiliates who applied for protection from their creditors under Canada's *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (as amended, the "CCAA") and as reorganized, the "Debtors") and [REDACTED] ("Claimant"). The Debtors and Claimant are each referred to individually herein as a "Party" and collectively, as the "Parties."

WHEREAS, the Debtors filed creditor protection proceedings in the United States and Canada (the "Restructuring Cases") on April 16, 2009 and April 17, 2009, respectively (the "Petition Date"). In November 2010, the U.S. bankruptcy court (the "U.S. Court") and the Quebec Superior Court (the "CCAA Court") entered orders confirming and sanctioning the Debtors' chapter 11 and CCAA restructuring plans (the confirmed chapter 11 plan, the "Chapter 11 Plan" and accompanying disclosure statement, the "Disclosure Statement", and together with the sanctioned CCAA plan (the "CCAA Plan" and the accompanying information circular, the "Information Circular") the "Restructuring Plans"). The Restructuring Plans went effective on December 9, 2010.

WHEREAS, as of the Petition Date, the Debtors suspended all payments on account of pre-filing supplemental executive retirement plans (collectively, the "Old

Drive Company Limited, Bowater Treated Wood Inc., Canexel Hardboard Inc., 9068-9050 Québec Inc., Alliance Forest Products Inc. (2001), Bowater Belledune Sawmill Inc., Bowater Maritimes Inc., Bowater Mitis Inc., Bowater Guérette Inc., and Bowater Couturier Inc.

SERPs”), including the Canadian Supplemental Executive Retirement Plan (SERP) for Executive Employees of Abitibi-Consolidated Inc. (the “ACI SERP”). The Restructuring Plans terminated all such plans. See CCAA Plan Supplement 6.9(1); Amended CCAA Plan Supplement 6.9(2); Chapter 11 Plan § 6.9; Supplement 7B (as amended). In accordance with the Restructuring Plans, however, the Debtors established new non-qualified and non-registered plans (the “New SERPs”) pursuant to which (a) all employees and beneficiaries in active status as of the Effective Date were eligible to receive benefits under the New SERPs substantially similar to those under the Old SERPs; and (b) all retirees, beneficiaries and deferred vested participants (collectively, “Retirees”), as of the Effective Date, were eligible to receive benefits under the New SERPs substantially similar to those under the Old SERPs, provided however, that the benefits to a participant under the New SERP(s) will be 10% to 35% lower, depending on the applicable Old SERP(s), the benefits under the New Plans will be subject to an annual per-participant cap, and depending on the applicable Old SERP, the benefits being further reduced by any secured pension benefits received or to be received in respect of the Old SERP. The ACI SERP is subject to a 10% reduction in benefits and a CDN\$50,000 per participant annual cap. In addition, some participants under the ACI SERP received secured pension benefits in respect of the ACI SERP and accordingly, were ineligible to participate in the applicable New SERP or were eligible to participate in the applicable New SERP subject to further reduction of their benefits.

WHEREAS, as a condition of participating in the New SERPs, the Restructuring Plans required eligible plan participants to waive and forfeit any and all claims in respect of the Old SERPs. In August 2010, the Debtors mailed election notices

to all SERP claimants (the "SERP Election Notices") offering them a choice between (1) participating in the New SERPs and waiving all their claims against the Debtors arising under the relevant Old SERPs, or (2) retaining their claims against the Debtors arising under the Old SERPs, and receiving distributions on account of such claims (if and when allowed) as part of the Restructuring Cases. Claimant was not eligible to participate in a New SERP or was eligible to participate in a New SERP but elected to retain his claims under the ACI SERP (the "ACI SERP Claims").

WHEREAS, at the time the SERP Election Notices were circulated, AbitibiBowater Inc. and Abitibi-Consolidated Inc. were identified as sponsors of the ACI SERP. Other Debtors may also be potential sponsors of the ACI SERP, and may also be potentially liable for the ACI SERP Claims. The Company, the post-effective date claims agent (the "Claims Agent") appointed under the Chapter 11 Plan, and the monitor appointed in the CCAA proceedings by the CCAA Court (the "Monitor"), have analyzed the likelihood of other Debtors' liability for the ACI SERP Claims.

WHEREAS, among other things, the Claims Agent, the Monitor, and the Claimant dispute the liability of the various Debtors for the ACI SERP Claims.

WHEREAS, to avoid the expense and inconvenience of further litigation, the Parties have agreed to settle on the allowed amount of Claimant's ACI SERP Claim and allocate such claim against various Debtors based on an agreement regarding each such Debtors' probable estimated liability for the claim as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and releases set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. ACI SERP Claim Allowance. Claimant shall have an allowed general unsecured ACI SERP Claim (the “Allowed ACI SERP Claim”) in the amount of **CDN \$183,595.00** which shall be allocated, solely for purposes of this Agreement, against each of the following Debtors: AbitibiBowater Inc., Bowater Incorporated, Donohue Corp., Abitibi Consolidated Sales Corporation, Abitibi-Consolidated Corporation, Bowater Canadian Forest Products Inc., Abitibi-Consolidated Inc., and Abitibi-Consolidated Company of Canada (collectively, the “ACI SERP Settlement Sponsors”). Except for purposes of this Agreement, the Debtors, the Claims Agent and the Monitor do not concede that the ACI SERP Settlement Sponsors have legal liability for the ACI SERP.

2. ACI SERP Claim Allocation: The Allowed ACI SERP Claim will be allocated against the ACI SERP Settlement Sponsors in the following percentages based upon the agreed-upon relative risk of liability of each particular ACI SERP Settlement Sponsor, resulting in the corresponding portion of the Allowed ACI SERP Claim being allowed against the ACI SERP Settlement Sponsor in the indicated amounts (the “Risk-Adjusted Allowed ACI SERP Claim Amount”):

Allowed ACI SERP Claim Amount	ACI SERP Settlement Sponsor	% of Allowed ACI SERP Claim Allocated against ACI SERP Settlement Sponsor	Risk-Adjusted/Allowed ACI SERP Claim Amount	Applicable General Unsecured Claim Class	Estimated % Recovery Rate from Debtor based on Disclosure Statement and Information Circular	Estimated Recovery on Account of Risk-Adjusted Allowed ACI SERP Claim Amount
CDN\$183,595.00	Bowater Canadian Forest Products Inc.	23%	CDN\$42,226.85		36.50%	CDN\$15,412.80
CDN\$183,595.00	Abitibi-Consolidated Inc.	100%	CDN\$183,595.00		3.4%	CDN\$6,242.23
CDN\$183,595.00	Abitibi Consolidated Company of Canada	95%	CDN\$174,415.25		17.10%	CDN\$29,825.01
US\$151,156.76	AbitibiBowater Inc.	100%	US\$151,156.76	Class 6A	0.8%	US\$1,209.25

US\$151,156.76	Bowater Incorporated	23%	US\$34,766.05	Class 6S	48.4%	US\$16,826.77
US\$151,156.76	Donohue Corp.	20%	US\$30,231.35	Class 6DD	28.4%	US\$8,585.70
US\$151,156.76	Abitibi Consolidated Sales Corp.	20%	US\$30,231.35	Class 6H	23.4%	US\$7,074.14
US\$151,156.76	Abitibi Consolidated Corporation	20%	US\$30,231.35	Class 6F	12.0%	US\$3,627.76
			Total Estimated Recovery (CDNS)			\$96,813.32
			% Recovery (CDNS:CDNS)		52%	

* Currency conversions use the Bank of Canada's noon spot rate as of the Petition Date of CDN \$1.00 – US\$0.8290.

3. No Fixed Recoveries on Allowed ACI SERP Claims: The

Allowed ACI SERP Claim and Risk-Adjusted Allowed ACI SERP Claim Amounts constitute Claimant's sole Allowed claims arising under, in connection with, or relating to the ACI SERP, and all other claims (if any), including any such claims against any other Debtor or Debtor's affiliate (including for the avoidance of doubt, Bowater Canada Finance Corporation), are deemed withdrawn and expunged. Notwithstanding anything to the contrary contained in this Agreement, this Agreement does not fix recoveries or guarantee an aggregate 52% recovery on the Allowed ACI SERP Claim or a recovery against each ACI SERP Settlement Sponsor at the estimated recovery rate set forth in the applicable Disclosure Statement or Information Circular. Actual recoveries on account of such claims depend on the other claims that are ultimately allowed or disallowed against each ACI SERP Settlement Sponsor and the ultimate trading value of the New ABH Common Stock (as defined in the Chapter 11 Plan). The estimated recoveries set forth in paragraph 2 above (a) are based on the assumptions and estimated recovery rates for each ACI SERP Settlement Sponsor contained in the Disclosure Statement and Information Circular, and (b) the implied stock price of US\$25 per share of New ABH Common Stock contained in the Disclosure Statement and Information Circular. After full administration of the Restructuring Cases, actual recoveries on the Allowed ACI SERP

Claims and the Risk-Adjusted Allowed ACI SERP Claim Amounts may be significantly more or less than 52% of the claim amounts.

4. Allowed ACI SERP Claim Distributions. The Debtors will make an initial distribution of New ABH Common Stock on account of the Allowed ACI SERP Claims and the Risk-Adjusted Allowed ACI SERP Claim Amounts on the first interim distribution date after entry of orders by the U.S. Court and Canadian Courts approving this Agreement on which it is reasonably practicable for the Debtors to do so. All distributions on account of the Allowed ACI SERP Claims and Risk-Adjusted Allowed ACI SERP Claim Amounts will be subject to all applicable holdbacks and other restrictions under the Restructuring Plans (if any).

5. Agreement on Allowed Claims and Distributions. Other than the Allowed ACI SERP Claim and the Risk-Adjusted Allowed ACI SERP Claim Amounts, Claimant agrees to withdraw with prejudice all other claims asserted in connection with or arising from the ACI SERP, whether in a proof of claim or otherwise, and upon the Effective Date, all such claims shall be deemed withdrawn with prejudice and expunged, including, for the avoidance of doubt, all claims (if any) asserted against Bowater Canada Finance Corporation.

6. Injunction. Other than with respect to his rights under this Agreement, Claimant is permanently enjoined from, and agrees not to take, any of the following actions on account of his ACI SERP Claim: (a) commencing or continuing in any manner any action or other proceeding against the Debtors or their respective property; (b) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order against the Debtors or their respective property; (c) creating,

perfecting, or enforcing any lien or encumbrance against the Debtors or their respective property; (d) asserting a setoff, right of subrogation or recoupment of any kind against any debt, liability or obligation due to the Debtors or their respective property; and (e) commencing or continuing any action, in any manner, in any place that does not comply with or is inconsistent with the provisions of this Agreement and the Restructuring Plans.

7. Release by Claimant. Other than with respect to its rights under this Agreement and the Allowed ACI SERP Claim and the Risk-Adjusted Allowed ACI SERP Claim Amounts, the Claimant and each of its successors, assigns, spouses and dependents (collectively, the "Claimant Releasors") hereby release and forever discharge the Debtors (including Bowater Canada Finance Corporation), Avidity Partners, LLC, in its capacity as the Post-Effective Date Claims Agent, and Ernst & Young Inc., in its capacity as the court-appointed Monitor in respect of the Matter of the Plan of Compromise or Arrangement of AbitibiBowater Inc. and its subsidiaries and affiliates, in each case along with each of their past, present, and future direct and indirect parents, subsidiaries, affiliates, related entities, directors, officers, employees, attorneys, representatives, agents, receivers, insurers, and each of their predecessors, successors, heirs and assigns (collectively, the "Debtor Releasees") from any and all causes of action, demands, damages, costs, debts, liabilities, losses or claims of any kind, whether known or unknown, that the Claimant Releasors may now have or ever have had, or hereafter shall or may have, against the Debtor Releasees arising from, in connection with, or related to the ACI SERP.

8. Complete and Final Agreement. This Agreement sets forth the entire agreement between the Parties pertaining to the subject matter hereof. This

Agreement supersedes and replaces any and all prior or contemporaneous verbal or written agreements between the Parties concerning the subject matter hereof. No modification of, or amendment to, this Agreement shall be valid unless it is in writing and signed by the Parties hereto.

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10. Interpretation of Agreement. As used in this Agreement, the singular or plural number shall be deemed to include the other whenever the context so indicates or requires. The language of all parts of this Agreement shall in all cases be construed as a whole, according to its fair meaning, not strictly for or against any of the Parties.

11. Counterparts. This Agreement may be executed simultaneously or in any number of original or faxed counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same agreement.

12. Authorization. Each of the undersigned represents and warrants that he or she is competent and authorized to execute this Agreement, and further represents and warrants that he or she has read and understands the terms of this Agreement.

13. Binding Effect. This Agreement shall be binding on and shall inure to the benefit of the Parties and their respective successors, heirs, and assigns.

14. No Admission of Liability. The Parties each agree that entry into this Agreement does not constitute a determination or admission of liability under the ACI SERP by the ACI SERP Settlement Plan Sponsors, and that the allocation and allowance of the ACI SERP Claim constitutes a settlement of the ACI SERP Claim to avoid the expense and time of further litigation.

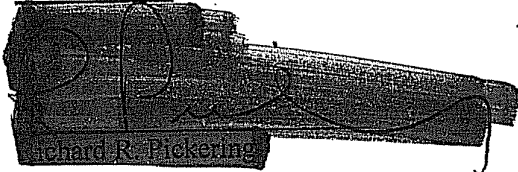
15. Governing Law. This Agreement shall be governed by and construed under the laws of either the State of Delaware or the Province of Quebec, as may be applicable, without regard to the conflict of laws provisions thereof.

16. Jurisdiction. In connection with any action, suit, or proceeding arising from, in connection with, or relating to this Agreement, the Parties each agree to submit to the exclusive jurisdiction and venue of the United States Bankruptcy Court for the District of Delaware or the CCAA Court, as may be applicable, and any appellate courts with jurisdiction over the U.S. Court and the CCAA Court.

17. Effectiveness; Termination. The Parties acknowledge that the Debtors intend to seek approval of this Agreement by the U.S. Court and the CCAA Court and that this Agreement shall only become effective upon entry of an order approving the Agreement by each of the U.S. Court and the CCAA Court (the "Effective Date").

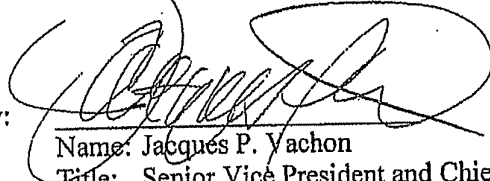
IN WITNESS WHEREOF, the Parties, by their duly authorized representatives, have
executed this Agreement this ^{5th} 31 day of October, 2011.

CLAIMANT:


Richard R. Pickering

THE DEBTORS:

AbitibiBowater Inc.

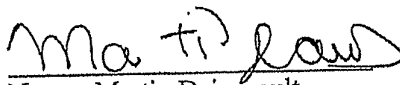
By: 

Name: Jacques P. Yachon

Title: Senior Vice President and Chief Legal Officer

APPROVED BY:

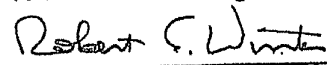
Ernst & Young Inc., in its capacity as the court-appointed Monitor in respect of the Matter of the Plan of Compromise or Arrangement of AbitibiBowater Inc. and its subsidiaries and affiliates, and not in its personal or corporate capacity.

By: 

Name: Martin Daigneault

Title: Senior Vice-President

Avidity Partners, LLC
as Post-Effective Date Claims Agent,
by its counsel Paul Hastings LP

By: 

Name: Robert E. Winter

Title: Counsel

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (the "Agreement") is entered into by and between AbitibiBowater Inc. and its affiliates in the above captioned cases (collectively, together with the affiliates who applied for protection from their creditors under Canada's *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (as amended, the "CCAA") and as reorganized, the "Debtors") and [REDACTED] ("Claimant"). The Debtors and Claimant are each referred to individually herein as a "Party" and collectively, as the "Parties."

WHEREAS, the Debtors filed creditor protection proceedings in the United States and Canada (the "Restructuring Cases") on April 16, 2009 and April 17, 2009, respectively (the "Petition Date"). In November 2010, the U.S. bankruptcy court (the "U.S. Court") and the Quebec Superior Court (the "CCAA Court") entered orders confirming and sanctioning the Debtors' chapter 11 and CCAA restructuring plans (the confirmed chapter 11 plan, the "Chapter 11 Plan" and accompanying disclosure statement, the "Disclosure Statement", and together with the sanctioned CCAA plan (the "CCAA Plan" and the accompanying information circular, the "Information Circular") the "Restructuring Plans"). The Restructuring Plans went effective on December 9, 2010.

WHEREAS, as of the Petition Date, the Debtors suspended all payments on account of pre-filing supplemental executive retirement plans (collectively, the "Old

Drive Company Limited, Bowater Treated Wood Inc., Canexel Hardboard Inc., 9068-9050 Québec Inc., Alliance Forest Products Inc. (2001), Bowater Belledune Sawmill Inc., Bowater Maritimes Inc., Bowater Mitis Inc., Bowater Guérette Inc., and Bowater Couturier Inc.

SERPs”), including the Canadian Supplemental Executive Retirement Plan (SERP) for Executive Employees of Abitibi-Consolidated Inc. (the “ACI SERP”). The Restructuring Plans terminated all such plans. *See* CCAA Plan Supplement 6.9(1); Amended CCAA Plan Supplement 6.9(2); Chapter 11 Plan § 6.9; Supplement 7B (as amended). In accordance with the Restructuring Plans, however, the Debtors established new non-qualified and non-registered plans (the “New SERPs”) pursuant to which (a) all employees and beneficiaries in active status as of the Effective Date were eligible to receive benefits under the New SERPs substantially similar to those under the Old SERPs; and (b) all retirees, beneficiaries and deferred vested participants (collectively, “Retirees”), as of the Effective Date, were eligible to receive benefits under the New SERPs substantially similar to those under the Old SERPs, provided however, that the benefits to a participant under the New SERP(s) will be 10% to 35% lower, depending on the applicable Old SERP(s), the benefits under the New Plans will be subject to an annual per-participant cap, and depending on the applicable Old SERP, the benefits being further reduced by any secured pension benefits received or to be received in respect of the Old SERP. The ACI SERP is subject to a 10% reduction in benefits and a CDN\$50,000 per participant annual cap. In addition, some participants under the ACI SERP received secured pension benefits in respect of the ACI SERP and accordingly, were ineligible to participate in the applicable New SERP or were eligible to participate in the applicable New SERP subject to further reduction of their benefits.

WHEREAS, as a condition of participating in the New SERPs, the Restructuring Plans required eligible plan participants to waive and forfeit any and all claims in respect of the Old SERPs. In August 2010, the Debtors mailed election notices

to all SERP claimants (the "SERP Election Notices") offering them a choice between (1) participating in the New SERPs and waiving all their claims against the Debtors arising under the relevant Old SERPs, or (2) retaining their claims against the Debtors arising under the Old SERPs, and receiving distributions on account of such claims (if and when allowed) as part of the Restructuring Cases. Claimant was not eligible to participate in a New SERP or was eligible to participate in a New SERP but elected to retain his claims under the ACI SERP (the "ACI SERP Claims").

WHEREAS, at the time the SERP Election Notices were circulated, AbitibiBowater Inc. and Abitibi-Consolidated Inc. were identified as sponsors of the ACI SERP. Other Debtors may also be potential sponsors of the ACI SERP, and may also be potentially liable for the ACI SERP Claims. The Company, the post-effective date claims agent (the "Claims Agent") appointed under the Chapter 11 Plan, and the monitor appointed in the CCAA proceedings by the CCAA Court (the "Monitor"), have analyzed the likelihood of other Debtors' liability for the ACI SERP Claims.

WHEREAS, among other things, the Claims Agent, the Monitor, and the Claimant dispute the liability of the various Debtors for the ACI SERP Claims.

WHEREAS, to avoid the expense and inconvenience of further litigation, the Parties have agreed to settle on the allowed amount of Claimant's ACI SERP Claim and allocate such claim against various Debtors based on an agreement regarding each such Debtors' probable estimated liability for the claim as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and releases set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. ACI SERP Claim Allowance. Claimant shall have an allowed general unsecured ACI SERP Claim (the “Allowed ACI SERP Claim”) in the amount of **CDN \$50,335.00** which shall be allocated, solely for purposes of this Agreement, against each of the following Debtors: AbitibiBowater Inc., Bowater Incorporated, Donohue Corp., Abitibi Consolidated Sales Corporation, Abitibi-Consolidated Corporation, Bowater Canadian Forest Products Inc., Abitibi-Consolidated Inc., and Abitibi-Consolidated Company of Canada (collectively, the “ACI SERP Settlement Sponsors”). Except for purposes of this Agreement, the Debtors, the Claims Agent and the Monitor do not concede that the ACI SERP Settlement Sponsors have legal liability for the ACI SERP.

2. ACI SERP Claim Allocation: The Allowed ACI SERP Claim will be allocated against the ACI SERP Settlement Sponsors in the following percentages based upon the agreed-upon relative risk of liability of each particular ACI SERP Settlement Sponsor, resulting in the corresponding portion of the Allowed ACI SERP Claim being allowed against the ACI SERP Settlement Sponsor in the indicated amounts (the “Risk-Adjusted Allowed ACI SERP Claim Amount”):

Allowed ACI SERP Claim Amount	ACI SERP Settlement Sponsor	% of Allowed ACI SERP Claim Allocated against ACI SERP Settlement Sponsor	Risk-Adjusted Allowed ACI SERP Claim Amount	Applicable General Unsecured Claim Class	Estimated % Recovery Rate from Debtor based on Disclosure Statement and Information Circular	Estimated Recovery on Account of Risk-Adjusted Allowed ACI SERP Claim Amount
CDN\$50,335.00	Bowater Canadian Forest Products Inc.	23%	CDN\$11,577.05		36.50%	CDN\$4,225.62
CDN\$50,335.00	Abitibi-Consolidated Inc.	100%	CDN\$50,335.00		3.4%	CDN\$1,711.39
CDN\$50,335.00	Abitibi Consolidated Company of Canada	95%	CDN\$47,818.25		17.10%	CDN\$8,176.92
US\$41,441.63	AbitibiBowater Inc.	100%	US\$41,441.63	Class 6A	0.8%	US\$331.53

US\$41,441.63	Bowater Incorporated	23%	US\$9,531.57	Class 6S	48.4%	US\$4,613.28
US\$41,441.63	Donohue Corp.	20%	US\$8,288.33	Class 6DD	28.4%	US\$2,353.88
US\$41,441.63	Abitibi Consolidated Sales Corp.	20%	US\$8,288.33	Class 6H	23.4%	US\$1,939.47
US\$41,441.63	Abitibi Consolidated Corporation	20%	US\$8,288.33	Class 6F	12.0%	US\$994.60
			Total Estimated Recovery (CDNS)			\$26,542.65
			% Recovery (CDNS:CDNS)		52%	

* Currency conversions use the Bank of Canada's noon spot rate as of the Petition Date of CDN \$1.00 – US\$0.8290.

3. No Fixed Recoveries on Allowed ACI SERP Claims: The

Allowed ACI SERP Claim and Risk-Adjusted Allowed ACI SERP Claim Amounts constitute Claimant's sole Allowed claims arising under, in connection with, or relating to the ACI SERP, and all other claims (if any), including any such claims against any other Debtor or Debtor's affiliate (including for the avoidance of doubt, Bowater Canada Finance Corporation), are deemed withdrawn and expunged. Notwithstanding anything to the contrary contained in this Agreement, this Agreement does not fix recoveries or guarantee an aggregate 52% recovery on the Allowed ACI SERP Claim or a recovery against each ACI SERP Settlement Sponsor at the estimated recovery rate set forth in the applicable Disclosure Statement or Information Circular. Actual recoveries on account of such claims depend on the other claims that are ultimately allowed or disallowed against each ACI SERP Settlement Sponsor and the ultimate trading value of the New ABH Common Stock (as defined in the Chapter 11 Plan). The estimated recoveries set forth in paragraph 2 above (a) are based on the assumptions and estimated recovery rates for each ACI SERP Settlement Sponsor contained in the Disclosure Statement and Information Circular, and (b) the implied stock price of US\$25 per share of New ABH Common Stock contained in the Disclosure Statement and Information Circular. After full administration of the Restructuring Cases, actual recoveries on the Allowed ACI SERP

Claims and the Risk-Adjusted Allowed ACI SERP Claim Amounts may be significantly more or less than 52% of the claim amounts.

4. Allowed ACI SERP Claim Distributions. The Debtors will make an initial distribution of New ABH Common Stock on account of the Allowed ACI SERP Claims and the Risk-Adjusted Allowed ACI SERP Claim Amounts on the first interim distribution date after entry of orders by the U.S. Court and Canadian Courts approving this Agreement on which it is reasonably practicable for the Debtors to do so. All distributions on account of the Allowed ACI SERP Claims and Risk-Adjusted Allowed ACI SERP Claim Amounts will be subject to all applicable holdbacks and other restrictions under the Restructuring Plans (if any).

5. Agreement on Allowed Claims and Distributions. Other than the Allowed ACI SERP Claim and the Risk-Adjusted Allowed ACI SERP Claim Amounts, Claimant agrees to withdraw with prejudice all other claims asserted in connection with or arising from the ACI SERP, whether in a proof of claim or otherwise, and upon the Effective Date, all such claims shall be deemed withdrawn with prejudice and expunged, including, for the avoidance of doubt, all claims (if any) asserted against Bowater Canada Finance Corporation.

6. Injunction. Other than with respect to his rights under this Agreement, Claimant is permanently enjoined from, and agrees not to take, any of the following actions on account of his ACI SERP Claim: (a) commencing or continuing in any manner any action or other proceeding against the Debtors or their respective property; (b) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order against the Debtors or their respective property; (c) creating,

perfecting, or enforcing any lien or encumbrance against the Debtors or their respective property; (d) asserting a setoff, right of subrogation or recoupment of any kind against any debt, liability or obligation due to the Debtors or their respective property; and (e) commencing or continuing any action, in any manner, in any place that does not comply with or is inconsistent with the provisions of this Agreement and the Restructuring Plans.

7. Release by Claimant. Other than with respect to its rights under this Agreement and the Allowed ACI SERP Claim and the Risk-Adjusted Allowed ACI SERP Claim Amounts, the Claimant and each of its successors, assigns, spouses and dependents (collectively, the "Claimant Releasors") hereby release and forever discharge the Debtors (including Bowater Canada Finance Corporation), Avidity Partners, LLC, in its capacity as the Post-Effective Date Claims Agent, and Ernst & Young Inc., in its capacity as the court-appointed Monitor in respect of the Matter of the Plan of Compromise or Arrangement of AbitibiBowater Inc. and its subsidiaries and affiliates, in each case along with each of their past, present, and future direct and indirect parents, subsidiaries, affiliates, related entities, directors, officers, employees, attorneys, representatives, agents, receivers, insurers, and each of their predecessors, successors, heirs and assigns (collectively, the "Debtor Releasees") from any and all causes of action, demands, damages, costs, debts, liabilities, losses or claims of any kind, whether known or unknown, that the Claimant Releasors may now have or ever have had, or hereafter shall or may have, against the Debtor Releasees arising from, in connection with, or related to the ACI SERP.

8. Complete and Final Agreement. This Agreement sets forth the entire agreement between the Parties pertaining to the subject matter hereof. This

Agreement supersedes and replaces any and all prior or contemporaneous verbal or written agreements between the Parties concerning the subject matter hereof. No modification of, or amendment to, this Agreement shall be valid unless it is in writing and signed by the Parties hereto.

9. No Reliance. No Party has relied on or been induced to execute this Agreement by any statements, representations, agreements or promises, oral or written, made by any other Party, their agents, employees, servants or attorneys, or anyone else, other than the statements expressly written in this Settlement Agreement and Release.

10. Interpretation of Agreement. As used in this Agreement, the singular or plural number shall be deemed to include the other whenever the context so indicates or requires. The language of all parts of this Agreement shall in all cases be construed as a whole, according to its fair meaning, not strictly for or against any of the Parties.

11. Counterparts. This Agreement may be executed simultaneously or in any number of original or faxed counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same agreement.

12. Authorization. Each of the undersigned represents and warrants that he or she is competent and authorized to execute this Agreement, and further represents and warrants that he or she has read and understands the terms of this Agreement.

13. Binding Effect. This Agreement shall be binding on and shall inure to the benefit of the Parties and their respective successors, heirs, and assigns.

14. No Admission of Liability. The Parties each agree that entry into this Agreement does not constitute a determination or admission of liability under the ACI SERP by the ACI SERP Settlement Plan Sponsors, and that the allocation and allowance of the ACI SERP Claim constitutes a settlement of the ACI SERP Claim to avoid the expense and time of further litigation.

15. Governing Law. This Agreement shall be governed by and construed under the laws of either the State of Delaware or the Province of Quebec, as may be applicable, without regard to the conflict of laws provisions thereof.

16. Jurisdiction. In connection with any action, suit, or proceeding arising from, in connection with, or relating to this Agreement, the Parties each agree to submit to the exclusive jurisdiction and venue of the United States Bankruptcy Court for the District of Delaware or the CCAA Court, as may be applicable, and any appellate courts with jurisdiction over the U.S. Court and the CCAA Court.

17. Effectiveness; Termination. The Parties acknowledge that the Debtors intend to seek approval of this Agreement by the U.S. Court and the CCAA Court and that this Agreement shall only become effective upon entry of an order approving the Agreement by each of the U.S. Court and the CCAA Court (the "Effective Date").

EN FOI DE QUOI, les parties, par l'intermédiaire de leurs représentants dûment autorisés,
ont signé la présente convention le 16 octobre 2011.

RÉCLAMANT :

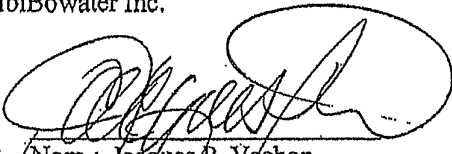


*S.V.P. Voir à la section 2
Pres choix de règlement
par entités légales.
A = actions
C = Réclamation de com
modité transfrontalière*

DÉBITEURS :

AbitibiBowater Inc.

Par :

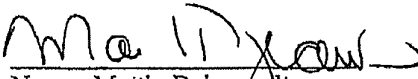


Nom : Jacques P. Vachon
Titre : Premier vice-président et chef du contentieux

APPROUVÉ PAR :

Ernst & Young Inc., en sa qualité de contrôleur nommé par le tribunal à l'égard de
l'affaire du plan de transaction ou d'arrangement d'AbitibiBowater Inc. et de ses filiales et
membres du même groupe, et non à titre personnel ou en qualité de société.

Par :

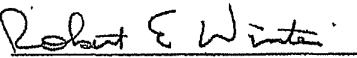


Nom : Martin Daigneault
Titre : Premier vice-président

Avidity Partners, LLC

à titre d'agent des réclamations après la date de prise d'effet,
par l'intermédiaire de son conseiller juridique Paul Hastings LP

Par :



Name: Robert E. Winter
Title: Counsel

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (the "Agreement") is entered into by and between AbitibiBowater Inc. and its affiliates in the above captioned cases (collectively, together with the affiliates who applied for protection from their creditors under Canada's *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (as amended, the "CCAA") and as reorganized, the "Debtors") and Roger Quesne ("Claimant"). The Debtors and Claimant are each referred to individually herein as a "Party" and collectively, as the "Parties."

WHEREAS, the Debtors filed creditor protection proceedings in the United States and Canada (the "Restructuring Cases") on April 16, 2009 and April 17, 2009, respectively (the "Petition Date"). In November 2010, the U.S. bankruptcy court (the "U.S. Court") and the Quebec Superior Court (the "CCAA Court") entered orders confirming and sanctioning the Debtors' chapter 11 and CCAA restructuring plans (the confirmed chapter 11 plan, the "Chapter 11 Plan" and accompanying disclosure statement, the "Disclosure Statement", and together with the sanctioned CCAA plan (the "CCAA Plan" and the accompanying information circular, the "Information Circular") the "Restructuring Plans"). The Restructuring Plans went effective on December 9, 2010.

WHEREAS, as of the Petition Date, the Debtors suspended all payments on account of pre-filing supplemental executive retirement plans (collectively, the "Old

Drive Company Limited, Bowater Treated Wood Inc., Canexel Hardboard Inc., 9068-9050 Québec Inc., Alliance Forest Products Inc. (2001), Bowater Belledune Sawmill Inc., Bowater Maritimes Inc., Bowater Mitis Inc., Bowater Guérette Inc., and Bowater Couturier Inc.

SERPs”), including the Canadian Supplemental Executive Retirement Plan (SERP) for Executive Employees of Abitibi-Consolidated Inc. (the “ACI SERP”). The Restructuring Plans terminated all such plans. See CCAA Plan Supplement 6.9(1); Amended CCAA Plan Supplement 6.9(2); Chapter 11 Plan § 6.9; Supplement 7B (as amended). In accordance with the Restructuring Plans, however, the Debtors established new non-qualified and non-registered plans (the “New SERPs”) pursuant to which (a) all employees and beneficiaries in active status as of the Effective Date were eligible to receive benefits under the New SERPs substantially similar to those under the Old SERPs; and (b) all retirees, beneficiaries and deferred vested participants (collectively, “Retirees”), as of the Effective Date, were eligible to receive benefits under the New SERPs substantially similar to those under the Old SERPs, provided however, that the benefits to a participant under the New SERP(s) will be 10% to 35% lower, depending on the applicable Old SERP(s), the benefits under the New Plans will be subject to an annual per-participant cap, and depending on the applicable Old SERP, the benefits being further reduced by any secured pension benefits received or to be received in respect of the Old SERP. The ACI SERP is subject to a 10% reduction in benefits and a CDN\$50,000 per participant annual cap. In addition, some participants under the ACI SERP received secured pension benefits in respect of the ACI SERP and accordingly, were ineligible to participate in the applicable New SERP or were eligible to participate in the applicable New SERP subject to further reduction of their benefits.

WHEREAS, as a condition of participating in the New SERPs, the Restructuring Plans required eligible plan participants to waive and forfeit any and all claims in respect of the Old SERPs. In August 2010, the Debtors mailed election notices

to all SERP claimants (the "SERP Election Notices") offering them a choice between (1) participating in the New SERPs and waiving all their claims against the Debtors arising under the relevant Old SERPs, or (2) retaining their claims against the Debtors arising under the Old SERPs, and receiving distributions on account of such claims (if and when allowed) as part of the Restructuring Cases. Claimant was not eligible to participate in a New SERP or was eligible to participate in a New SERP but elected to retain his claims under the ACI SERP (the "ACI SERP Claims").

WHEREAS, at the time the SERP Election Notices were circulated, AbitibiBowater Inc. and Abitibi-Consolidated Inc. were identified as sponsors of the ACI SERP. Other Debtors may also be potential sponsors of the ACI SERP, and may also be potentially liable for the ACI SERP Claims. The Company, the post-effective date claims agent (the "Claims Agent") appointed under the Chapter 11 Plan, and the monitor appointed in the CCAA proceedings by the CCAA Court (the "Monitor"), have analyzed the likelihood of other Debtors' liability for the ACI SERP Claims.

WHEREAS, among other things, the Claims Agent, the Monitor, and the Claimant dispute the liability of the various Debtors for the ACI SERP Claims.

WHEREAS, to avoid the expense and inconvenience of further litigation, the Parties have agreed to settle on the allowed amount of Claimant's ACI SERP Claim and allocate such claim against various Debtors based on an agreement regarding each such Debtors' probable estimated liability for the claim as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and releases set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. ACI SERP Claim Allowance. Claimant shall have an allowed general unsecured ACI SERP Claim (the "Allowed ACI SERP Claim") in the amount of **CDN \$54,675.00** which shall be allocated, solely for purposes of this Agreement, against each of the following Debtors: AbitibiBowater Inc., Bowater Incorporated, Donohue Corp., Abitibi Consolidated Sales Corporation, Abitibi-Consolidated Corporation, Bowater Canadian Forest Products Inc., Abitibi-Consolidated Inc., and Abitibi-Consolidated Company of Canada (collectively, the "ACI SERP Settlement Sponsors"). Except for purposes of this Agreement, the Debtors, the Claims Agent and the Monitor do not concede that the ACI SERP Settlement Sponsors have legal liability for the ACI SERP.

2. ACI SERP Claim Allocation: The Allowed ACI SERP Claim will be allocated against the ACI SERP Settlement Sponsors in the following percentages based upon the agreed-upon relative risk of liability of each particular ACI SERP Settlement Sponsor, resulting in the corresponding portion of the Allowed ACI SERP Claim being allowed against the ACI SERP Settlement Sponsor in the indicated amounts (the "Risk-Adjusted Allowed ACI SERP Claim Amount"):

Allowed ACI SERP Claim Amount	ACI SERP Settlement Sponsor	% of Allowed ACI SERP Claim Allocated against ACI SERP Settlement Sponsor	Risk-Adjusted Allowed ACI SERP Claim Amount	Applicable General Unsecured Claim Class	Estimated % Recovery Rate from Debtor based on Disclosure Statement and Information Circular	Estimated Recovery on Account of Risk-Adjusted Allowed ACI SERP Claim Amount
CDN\$54,675.00	Bowater Canadian Forest Products Inc.	23%	CDN\$12,575.25		36.50%	CDN\$4,589.97
CDN\$54,675.00	Abitibi-Consolidated Inc.	100%	CDN\$54,675.00		3.4%	CDN\$1,858.95
CDN\$54,675.00	Abitibi Consolidated Company of Canada	95%	CDN\$51,941.25		17.10%	CDN\$8,881.95
US\$45,014.82	AbitibiBowater Inc.	100%	US\$45,014.82	Class 6A	0.8%	US\$360.12

US\$45,014.82	Bowater Incorporated	23%	US\$10,353.41	Class 6S	48.4%	US\$5,011.05
US\$45,014.82	Donohue Corp.	20%	US\$9,002.96	Class 6DD	28.4%	US\$2,556.84
US\$45,014.82	Abitibi Consolidated Sales Corp.	20%	US\$9,002.96	Class 6H	23.4%	US\$2,106.69
US\$45,014.82	Abitibi Consolidated Corporation	20%	US\$9,002.96	Class 6F	12.0%	US\$1,080.36
					Total Estimated Recovery (CDN\$)	\$28,831.22
					% Recovery (CDN\$:CDN\$)	52%

* Currency conversions use the Bank of Canada's noon spot rate as of the Petition Date of CDN \$1.00 – US\$0.8290.

3. No Fixed Recoveries on Allowed ACI SERP Claims: The

Allowed ACI SERP Claim and Risk-Adjusted Allowed ACI SERP Claim Amounts constitute Claimant's sole Allowed claims arising under, in connection with, or relating to the ACI SERP, and all other claims (if any), including any such claims against any other Debtor or Debtor's affiliate (including for the avoidance of doubt, Bowater Canada Finance Corporation), are deemed withdrawn and expunged. Notwithstanding anything to the contrary contained in this Agreement, this Agreement does not fix recoveries or guarantee an aggregate 52% recovery on the Allowed ACI SERP Claim or a recovery against each ACI SERP Settlement Sponsor at the estimated recovery rate set forth in the applicable Disclosure Statement or Information Circular. Actual recoveries on account of such claims depend on the other claims that are ultimately allowed or disallowed against each ACI SERP Settlement Sponsor and the ultimate trading value of the New ABH Common Stock (as defined in the Chapter 11 Plan). The estimated recoveries set forth in paragraph 2 above (a) are based on the assumptions and estimated recovery rates for each ACI SERP Settlement Sponsor contained in the Disclosure Statement and Information Circular, and (b) the implied stock price of US\$25 per share of New ABH Common Stock contained in the Disclosure Statement and Information Circular. After full administration of the Restructuring Cases, actual recoveries on the Allowed ACI SERP

Claims and the Risk-Adjusted Allowed ACI SERP Claim Amounts may be significantly more or less than 52% of the claim amounts.

4. Allowed ACI SERP Claim Distributions. The Debtors will make an initial distribution of New ABH Common Stock on account of the Allowed ACI SERP Claims and the Risk-Adjusted Allowed ACI SERP Claim Amounts on the first interim distribution date after entry of orders by the U.S. Court and Canadian Courts approving this Agreement on which it is reasonably practicable for the Debtors to do so. All distributions on account of the Allowed ACI SERP Claims and Risk-Adjusted Allowed ACI SERP Claim Amounts will be subject to all applicable holdbacks and other restrictions under the Restructuring Plans (if any).

5. Agreement on Allowed Claims and Distributions. Other than the Allowed ACI SERP Claim and the Risk-Adjusted Allowed ACI SERP Claim Amounts, Claimant agrees to withdraw with prejudice all other claims asserted in connection with or arising from the ACI SERP, whether in a proof of claim or otherwise, and upon the Effective Date, all such claims shall be deemed withdrawn with prejudice and expunged, including, for the avoidance of doubt, all claims (if any) asserted against Bowater Canada Finance Corporation.

6. Injunction. Other than with respect to his rights under this Agreement, Claimant is permanently enjoined from, and agrees not to take, any of the following actions on account of his ACI SERP Claim: (a) commencing or continuing in any manner any action or other proceeding against the Debtors or their respective property; (b) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order against the Debtors or their respective property; (c) creating,

perfecting, or enforcing any lien or encumbrance against the Debtors or their respective property; (d) asserting a setoff, right of subrogation or recoupment of any kind against any debt, liability or obligation due to the Debtors or their respective property; and (e) commencing or continuing any action, in any manner, in any place that does not comply with or is inconsistent with the provisions of this Agreement and the Restructuring Plans.

7. Release by Claimant. Other than with respect to its rights under this Agreement and the Allowed ACI SERP Claim and the Risk-Adjusted Allowed ACI SERP Claim Amounts, the Claimant and each of its successors, assigns, spouses and dependents (collectively, the "Claimant Releasors") hereby release and forever discharge the Debtors (including Bowater Canada Finance Corporation), Avidity Partners, LLC, in its capacity as the Post-Effective Date Claims Agent, and Ernst & Young Inc., in its capacity as the court-appointed Monitor in respect of the Matter of the Plan of Compromise or Arrangement of AbitibiBowater Inc. and its subsidiaries and affiliates, in each case along with each of their past, present, and future direct and indirect parents, subsidiaries, affiliates, related entities, directors, officers, employees, attorneys, representatives, agents, receivers, insurers, and each of their predecessors, successors, heirs and assigns (collectively, the "Debtor Releasees") from any and all causes of action, demands, damages, costs, debts, liabilities, losses or claims of any kind, whether known or unknown, that the Claimant Releasors may now have or ever have had, or hereafter shall or may have, against the Debtor Releasees arising from, in connection with, or related to the ACI SERP.

8. Complete and Final Agreement. This Agreement sets forth the entire agreement between the Parties pertaining to the subject matter hereof. This

Agreement supersedes and replaces any and all prior or contemporaneous verbal or written agreements between the Parties concerning the subject matter hereof. No modification of, or amendment to, this Agreement shall be valid unless it is in writing and signed by the Parties hereto.

9. No Reliance. No Party has relied on or been induced to execute this Agreement by any statements, representations, agreements or promises, oral or written, made by any other Party, their agents, employees, servants or attorneys, or anyone else, other than the statements expressly written in this Settlement Agreement and Release.

10. Interpretation of Agreement. As used in this Agreement, the singular or plural number shall be deemed to include the other whenever the context so indicates or requires. The language of all parts of this Agreement shall in all cases be construed as a whole, according to its fair meaning, not strictly for or against any of the Parties.

11. Counterparts. This Agreement may be executed simultaneously or in any number of original or faxed counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same agreement.

12. Authorization. Each of the undersigned represents and warrants that he or she is competent and authorized to execute this Agreement, and further represents and warrants that he or she has read and understands the terms of this Agreement.

13. Binding Effect. This Agreement shall be binding on and shall inure to the benefit of the Parties and their respective successors, heirs, and assigns.

14. No Admission of Liability. The Parties each agree that entry into this Agreement does not constitute a determination or admission of liability under the ACI SERP by the ACI SERP Settlement Plan Sponsors, and that the allocation and allowance of the ACI SERP Claim constitutes a settlement of the ACI SERP Claim to avoid the expense and time of further litigation.

15. Governing Law. This Agreement shall be governed by and construed under the laws of either the State of Delaware or the Province of Quebec, as may be applicable, without regard to the conflict of laws provisions thereof.

16. Jurisdiction. In connection with any action, suit, or proceeding arising from, in connection with, or relating to this Agreement, the Parties each agree to submit to the exclusive jurisdiction and venue of the United States Bankruptcy Court for the District of Delaware or the CCAA Court, as may be applicable, and any appellate courts with jurisdiction over the U.S. Court and the CCAA Court.

17. Effectiveness; Termination. The Parties acknowledge that the Debtors intend to seek approval of this Agreement by the U.S. Court and the CCAA Court and that this Agreement shall only become effective upon entry of an order approving the Agreement by each of the U.S. Court and the CCAA Court (the "Effective Date").

EN FOI DE QUOI, les parties, par l'intermédiaire de leurs représentants dûment autorisés,
ont signé la présente convention le __ octobre 2011.

RÉCLAMANT :



DÉBITEURS :

AbitibiBowater Inc.

Par :

A handwritten signature in dark ink, appearing to be 'Jacques P. Yachon'.

Nom : Jacques P. Yachon

Titre : Premier vice-président et chef du contentieux

APPROUVÉ PAR :

Ernst & Young Inc., en sa qualité de contrôleur nommé par le tribunal à l'égard de
l'affaire du plan de transaction ou d'arrangement d'AbitibiBowater Inc. et de ses filiales et
membres du même groupe, et non à titre personnel ou en qualité de société.

Par :

A handwritten signature in dark ink, appearing to be 'Martin Daigneault'.

Nom : Martin Daigneault

Titre : Premier vice-président

Avidity Partners, LLC

à titre d'agent des réclamations après la date de prise d'effet,
par l'intermédiaire de son conseiller juridique Paul Hastings LP

Par :

A handwritten signature in dark ink, appearing to be 'Robert E. Winter'.

Name: Robert E. Winter

Title: Counsel

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (the "Agreement") is entered into by and between AbitibiBowater Inc. and its affiliates in the above captioned cases (collectively, together with the affiliates who applied for protection from their creditors under Canada's *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (as amended, the "CCAA") and as reorganized, the "Debtors") and [REDACTED] ("Claimant"). The Debtors and Claimant are each referred to individually herein as a "Party" and collectively, as the "Parties."

WHEREAS, the Debtors filed creditor protection proceedings in the United States and Canada (the "Restructuring Cases") on April 16, 2009 and April 17, 2009, respectively (the "Petition Date"). In November 2010, the U.S. bankruptcy court (the "U.S. Court") and the Quebec Superior Court (the "CCAA Court") entered orders confirming and sanctioning the Debtors' chapter 11 and CCAA restructuring plans (the confirmed chapter 11 plan, the "Chapter 11 Plan" and accompanying disclosure statement, the "Disclosure Statement", and together with the sanctioned CCAA plan (the "CCAA Plan" and the accompanying information circular, the "Information Circular") the "Restructuring Plans"). The Restructuring Plans went effective on December 9, 2010.

WHEREAS, as of the Petition Date, the Debtors suspended all payments on account of pre-filing supplemental executive retirement plans (collectively, the "Old

Drive Company Limited, Bowater Treated Wood Inc., Canexel Hardboard Inc., 9068-9050 Québec Inc., Alliance Forest Products Inc. (2001), Bowater Belledune Sawmill Inc., Bowater Maritimes Inc., Bowater Mitis Inc., Bowater Guérette Inc., and Bowater Couturier Inc.

SERPs”), including the Canadian Supplemental Executive Retirement Plan (SERP) for Executive Employees of Abitibi-Consolidated Inc. (the “ACI SERP”). The Restructuring Plans terminated all such plans. See CCAA Plan Supplement 6.9(1); Amended CCAA Plan Supplement 6.9(2); Chapter 11 Plan § 6.9; Supplement 7B (as amended). In accordance with the Restructuring Plans, however, the Debtors established new non-qualified and non-registered plans (the “New SERPs”) pursuant to which (a) all employees and beneficiaries in active status as of the Effective Date were eligible to receive benefits under the New SERPs substantially similar to those under the Old SERPs; and (b) all retirees, beneficiaries and deferred vested participants (collectively, “Retirees”), as of the Effective Date, were eligible to receive benefits under the New SERPs substantially similar to those under the Old SERPs, provided however, that the benefits to a participant under the New SERP(s) will be 10% to 35% lower, depending on the applicable Old SERP(s), the benefits under the New Plans will be subject to an annual per-participant cap, and depending on the applicable Old SERP, the benefits being further reduced by any secured pension benefits received or to be received in respect of the Old SERP. The ACI SERP is subject to a 10% reduction in benefits and a CDN\$50,000 per participant annual cap. In addition, some participants under the ACI SERP received secured pension benefits in respect of the ACI SERP and accordingly, were ineligible to participate in the applicable New SERP or were eligible to participate in the applicable New SERP subject to further reduction of their benefits.

WHEREAS, as a condition of participating in the New SERPs, the Restructuring Plans required eligible plan participants to waive and forfeit any and all claims in respect of the Old SERPs. In August 2010, the Debtors mailed election notices

to all SERP claimants (the "SERP Election Notices") offering them a choice between (1) participating in the New SERPs and waiving all their claims against the Debtors arising under the relevant Old SERPs, or (2) retaining their claims against the Debtors arising under the Old SERPs, and receiving distributions on account of such claims (if and when allowed) as part of the Restructuring Cases. Claimant was not eligible to participate in a New SERP or was eligible to participate in a New SERP but elected to retain his claims under the ACI SERP (the "ACI SERP Claims").

WHEREAS, at the time the SERP Election Notices were circulated, AbitibiBowater Inc. and Abitibi-Consolidated Inc. were identified as sponsors of the ACI SERP. Other Debtors may also be potential sponsors of the ACI SERP, and may also be potentially liable for the ACI SERP Claims. The Company, the post-effective date claims agent (the "Claims Agent") appointed under the Chapter 11 Plan, and the monitor appointed in the CCAA proceedings by the CCAA Court (the "Monitor"), have analyzed the likelihood of other Debtors' liability for the ACI SERP Claims.

WHEREAS, among other things, the Claims Agent, the Monitor, and the Claimant dispute the liability of the various Debtors for the ACI SERP Claims.

WHEREAS, to avoid the expense and inconvenience of further litigation, the Parties have agreed to settle on the allowed amount of Claimant's ACI SERP Claim and allocate such claim against various Debtors based on an agreement regarding each such Debtors' probable estimated liability for the claim as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and releases set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. ACI SERP Claim Allowance. Claimant shall have an allowed general unsecured ACI SERP Claim (the "Allowed ACI SERP Claim") in the amount of **CDN \$51,808.00** which shall be allocated, solely for purposes of this Agreement, against each of the following Debtors: AbitibiBowater Inc., Bowater Incorporated, Donohue Corp., Abitibi Consolidated Sales Corporation, Abitibi-Consolidated Corporation, Bowater Canadian Forest Products Inc., Abitibi-Consolidated Inc., and Abitibi-Consolidated Company of Canada (collectively, the "ACI SERP Settlement Sponsors"). Except for purposes of this Agreement, the Debtors, the Claims Agent and the Monitor do not concede that the ACI SERP Settlement Sponsors have legal liability for the ACI SERP.

2. ACI SERP Claim Allocation: The Allowed ACI SERP Claim will be allocated against the ACI SERP Settlement Sponsors in the following percentages based upon the agreed-upon relative risk of liability of each particular ACI SERP Settlement Sponsor, resulting in the corresponding portion of the Allowed ACI SERP Claim being allowed against the ACI SERP Settlement Sponsor in the indicated amounts (the "Risk-Adjusted Allowed ACI SERP Claim Amount"):

Allowed ACI SERP Claim Amount	ACI SERP Settlement Sponsor	% of Allowed ACI SERP Claim Allocated against ACI SERP Settlement Sponsor	Risk-Adjusted Allowed ACI SERP Claim Amount	Applicable General Unsecured Claim Class	Estimated % Recovery Rate from Debtor based on Disclosure Statement and Information Circular	Estimated Recovery on Account of Risk-Adjusted Allowed ACI SERP Claim Amount
CDN\$51,808.00	Bowater Canadian Forest Products Inc.	23%	CDN\$11,915.84		36.50%	CDN\$4,349.28
CDN\$51,808.00	Abitibi-Consolidated Inc.	100%	CDN\$51,808.00		3.4%	CDN\$1,761.47
CDN\$51,808.00	Abitibi Consolidated Company of Canada	95%	CDN\$49,217.60		17.10%	CDN\$8,416.21
US\$42,654.37	AbitibiBowater Inc.	100%	US\$42,654.37	Class 6A	0.8%	US\$341.23

US\$42,654.37	Bowater Incorporated	23%	US\$9,810.51	Class 6S	48.4%	US\$4,748.28
US\$42,654.37	Donohue Corp.	20%	US\$8,530.87	Class 6DD	28.4%	US\$2,422.77
US\$42,654.37	Abitibi Consolidated Sales Corp.	20%	US\$8,530.87	Class 6H	23.4%	US\$1,996.22
US\$42,654.37	Abitibi Consolidated Corporation	20%	US\$8,530.87	Class 6F	12.0%	US\$1,023.70
			Total Estimated Recovery (CDNS)			\$27,319.39
			% Recovery (CDNS:CDNS)		52%	

* Currency conversions use the Bank of Canada's noon spot rate as of the Petition Date of CDN \$1.00 – US\$0.8290.

3. No Fixed Recoveries on Allowed ACI SERP Claims: The Allowed ACI SERP Claim and Risk-Adjusted Allowed ACI SERP Claim Amounts constitute Claimant's sole Allowed claims arising under, in connection with, or relating to the ACI SERP, and all other claims (if any), including any such claims against any other Debtor or Debtor's affiliate (including for the avoidance of doubt, Bowater Canada Finance Corporation), are deemed withdrawn and expunged. Notwithstanding anything to the contrary contained in this Agreement, this Agreement does not fix recoveries or guarantee an aggregate 52% recovery on the Allowed ACI SERP Claim or a recovery against each ACI SERP Settlement Sponsor at the estimated recovery rate set forth in the applicable Disclosure Statement or Information Circular. Actual recoveries on account of such claims depend on the other claims that are ultimately allowed or disallowed against each ACI SERP Settlement Sponsor and the ultimate trading value of the New ABH Common Stock (as defined in the Chapter 11 Plan). The estimated recoveries set forth in paragraph 2 above (a) are based on the assumptions and estimated recovery rates for each ACI SERP Settlement Sponsor contained in the Disclosure Statement and Information Circular, and (b) the implied stock price of US\$25 per share of New ABH Common Stock contained in the Disclosure Statement and Information Circular. After full administration of the Restructuring Cases, actual recoveries on the Allowed ACI SERP

Claims and the Risk-Adjusted Allowed ACI SERP Claim Amounts may be significantly more or less than 52% of the claim amounts.

4. Allowed ACI SERP Claim Distributions. The Debtors will make an initial distribution of New ABH Common Stock on account of the Allowed ACI SERP Claims and the Risk-Adjusted Allowed ACI SERP Claim Amounts on the first interim distribution date after entry of orders by the U.S. Court and Canadian Courts approving this Agreement on which it is reasonably practicable for the Debtors to do so. All distributions on account of the Allowed ACI SERP Claims and Risk-Adjusted Allowed ACI SERP Claim Amounts will be subject to all applicable holdbacks and other restrictions under the Restructuring Plans (if any).

5. Agreement on Allowed Claims and Distributions. Other than the Allowed ACI SERP Claim and the Risk-Adjusted Allowed ACI SERP Claim Amounts, Claimant agrees to withdraw with prejudice all other claims asserted in connection with or arising from the ACI SERP, whether in a proof of claim or otherwise, and upon the Effective Date, all such claims shall be deemed withdrawn with prejudice and expunged, including, for the avoidance of doubt, all claims (if any) asserted against Bowater Canada Finance Corporation.

6. Injunction. Other than with respect to his rights under this Agreement, Claimant is permanently enjoined from, and agrees not to take, any of the following actions on account of his ACI SERP Claim: (a) commencing or continuing in any manner any action or other proceeding against the Debtors or their respective property; (b) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order against the Debtors or their respective property; (c) creating,

perfecting, or enforcing any lien or encumbrance against the Debtors or their respective property; (d) asserting a setoff, right of subrogation or recoupment of any kind against any debt, liability or obligation due to the Debtors or their respective property; and (e) commencing or continuing any action, in any manner, in any place that does not comply with or is inconsistent with the provisions of this Agreement and the Restructuring Plans.

7. Release by Claimant. Other than with respect to its rights under this Agreement and the Allowed ACI SERP Claim and the Risk-Adjusted Allowed ACI SERP Claim Amounts, the Claimant and each of its successors, assigns, spouses and dependents (collectively, the "Claimant Releasors") hereby release and forever discharge the Debtors (including Bowater Canada Finance Corporation), Avidity Partners, LLC, in its capacity as the Post-Effective Date Claims Agent, and Ernst & Young Inc., in its capacity as the court-appointed Monitor in respect of the Matter of the Plan of Compromise or Arrangement of AbitibiBowater Inc. and its subsidiaries and affiliates, in each case along with each of their past, present, and future direct and indirect parents, subsidiaries, affiliates, related entities, directors, officers, employees, attorneys, representatives, agents, receivers, insurers, and each of their predecessors, successors, heirs and assigns (collectively, the "Debtor Releasees") from any and all causes of action, demands, damages, costs, debts, liabilities, losses or claims of any kind, whether known or unknown, that the Claimant Releasors may now have or ever have had, or hereafter shall or may have, against the Debtor Releasees arising from, in connection with, or related to the ACI SERP.

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Agreement supersedes and replaces any and all prior or contemporaneous verbal or written agreements between the Parties concerning the subject matter hereof. No modification of, or amendment to, this Agreement shall be valid unless it is in writing and signed by the Parties hereto.

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16. Jurisdiction. In connection with any action, suit, or proceeding arising from, in connection with, or relating to this Agreement, the Parties each agree to submit to the exclusive jurisdiction and venue of the United States Bankruptcy Court for the District of Delaware or the CCAA Court, as may be applicable, and any appellate courts with jurisdiction over the U.S. Court and the CCAA Court.

17. Effectiveness; Termination. The Parties acknowledge that the Debtors intend to seek approval of this Agreement by the U.S. Court and the CCAA Court and that this Agreement shall only become effective upon entry of an order approving the Agreement by each of the U.S. Court and the CCAA Court (the "Effective Date").

IN WITNESS WHEREOF, the Parties, by their duly authorized representatives, have
executed this Agreement this 21 day of October, 2011.

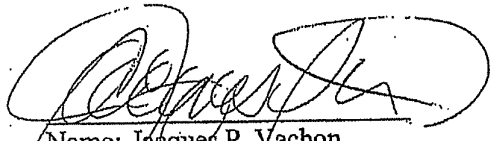
CLAIMANT:


Alain Grosche

As Discussed I would like to process
this settlement by using the
"CONVENIENCE CLASS" option.

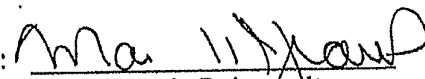
THE DEBTORS:

AbitibiBowater Inc.

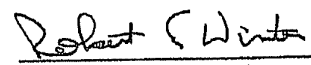
By: 
Name: Jacques P. Yachon
Title: Senior Vice President and Chief Legal Officer

APPROVED BY:

Ernst & Young Inc., in its capacity as the court-appointed Monitor in respect of the
Matter of the Plan of Compromise or Arrangement of AbitibiBowater Inc. and its
subsidiaries and affiliates, and not in its personal or corporate capacity.

By: 
Name: Martin Daigneault
Title: Senior Vice-President

Avidity Partners, LLC
as Post-Effective Date Claims Agent,
by its counsel Paul Hastings LP

By: 
Name: Robert E. Winter
Title: Counsel

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (the "Agreement") is entered into by and between AbitibiBowater Inc. and its affiliates in the above captioned cases (collectively, together with the affiliates who applied for protection from their creditors under Canada's *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (as amended, the "CCAA") and as reorganized, the "Debtors") and [REDACTED] ("Claimant"). The Debtors and Claimant are each referred to individually herein as a "Party" and collectively, as the "Parties."

WHEREAS, the Debtors filed creditor protection proceedings in the United States and Canada (the "Restructuring Cases") on April 16, 2009 and April 17, 2009, respectively (the "Petition Date"). In November 2010, the U.S. bankruptcy court (the "U.S. Court") and the Quebec Superior Court (the "CCAA Court") entered orders confirming and sanctioning the Debtors' chapter 11 and CCAA restructuring plans (the confirmed chapter 11 plan, the "Chapter 11 Plan" and accompanying disclosure statement, the "Disclosure Statement", and together with the sanctioned CCAA plan (the "CCAA Plan" and the accompanying information circular, the "Information Circular") the "Restructuring Plans"). The Restructuring Plans went effective on December 9, 2010.

WHEREAS, as of the Petition Date, the Debtors suspended all payments on account of pre-filing supplemental executive retirement plans (collectively, the "Old

Drive Company Limited, Bowater Treated Wood Inc., Canexel Hardboard Inc., 9068-9050 Québec Inc., Alliance Forest Products Inc. (2001), Bowater Belledune Sawmill Inc., Bowater Maritimes Inc., Bowater Mitis Inc., Bowater Guérette Inc., and Bowater Couturier Inc.

SERPs”), including the Canadian Supplemental Executive Retirement Plan (SERP) for Executive Employees of Abitibi-Consolidated Inc. (the “ACI SERP”). The Restructuring Plans terminated all such plans. See CCAA Plan Supplement 6.9(1); Amended CCAA Plan Supplement 6.9(2); Chapter 11 Plan § 6.9; Supplement 7B (as amended). In accordance with the Restructuring Plans, however, the Debtors established new non-qualified and non-registered plans (the “New SERPs”) pursuant to which (a) all employees and beneficiaries in active status as of the Effective Date were eligible to receive benefits under the New SERPs substantially similar to those under the Old SERPs; and (b) all retirees, beneficiaries and deferred vested participants (collectively, “Retirees”), as of the Effective Date, were eligible to receive benefits under the New SERPs substantially similar to those under the Old SERPs, provided however, that the benefits to a participant under the New SERP(s) will be 10% to 35% lower, depending on the applicable Old SERP(s), the benefits under the New Plans will be subject to an annual per-participant cap, and depending on the applicable Old SERP, the benefits being further reduced by any secured pension benefits received or to be received in respect of the Old SERP. The ACI SERP is subject to a 10% reduction in benefits and a CDN\$50,000 per participant annual cap. In addition, some participants under the ACI SERP received secured pension benefits in respect of the ACI SERP and accordingly, were ineligible to participate in the applicable New SERP or were eligible to participate in the applicable New SERP subject to further reduction of their benefits.

WHEREAS, as a condition of participating in the New SERPs, the Restructuring Plans required eligible plan participants to waive and forfeit any and all claims in respect of the Old SERPs. In August 2010, the Debtors mailed election notices

to all SERP claimants (the "SERP Election Notices") offering them a choice between (1) participating in the New SERPs and waiving all their claims against the Debtors arising under the relevant Old SERPs, or (2) retaining their claims against the Debtors arising under the Old SERPs, and receiving distributions on account of such claims (if and when allowed) as part of the Restructuring Cases. Claimant was not eligible to participate in a New SERP or was eligible to participate in a New SERP but elected to retain his claims under the ACI SERP (the "ACI SERP Claims").

WHEREAS, at the time the SERP Election Notices were circulated, AbitibiBowater Inc. and Abitibi-Consolidated Inc. were identified as sponsors of the ACI SERP. Other Debtors may also be potential sponsors of the ACI SERP, and may also be potentially liable for the ACI SERP Claims. The Company, the post-effective date claims agent (the "Claims Agent") appointed under the Chapter 11 Plan, and the monitor appointed in the CCAA proceedings by the CCAA Court (the "Monitor"), have analyzed the likelihood of other Debtors' liability for the ACI SERP Claims.

WHEREAS, among other things, the Claims Agent, the Monitor, and the Claimant dispute the liability of the various Debtors for the ACI SERP Claims.

WHEREAS, to avoid the expense and inconvenience of further litigation, the Parties have agreed to settle on the allowed amount of Claimant's ACI SERP Claim and allocate such claim against various Debtors based on an agreement regarding each such Debtors' probable estimated liability for the claim as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and releases set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. ACI SERP Claim Allowance. Claimant shall have an allowed general unsecured ACI SERP Claim (the “Allowed ACI SERP Claim”) in the amount of **CDN \$117,931.00** which shall be allocated, solely for purposes of this Agreement, against each of the following Debtors: AbitibiBowater Inc., Bowater Incorporated, Donohue Corp., Abitibi Consolidated Sales Corporation, Abitibi-Consolidated Corporation, Bowater Canadian Forest Products Inc., Abitibi-Consolidated Inc., and Abitibi-Consolidated Company of Canada (collectively, the “ACI SERP Settlement Sponsors”). Except for purposes of this Agreement, the Debtors, the Claims Agent and the Monitor do not concede that the ACI SERP Settlement Sponsors have legal liability for the ACI SERP.

2. ACI SERP Claim Allocation: The Allowed ACI SERP Claim will be allocated against the ACI SERP Settlement Sponsors in the following percentages based upon the agreed-upon relative risk of liability of each particular ACI SERP Settlement Sponsor, resulting in the corresponding portion of the Allowed ACI SERP Claim being allowed against the ACI SERP Settlement Sponsor in the indicated amounts (the “Risk-Adjusted Allowed ACI SERP Claim Amount”):

Allowed ACI SERP Claim Amount	ACI SERP Settlement Sponsor	% of Allowed ACI SERP Claim Allocated against ACI SERP Settlement Sponsor	Risk-Adjusted Allowed ACI SERP Claim Amount	Applicable General Unsecured Claim Class	Estimated % Recovery Rate from Debtor based on Disclosure Statement and Information Circular	Estimated Recovery on Account of Risk-Adjusted Allowed ACI SERP Claim Amount
CDN\$117,931.00	Bowater Canadian Forest Products Inc.	23%	CDN\$27,124.13		36.50%	CDN\$9,900.31
CDN\$117,931.00	Abitibi-Consolidated Inc.	100%	CDN\$117,931.00		3.4%	CDN\$4,009.65
CDN\$117,931.00	Abitibi Consolidated Company of Canada	95%	CDN\$112,034.45		17.10%	CDN\$19,157.89
US\$97,094.52	AbitibiBowater Inc.	100%	US\$97,094.52	Class 6A	0.8%	US\$776.76

US\$97,094.52	Bowater Incorporated	23%	US\$22,331.74	Class 6S	48.4%	US\$10,808.56
US\$97,094.52	Donohue Corp.	20%	US\$19,418.90	Class 6DD	28.4%	US\$5,514.97
US\$97,094.52	Abitibi Consolidated Sales Corp.	20%	US\$19,418.90	Class 6H	23.4%	US\$4,544.02
US\$97,094.52	Abitibi Consolidated Corporation	20%	US\$19,418.90	Class 6F	12.0%	US\$2,330.27
			Total Estimated Recovery (CDNS)			\$62,187.37
			% Recovery (CDNS:CDNS)		52%	

* Currency conversions use the Bank of Canada's noon spot rate as of the Petition Date of CDN \$1.00 – US\$0.8290.

3. No Fixed Recoveries on Allowed ACI SERP Claims: The Allowed ACI SERP Claim and Risk-Adjusted Allowed ACI SERP Claim Amounts constitute Claimant's sole Allowed claims arising under, in connection with, or relating to the ACI SERP, and all other claims (if any), including any such claims against any other Debtor or Debtor's affiliate (including for the avoidance of doubt, Bowater Canada Finance Corporation), are deemed withdrawn and expunged. Notwithstanding anything to the contrary contained in this Agreement, this Agreement does not fix recoveries or guarantee an aggregate 52% recovery on the Allowed ACI SERP Claim or a recovery against each ACI SERP Settlement Sponsor at the estimated recovery rate set forth in the applicable Disclosure Statement or Information Circular. Actual recoveries on account of such claims depend on the other claims that are ultimately allowed or disallowed against each ACI SERP Settlement Sponsor and the ultimate trading value of the New ABH Common Stock (as defined in the Chapter 11 Plan). The estimated recoveries set forth in paragraph 2 above (a) are based on the assumptions and estimated recovery rates for each ACI SERP Settlement Sponsor contained in the Disclosure Statement and Information Circular, and (b) the implied stock price of US\$25 per share of New ABH Common Stock contained in the Disclosure Statement and Information Circular. After full administration of the Restructuring Cases, actual recoveries on the Allowed ACI SERP

Claims and the Risk-Adjusted Allowed ACI SERP Claim Amounts may be significantly more or less than 52% of the claim amounts.

4. Allowed ACI SERP Claim Distributions. The Debtors will make an initial distribution of New ABH Common Stock on account of the Allowed ACI SERP Claims and the Risk-Adjusted Allowed ACI SERP Claim Amounts on the first interim distribution date after entry of orders by the U.S. Court and Canadian Courts approving this Agreement on which it is reasonably practicable for the Debtors to do so. All distributions on account of the Allowed ACI SERP Claims and Risk-Adjusted Allowed ACI SERP Claim Amounts will be subject to all applicable holdbacks and other restrictions under the Restructuring Plans (if any).

5. Agreement on Allowed Claims and Distributions. Other than the Allowed ACI SERP Claim and the Risk-Adjusted Allowed ACI SERP Claim Amounts, Claimant agrees to withdraw with prejudice all other claims asserted in connection with or arising from the ACI SERP, whether in a proof of claim or otherwise, and upon the Effective Date, all such claims shall be deemed withdrawn with prejudice and expunged, including, for the avoidance of doubt, all claims (if any) asserted against Bowater Canada Finance Corporation.

6. Injunction. Other than with respect to his rights under this Agreement, Claimant is permanently enjoined from, and agrees not to take, any of the following actions on account of his ACI SERP Claim: (a) commencing or continuing in any manner any action or other proceeding against the Debtors or their respective property; (b) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order against the Debtors or their respective property; (c) creating,

perfecting, or enforcing any lien or encumbrance against the Debtors or their respective property; (d) asserting a setoff, right of subrogation or recoupment of any kind against any debt, liability or obligation due to the Debtors or their respective property; and (e) commencing or continuing any action, in any manner, in any place that does not comply with or is inconsistent with the provisions of this Agreement and the Restructuring Plans.

7. Release by Claimant. Other than with respect to its rights under this Agreement and the Allowed ACI SERP Claim and the Risk-Adjusted Allowed ACI SERP Claim Amounts, the Claimant and each of its successors, assigns, spouses and dependents (collectively, the "Claimant Releasors") hereby release and forever discharge the Debtors (including Bowater Canada Finance Corporation), Avidity Partners, LLC, in its capacity as the Post-Effective Date Claims Agent, and Ernst & Young Inc., in its capacity as the court-appointed Monitor in respect of the Matter of the Plan of Compromise or Arrangement of AbitibiBowater Inc. and its subsidiaries and affiliates, in each case along with each of their past, present, and future direct and indirect parents, subsidiaries, affiliates, related entities, directors, officers, employees, attorneys, representatives, agents, receivers, insurers, and each of their predecessors, successors, heirs and assigns (collectively, the "Debtor Releasees") from any and all causes of action, demands, damages, costs, debts, liabilities, losses or claims of any kind, whether known or unknown, that the Claimant Releasors may now have or ever have had, or hereafter shall or may have, against the Debtor Releasees arising from, in connection with, or related to the ACI SERP.

8. Complete and Final Agreement. This Agreement sets forth the entire agreement between the Parties pertaining to the subject matter hereof. This

Agreement supersedes and replaces any and all prior or contemporaneous verbal or written agreements between the Parties concerning the subject matter hereof. No modification of, or amendment to, this Agreement shall be valid unless it is in writing and signed by the Parties hereto.

9. No Reliance. No Party has relied on or been induced to execute this Agreement by any statements, representations, agreements or promises, oral or written, made by any other Party, their agents, employees, servants or attorneys, or anyone else, other than the statements expressly written in this Settlement Agreement and Release.

10. Interpretation of Agreement. As used in this Agreement, the singular or plural number shall be deemed to include the other whenever the context so indicates or requires. The language of all parts of this Agreement shall in all cases be construed as a whole, according to its fair meaning, not strictly for or against any of the Parties.

11. Counterparts. This Agreement may be executed simultaneously or in any number of original or faxed counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same agreement.

12. Authorization. Each of the undersigned represents and warrants that he or she is competent and authorized to execute this Agreement, and further represents and warrants that he or she has read and understands the terms of this Agreement.

13. Binding Effect. This Agreement shall be binding on and shall inure to the benefit of the Parties and their respective successors, heirs, and assigns.

14. No Admission of Liability. The Parties each agree that entry into this Agreement does not constitute a determination or admission of liability under the ACI SERP by the ACI SERP Settlement Plan Sponsors, and that the allocation and allowance of the ACI SERP Claim constitutes a settlement of the ACI SERP Claim to avoid the expense and time of further litigation.

15. Governing Law. This Agreement shall be governed by and construed under the laws of either the State of Delaware or the Province of Québec, as may be applicable, without regard to the conflict of laws provisions thereof.

16. Jurisdiction. In connection with any action, suit, or proceeding arising from, in connection with, or relating to this Agreement, the Parties each agree to submit to the exclusive jurisdiction and venue of the United States Bankruptcy Court for the District of Delaware or the CCAA Court, as may be applicable, and any appellate courts with jurisdiction over the U.S. Court and the CCAA Court.

17. Effectiveness; Termination. The Parties acknowledge that the Debtors intend to seek approval of this Agreement by the U.S. Court and the CCAA Court and that this Agreement shall only become effective upon entry of an order approving the Agreement by each of the U.S. Court and the CCAA Court (the "Effective Date").

EN FOI DE QUOI, les parties, par l'intermédiaire de leurs représentants dûment autorisés,
ont signé la présente convention le /7 octobre 2011.

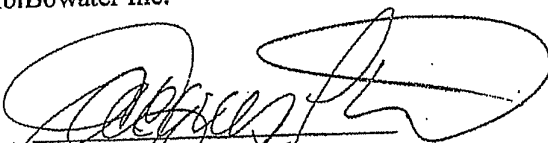
RÉCLAMANT :

[REDACTED]

DÉBITEURS :

AbitibiBowater Inc.

Par :


Nom : Jacques P. Vachon
Titre : Premier vice-président et chef du contentieux

APPROUVÉ PAR :

Ernst & Young Inc., en sa qualité de contrôleur nommé par le tribunal à l'égard de
l'affaire du plan de transaction ou d'arrangement d'AbitibiBowater Inc. et de ses filiales et
membres du même groupe, et non à titre personnel ou en qualité de société.

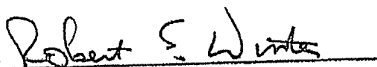
Par :

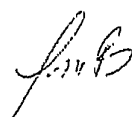

Nom : Martin Daigneault
Titre : Premier vice-président

Avidity Partners, LLC

à titre d'agent des réclamations après la date de prise d'effet,
par l'intermédiaire de son conseiller juridique Paul Hastings LP

Par :


Name: Robert E. Winter
Title: Counsel



SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (the "Agreement") is entered into by and between AbitibiBowater Inc. and its affiliates in the above captioned cases (collectively, together with the affiliates who applied for protection from their creditors under Canada's *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (as amended, the "CCAA") and as reorganized, the "Debtors") and [REDACTED] ("Claimant"). The Debtors and Claimant are each referred to individually herein as a "Party" and collectively, as the "Parties."

WHEREAS, the Debtors filed creditor protection proceedings in the United States and Canada (the "Restructuring Cases") on April 16, 2009 and April 17, 2009, respectively (the "Petition Date"). In November 2010, the U.S. bankruptcy court (the "U.S. Court") and the Quebec Superior Court (the "CCAA Court") entered orders confirming and sanctioning the Debtors' chapter 11 and CCAA restructuring plans (the confirmed chapter 11 plan, the "Chapter 11 Plan" and accompanying disclosure statement, the "Disclosure Statement", and together with the sanctioned CCAA plan (the "CCAA Plan" and the accompanying information circular, the "Information Circular") the "Restructuring Plans"). The Restructuring Plans went effective on December 9, 2010.

WHEREAS, as of the Petition Date, the Debtors suspended all payments on account of pre-filing supplemental executive retirement plans (collectively, the "Old

Drive Company Limited, Bowater Treated Wood Inc., Canexel Hardboard Inc., 9068-9050 Québec Inc., Alliance Forest Products Inc. (2001), Bowater Belledune Sawmill Inc., Bowater Maritimes Inc., Bowater Mitis Inc., Bowater Guérette Inc., and Bowater Couturier Inc.

SERPs”), including the Canadian Supplemental Executive Retirement Plan (SERP) for Executive Employees of Abitibi-Consolidated Inc. (the “ACI SERP”). The Restructuring Plans terminated all such plans. See CCAA Plan Supplement 6.9(1); Amended CCAA Plan Supplement 6.9(2); Chapter 11 Plan § 6.9; Supplement 7B (as amended). In accordance with the Restructuring Plans, however, the Debtors established new non-qualified and non-registered plans (the “New SERPs”) pursuant to which (a) all employees and beneficiaries in active status as of the Effective Date were eligible to receive benefits under the New SERPs substantially similar to those under the Old SERPs; and (b) all retirees, beneficiaries and deferred vested participants (collectively, “Retirees”), as of the Effective Date, were eligible to receive benefits under the New SERPs substantially similar to those under the Old SERPs, provided however, that the benefits to a participant under the New SERP(s) will be 10% to 35% lower, depending on the applicable Old SERP(s), the benefits under the New Plans will be subject to an annual per-participant cap, and depending on the applicable Old SERP, the benefits being further reduced by any secured pension benefits received or to be received in respect of the Old SERP. The ACI SERP is subject to a 10% reduction in benefits and a CDN\$50,000 per participant annual cap. In addition, some participants under the ACI SERP received secured pension benefits in respect of the ACI SERP and accordingly, were ineligible to participate in the applicable New SERP or were eligible to participate in the applicable New SERP subject to further reduction of their benefits.

WHEREAS, as a condition of participating in the New SERPs, the Restructuring Plans required eligible plan participants to waive and forfeit any and all claims in respect of the Old SERPs. In August 2010, the Debtors mailed election notices

to all SERP claimants (the "SERP Election Notices") offering them a choice between (1) participating in the New SERPs and waiving all their claims against the Debtors arising under the relevant Old SERPs, or (2) retaining their claims against the Debtors arising under the Old SERPs, and receiving distributions on account of such claims (if and when allowed) as part of the Restructuring Cases. Claimant was not eligible to participate in a New SERP or was eligible to participate in a New SERP but elected to retain his claims under the ACI SERP (the "ACI SERP Claims").

WHEREAS, at the time the SERP Election Notices were circulated, AbitibiBowater Inc. and Abitibi-Consolidated Inc. were identified as sponsors of the ACI SERP. Other Debtors may also be potential sponsors of the ACI SERP, and may also be potentially liable for the ACI SERP Claims. The Company, the post-effective date claims agent (the "Claims Agent") appointed under the Chapter 11 Plan, and the monitor appointed in the CCAA proceedings by the CCAA Court (the "Monitor"), have analyzed the likelihood of other Debtors' liability for the ACI SERP Claims.

WHEREAS, among other things, the Claims Agent, the Monitor, and the Claimant dispute the liability of the various Debtors for the ACI SERP Claims.

WHEREAS, to avoid the expense and inconvenience of further litigation, the Parties have agreed to settle on the allowed amount of Claimant's ACI SERP Claim and allocate such claim against various Debtors based on an agreement regarding each such Debtors' probable estimated liability for the claim as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and releases set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. ACI SERP Claim Allowance. Claimant shall have an allowed general unsecured ACI SERP Claim (the "Allowed ACI SERP Claim") in the amount of **CDN \$58,466.00** which shall be allocated, solely for purposes of this Agreement, against each of the following Debtors: AbitibiBowater Inc., Bowater Incorporated, Donohue Corp., Abitibi Consolidated Sales Corporation, Abitibi-Consolidated Corporation, Bowater Canadian Forest Products Inc., Abitibi-Consolidated Inc., and Abitibi-Consolidated Company of Canada (collectively, the "ACI SERP Settlement Sponsors"). Except for purposes of this Agreement, the Debtors, the Claims Agent and the Monitor do not concede that the ACI SERP Settlement Sponsors have legal liability for the ACI SERP.

2. ACI SERP Claim Allocation: The Allowed ACI SERP Claim will be allocated against the ACI SERP Settlement Sponsors in the following percentages based upon the agreed-upon relative risk of liability of each particular ACI SERP Settlement Sponsor, resulting in the corresponding portion of the Allowed ACI SERP Claim being allowed against the ACI SERP Settlement Sponsor in the indicated amounts (the "Risk-Adjusted Allowed ACI SERP Claim Amount"):

Allowed ACI SERP Claim Amount	ACI SERP Settlement Sponsor	% of Allowed ACI SERP Claim Allocated against ACI SERP Settlement Sponsor	Risk-Adjusted Allowed ACI SERP Claim Amount	Applicable General Unsecured Claim Class	Estimated % Recovery Rate from Debtor based on Disclosure Statement and Information Circular	Estimated Recovery on Account of Risk-Adjusted Allowed ACI SERP Claim Amount
CDN\$58,466.00	Bowater Canadian Forest Products Inc.	23%	CDN\$13,447.18		36.50%	CDN\$4,908.22
CDN\$58,466.00	Abitibi-Consolidated Inc.	100%	CDN\$58,466.00		3.4%	CDN\$1,987.84
CDN\$58,466.00	Abitibi Consolidated Company of Canada	95%	CDN\$55,542.70		17.10%	CDN\$9,497.80
US\$48,136.01	AbitibiBowater Inc.	100%	US\$48,136.01	Class 6A	0.8%	US\$385.09

US\$48,136.01	Bowater Incorporated	23%	US\$11,071.28	Class 6S	48.4%	US\$5,358.50
US\$48,136.01	Donohue Corp.	20%	US\$9,627.20	Class 6DD	28.4%	US\$2,734.13
US\$48,136.01	Abitibi Consolidated Sales Corp.	20%	US\$9,627.20	Class 6H	23.4%	US\$2,252.77
US\$48,136.01	Abitibi Consolidated Corporation	20%	US\$9,627.20	Class 6F	12.0%	US\$1,155.26
					Total Estimated Recovery (CDNS)	\$30,830.29
					% Recovery (CDNS:CDNS)	52%

* Currency conversions use the Bank of Canada's noon spot rate as of the Petition Date of CDN \$1.00 – US\$0.8290.

3. No Fixed Recoveries on Allowed ACI SERP Claims: The

Allowed ACI SERP Claim and Risk-Adjusted Allowed ACI SERP Claim Amounts constitute Claimant's sole Allowed claims arising under, in connection with, or relating to the ACI SERP, and all other claims (if any), including any such claims against any other Debtor or Debtor's affiliate (including for the avoidance of doubt, Bowater Canada Finance Corporation), are deemed withdrawn and expunged. Notwithstanding anything to the contrary contained in this Agreement, this Agreement does not fix recoveries or guarantee an aggregate 52% recovery on the Allowed ACI SERP Claim or a recovery against each ACI SERP Settlement Sponsor at the estimated recovery rate set forth in the applicable Disclosure Statement or Information Circular. Actual recoveries on account of such claims depend on the other claims that are ultimately allowed or disallowed against each ACI SERP Settlement Sponsor and the ultimate trading value of the New ABH Common Stock (as defined in the Chapter 11 Plan). The estimated recoveries set forth in paragraph 2 above (a) are based on the assumptions and estimated recovery rates for each ACI SERP Settlement Sponsor contained in the Disclosure Statement and Information Circular, and (b) the implied stock price of US\$25 per share of New ABH Common Stock contained in the Disclosure Statement and Information Circular. After full administration of the Restructuring Cases, actual recoveries on the Allowed ACI SERP

Claims and the Risk-Adjusted Allowed ACI SERP Claim Amounts may be significantly more or less than 52% of the claim amounts.

4. Allowed ACI SERP Claim Distributions. The Debtors will make an initial distribution of New ABH Common Stock on account of the Allowed ACI SERP Claims and the Risk-Adjusted Allowed ACI SERP Claim Amounts on the first interim distribution date after entry of orders by the U.S. Court and Canadian Courts approving this Agreement on which it is reasonably practicable for the Debtors to do so. All distributions on account of the Allowed ACI SERP Claims and Risk-Adjusted Allowed ACI SERP Claim Amounts will be subject to all applicable holdbacks and other restrictions under the Restructuring Plans (if any).

5. Agreement on Allowed Claims and Distributions. Other than the Allowed ACI SERP Claim and the Risk-Adjusted Allowed ACI SERP Claim Amounts, Claimant agrees to withdraw with prejudice all other claims asserted in connection with or arising from the ACI SERP, whether in a proof of claim or otherwise, and upon the Effective Date, all such claims shall be deemed withdrawn with prejudice and expunged, including, for the avoidance of doubt, all claims (if any) asserted against Bowater Canada Finance Corporation.

6. Injunction. Other than with respect to his rights under this Agreement, Claimant is permanently enjoined from, and agrees not to take, any of the following actions on account of his ACI SERP Claim: (a) commencing or continuing in any manner any action or other proceeding against the Debtors or their respective property; (b) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order against the Debtors or their respective property; (c) creating,

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7. Release by Claimant. Other than with respect to its rights under this Agreement and the Allowed ACI SERP Claim and the Risk-Adjusted Allowed ACI SERP Claim Amounts, the Claimant and each of its successors, assigns, spouses and dependents (collectively, the "Claimant Releasors") hereby release and forever discharge the Debtors (including Bowater Canada Finance Corporation), Avidity Partners, LLC, in its capacity as the Post-Effective Date Claims Agent, and Ernst & Young Inc., in its capacity as the court-appointed Monitor in respect of the Matter of the Plan of Compromise or Arrangement of AbitibiBowater Inc. and its subsidiaries and affiliates, in each case along with each of their past, present, and future direct and indirect parents, subsidiaries, affiliates, related entities, directors, officers, employees, attorneys, representatives, agents, receivers, insurers, and each of their predecessors, successors, heirs and assigns (collectively, the "Debtor Releasees") from any and all causes of action, demands, damages, costs, debts, liabilities, losses or claims of any kind, whether known or unknown, that the Claimant Releasors may now have or ever have had, or hereafter shall or may have, against the Debtor Releasees arising from, in connection with, or related to the ACI SERP.

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12. Authorization. Each of the undersigned represents and warrants that he or she is competent and authorized to execute this Agreement, and further represents and warrants that he or she has read and understands the terms of this Agreement.

13. Binding Effect. This Agreement shall be binding on and shall inure to the benefit of the Parties and their respective successors, heirs, and assigns.

14. No Admission of Liability. The Parties each agree that entry into this Agreement does not constitute a determination or admission of liability under the ACI SERP by the ACI SERP Settlement Plan Sponsors, and that the allocation and allowance of the ACI SERP Claim constitutes a settlement of the ACI SERP Claim to avoid the expense and time of further litigation.

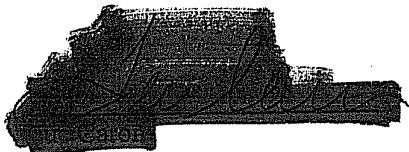
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17. Effectiveness; Termination. The Parties acknowledge that the Debtors intend to seek approval of this Agreement by the U.S. Court and the CCAA Court and that this Agreement shall only become effective upon entry of an order approving the Agreement by each of the U.S. Court and the CCAA Court (the "Effective Date").

EN FOI DE QUOI, les parties, par l'intermédiaire de leurs représentants dûment autorisés,
ont signé la présente convention le __ octobre 2011.

RÉCLAMANT :

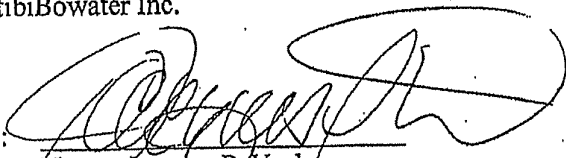


(Voir note 1 en annexe)

DÉBITEURS :

AbitibiBowater Inc.

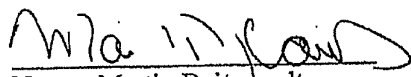
Par :


Nom : Jacques P. Vachon
Titre : Premier vice-président et chef du contentieux

APPROUVÉ PAR :

Ernst & Young Inc., en sa qualité de contrôleur nommé par le tribunal à l'égard de
l'affaire du plan de transaction ou d'arrangement d'AbitibiBowater Inc. et de ses filiales et
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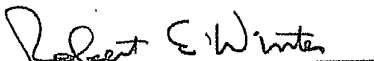
Par :


Nom : Martin Daigneault
Titre : Premier vice-président

Avidity Partners, LLC

à titre d'agent des réclamations après la date de prise d'effet,
par l'intermédiaire de son conseiller juridique Paul Hastings LP

Par :


Name: Robert E. Winter
Title: Counsel

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (the "Agreement") is entered into by and between AbitibiBowater Inc. and its affiliates in the above captioned cases (collectively, together with the affiliates who applied for protection from their creditors under Canada's *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (as amended, the "CCAA") and as reorganized, the "Debtors") and [REDACTED] ("Claimant"). The Debtors and Claimant are each referred to individually herein as a "Party" and collectively, as the "Parties."

WHEREAS, the Debtors filed creditor protection proceedings in the United States and Canada (the "Restructuring Cases") on April 16, 2009 and April 17, 2009, respectively (the "Petition Date"). In November 2010, the U.S. bankruptcy court (the "U.S. Court") and the Quebec Superior Court (the "CCAA Court") entered orders confirming and sanctioning the Debtors' chapter 11 and CCAA restructuring plans (the confirmed chapter 11 plan, the "Chapter 11 Plan" and accompanying disclosure statement, the "Disclosure Statement", and together with the sanctioned CCAA plan (the "CCAA Plan" and the accompanying information circular, the "Information Circular") the "Restructuring Plans"). The Restructuring Plans went effective on December 9, 2010.

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SERPs”), including the Canadian Supplemental Executive Retirement Plan (SERP) for Executive Employees of Abitibi-Consolidated Inc. (the “ACI SERP”). The Restructuring Plans terminated all such plans. See CCAA Plan Supplement 6.9(1); Amended CCAA Plan Supplement 6.9(2); Chapter 11 Plan § 6.9; Supplement 7B (as amended). In accordance with the Restructuring Plans, however, the Debtors established new non-qualified and non-registered plans (the “New SERPs”) pursuant to which (a) all employees and beneficiaries in active status as of the Effective Date were eligible to receive benefits under the New SERPs substantially similar to those under the Old SERPs; and (b) all retirees, beneficiaries and deferred vested participants (collectively, “Retirees”), as of the Effective Date, were eligible to receive benefits under the New SERPs substantially similar to those under the Old SERPs, provided however, that the benefits to a participant under the New SERP(s) will be 10% to 35% lower, depending on the applicable Old SERP(s), the benefits under the New Plans will be subject to an annual per-participant cap, and depending on the applicable Old SERP, the benefits being further reduced by any secured pension benefits received or to be received in respect of the Old SERP. The ACI SERP is subject to a 10% reduction in benefits and a CDN\$50,000 per participant annual cap. In addition, some participants under the ACI SERP received secured pension benefits in respect of the ACI SERP and accordingly, were ineligible to participate in the applicable New SERP or were eligible to participate in the applicable New SERP subject to further reduction of their benefits.

WHEREAS, as a condition of participating in the New SERPs, the Restructuring Plans required eligible plan participants to waive and forfeit any and all claims in respect of the Old SERPs. In August 2010, the Debtors mailed election notices

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WHEREAS, at the time the SERP Election Notices were circulated, AbitibiBowater Inc. and Abitibi-Consolidated Inc. were identified as sponsors of the ACI SERP. Other Debtors may also be potential sponsors of the ACI SERP, and may also be potentially liable for the ACI SERP Claims. The Company, the post-effective date claims agent (the "Claims Agent") appointed under the Chapter 11 Plan, and the monitor appointed in the CCAA proceedings by the CCAA Court (the "Monitor"), have analyzed the likelihood of other Debtors' liability for the ACI SERP Claims.

WHEREAS, among other things, the Claims Agent, the Monitor, and the Claimant dispute the liability of the various Debtors for the ACI SERP Claims.

WHEREAS, to avoid the expense and inconvenience of further litigation, the Parties have agreed to settle on the allowed amount of Claimant's ACI SERP Claim and allocate such claim against various Debtors based on an agreement regarding each such Debtors' probable estimated liability for the claim as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and releases set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. ACI SERP Claim Allowance. Claimant shall have an allowed general unsecured ACI SERP Claim (the "Allowed ACI SERP Claim") in the amount of **CDN \$20,803.00** which shall be allocated, solely for purposes of this Agreement, against each of the following Debtors: AbitibiBowater Inc., Bowater Incorporated, Donohue Corp., Abitibi Consolidated Sales Corporation, Abitibi-Consolidated Corporation, Bowater Canadian Forest Products Inc., Abitibi-Consolidated Inc., and Abitibi-Consolidated Company of Canada (collectively, the "ACI SERP Settlement Sponsors"). Except for purposes of this Agreement, the Debtors, the Claims Agent and the Monitor do not concede that the ACI SERP Settlement Sponsors have legal liability for the ACI SERP.

2. ACI SERP Claim Allocation: The Allowed ACI SERP Claim will be allocated against the ACI SERP Settlement Sponsors in the following percentages based upon the agreed-upon relative risk of liability of each particular ACI SERP Settlement Sponsor, resulting in the corresponding portion of the Allowed ACI SERP Claim being allowed against the ACI SERP Settlement Sponsor in the indicated amounts (the "Risk-Adjusted Allowed ACI SERP Claim Amount"):

Allowed ACI SERP Claim Amount	ACI SERP Settlement Sponsor	% of Allowed ACI SERP Claim Allocated against ACI SERP Settlement Sponsor	Risk-Adjusted Allowed ACI SERP Claim Amount	Applicable General Unsecured Claim Class	Estimated % Recovery Rate from Debtor based on Disclosure Statement and Information Circular	Estimated Recovery on Account of Risk-Adjusted Allowed ACI SERP Claim Amount
CDN\$20,803.00	Bowater Canadian Forest Products Inc.	23%	CDN\$4,784.69		36.50%	CDN\$1,746.41
CDN\$20,803.00	Abitibi-Consolidated Inc.	100%	CDN\$20,803.00		3.4%	CDN\$707.30
CDN\$20,803.00	Abitibi Consolidated Company of Canada	95%	CDN\$19,762.85		17.10%	CDN\$3,379.45
US\$17,127.45	AbitibiBowater Inc.	100%	US\$17,127.45	Class 6A	0.8%	US\$137.02

US\$17,127.45	Bowater Incorporated	23%	US\$3,939.31	Class 6S	48.4%	US\$1,906.63
US\$17,127.45	Donohue Corp.	20%	US\$3,425.49	Class 6DD	28.4%	US\$972.84
US\$17,127.45	Abitibi Consolidated Sales Corp.	20%	US\$3,425.49	Class 6H	23.4%	US\$801.56
US\$17,127.45	Abitibi Consolidated Corporation	20%	US\$3,425.49	Class 6F	12.0%	US\$411.06
			Total Estimated Recovery (CDNS)			\$10,969.84
			% Recovery (CDNS:CDNS)		52%	

* Currency conversions use the Bank of Canada's noon spot rate as of the Petition Date of CDN \$1.00 – US\$0.8290.

3. No Fixed Recoveries on Allowed ACI SERP Claims: The

Allowed ACI SERP Claim and Risk-Adjusted Allowed ACI SERP Claim Amounts constitute Claimant's sole Allowed claims arising under, in connection with, or relating to the ACI SERP, and all other claims (if any), including any such claims against any other Debtor or Debtor's affiliate (including for the avoidance of doubt, Bowater Canada Finance Corporation), are deemed withdrawn and expunged. Notwithstanding anything to the contrary contained in this Agreement, this Agreement does not fix recoveries or guarantee an aggregate 52% recovery on the Allowed ACI SERP Claim or a recovery against each ACI SERP Settlement Sponsor at the estimated recovery rate set forth in the applicable Disclosure Statement or Information Circular. Actual recoveries on account of such claims depend on the other claims that are ultimately allowed or disallowed against each ACI SERP Settlement Sponsor and the ultimate trading value of the New ABH Common Stock (as defined in the Chapter 11 Plan). The estimated recoveries set forth in paragraph 2 above (a) are based on the assumptions and estimated recovery rates for each ACI SERP Settlement Sponsor contained in the Disclosure Statement and Information Circular, and (b) the implied stock price of US\$25 per share of New ABH Common Stock contained in the Disclosure Statement and Information Circular. After full administration of the Restructuring Cases, actual recoveries on the Allowed ACI SERP

Claims and the Risk-Adjusted Allowed ACI SERP Claim Amounts may be significantly more or less than 52% of the claim amounts.

4. Allowed ACI SERP Claim Distributions. The Debtors will make an initial distribution of New ABH Common Stock on account of the Allowed ACI SERP Claims and the Risk-Adjusted Allowed ACI SERP Claim Amounts on the first interim distribution date after entry of orders by the U.S. Court and Canadian Courts approving this Agreement on which it is reasonably practicable for the Debtors to do so. All distributions on account of the Allowed ACI SERP Claims and Risk-Adjusted Allowed ACI SERP Claim Amounts will be subject to all applicable holdbacks and other restrictions under the Restructuring Plans (if any).

5. Agreement on Allowed Claims and Distributions. Other than the Allowed ACI SERP Claim and the Risk-Adjusted Allowed ACI SERP Claim Amounts, Claimant agrees to withdraw with prejudice all other claims asserted in connection with or arising from the ACI SERP, whether in a proof of claim or otherwise, and upon the Effective Date, all such claims shall be deemed withdrawn with prejudice and expunged, including, for the avoidance of doubt, all claims (if any) asserted against Bowater Canada Finance Corporation.

6. Injunction. Other than with respect to his rights under this Agreement, Claimant is permanently enjoined from, and agrees not to take, any of the following actions on account of his ACI SERP Claim: (a) commencing or continuing in any manner any action or other proceeding against the Debtors or their respective property; (b) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order against the Debtors or their respective property; (c) creating,

perfecting, or enforcing any lien or encumbrance against the Debtors or their respective property; (d) asserting a setoff, right of subrogation or recoupment of any kind against any debt, liability or obligation due to the Debtors or their respective property; and (e) commencing or continuing any action, in any manner, in any place that does not comply with or is inconsistent with the provisions of this Agreement and the Restructuring Plans.

7. Release by Claimant. Other than with respect to its rights under this Agreement and the Allowed ACI SERP Claim and the Risk-Adjusted Allowed ACI SERP Claim Amounts, the Claimant and each of its successors, assigns, spouses and dependents (collectively, the "Claimant Releasors") hereby release and forever discharge the Debtors (including Bowater Canada Finance Corporation), Avidity Partners, LLC, in its capacity as the Post-Effective Date Claims Agent, and Ernst & Young Inc., in its capacity as the court-appointed Monitor in respect of the Matter of the Plan of Compromise or Arrangement of AbitibiBowater Inc. and its subsidiaries and affiliates, in each case along with each of their past, present, and future direct and indirect parents, subsidiaries, affiliates, related entities, directors, officers, employees, attorneys, representatives, agents, receivers, insurers, and each of their predecessors, successors, heirs and assigns (collectively, the "Debtor Releasees") from any and all causes of action, demands, damages, costs, debts, liabilities, losses or claims of any kind, whether known or unknown, that the Claimant Releasors may now have or ever have had, or hereafter shall or may have, against the Debtor Releasees arising from, in connection with, or related to the ACI SERP.

8. Complete and Final Agreement. This Agreement sets forth the entire agreement between the Parties pertaining to the subject matter hereof. This

Agreement supersedes and replaces any and all prior or contemporaneous verbal or written agreements between the Parties concerning the subject matter hereof. No modification of, or amendment to, this Agreement shall be valid unless it is in writing and signed by the Parties hereto.

9. No Reliance. No Party has relied on or been induced to execute this Agreement by any statements, representations, agreements or promises, oral or written, made by any other Party, their agents, employees, servants or attorneys, or anyone else, other than the statements expressly written in this Settlement Agreement and Release.

10. Interpretation of Agreement. As used in this Agreement, the singular or plural number shall be deemed to include the other whenever the context so indicates or requires. The language of all parts of this Agreement shall in all cases be construed as a whole, according to its fair meaning, not strictly for or against any of the Parties.

11. Counterparts. This Agreement may be executed simultaneously or in any number of original or faxed counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same agreement.

12. Authorization. Each of the undersigned represents and warrants that he or she is competent and authorized to execute this Agreement, and further represents and warrants that he or she has read and understands the terms of this Agreement.

13. Binding Effect. This Agreement shall be binding on and shall inure to the benefit of the Parties and their respective successors, heirs, and assigns.

14. No Admission of Liability. The Parties each agree that entry into this Agreement does not constitute a determination or admission of liability under the ACI SERP by the ACI SERP Settlement Plan Sponsors, and that the allocation and allowance of the ACI SERP Claim constitutes a settlement of the ACI SERP Claim to avoid the expense and time of further litigation.

15. Governing Law. This Agreement shall be governed by and construed under the laws of either the State of Delaware or the Province of Quebec, as may be applicable, without regard to the conflict of laws provisions thereof.

16. Jurisdiction. In connection with any action, suit, or proceeding arising from, in connection with, or relating to this Agreement, the Parties each agree to submit to the exclusive jurisdiction and venue of the United States Bankruptcy Court for the District of Delaware or the CCAA Court, as may be applicable, and any appellate courts with jurisdiction over the U.S. Court and the CCAA Court.

17. Effectiveness; Termination. The Parties acknowledge that the Debtors intend to seek approval of this Agreement by the U.S. Court and the CCAA Court and that this Agreement shall only become effective upon entry of an order approving the Agreement by each of the U.S. Court and the CCAA Court (the "Effective Date").

EN FOI DE QUOI, les parties, par l'intermédiaire de leurs représentants dûment autorisés,
ont signé la présente convention le 24 octobre 2011.

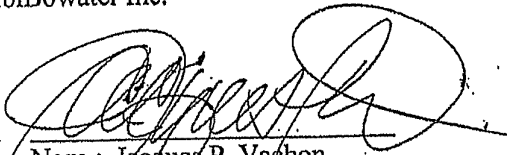
RÉCLAMANT :

[REDACTED]

DÉBITEURS :

AbitibiBowater Inc.

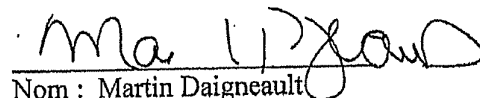
Par :


Nom : Jacques P. Vachon
Titre : Premier vice-président et chef du contentieux

APPROUVÉ PAR :

Ernst & Young Inc., en sa qualité de contrôleur nommé par le tribunal à l'égard de
l'affaire du plan de transaction ou d'arrangement d'AbitibiBowater Inc. et de ses filiales et
membres du même groupe, et non à titre personnel ou en qualité de société.

Par :


Nom : Martin Daigneault
Titre : Premier vice-président

Avidity Partners, LLC

à titre d'agent des réclamations après la date de prise d'effet,
par l'intermédiaire de son conseiller juridique Paul Hastings LP

Par :


Name: Robert E. Winter
Title: Counsel

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (the "Agreement") is entered into by and between AbitibiBowater Inc. and its affiliates in the above captioned cases (collectively, together with the affiliates who applied for protection from their creditors under Canada's *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (as amended, the "CCAA") and as reorganized, the "Debtors") and [REDACTED] ("Claimant"). The Debtors and Claimant are each referred to individually herein as a "Party" and collectively, as the "Parties."

WHEREAS, the Debtors filed creditor protection proceedings in the United States and Canada (the "Restructuring Cases") on April 16, 2009 and April 17, 2009, respectively (the "Petition Date"). In November 2010, the U.S. bankruptcy court (the "U.S. Court") and the Quebec Superior Court (the "CCAA Court") entered orders confirming and sanctioning the Debtors' chapter 11 and CCAA restructuring plans (the confirmed chapter 11 plan, the "Chapter 11 Plan" and accompanying disclosure statement, the "Disclosure Statement", and together with the sanctioned CCAA plan (the "CCAA Plan" and the accompanying information circular, the "Information Circular") the "Restructuring Plans"). The Restructuring Plans went effective on December 9, 2010.

WHEREAS, as of the Petition Date, the Debtors suspended all payments on account of pre-filing supplemental executive retirement plans (collectively, the "Old

Drive Company Limited, Bowater Treated Wood Inc., Canoxel Hardboard Inc., 9068-9050 Québec Inc., Alliance Forest Products Inc. (2001), Bowater Belledune Sawmill Inc., Bowater Maritimes Inc., Bowater Mitis Inc., Bowater Guérette Inc., and Bowater Couturier Inc.

SERPs”), including the Canadian Supplemental Executive Retirement Plan (SERP) for Executive Employees of Abitibi-Consolidated Inc. (the “ACI SERP”). The Restructuring Plans terminated all such plans. See CCAA Plan Supplement 6.9(1); Amended CCAA Plan Supplement 6.9(2); Chapter 11 Plan § 6.9; Supplement 7B (as amended). In accordance with the Restructuring Plans, however, the Debtors established new non-qualified and non-registered plans (the “New SERPs”) pursuant to which (a) all employees and beneficiaries in active status as of the Effective Date were eligible to receive benefits under the New SERPs substantially similar to those under the Old SERPs; and (b) all retirees, beneficiaries and deferred vested participants (collectively, “Retirees”), as of the Effective Date, were eligible to receive benefits under the New SERPs substantially similar to those under the Old SERPs, provided however, that the benefits to a participant under the New SERP(s) will be 10% to 35% lower, depending on the applicable Old SERP(s), the benefits under the New Plans will be subject to an annual per-participant cap, and depending on the applicable Old SERP, the benefits being further reduced by any secured pension benefits received or to be received in respect of the Old SERP. The ACI SERP is subject to a 10% reduction in benefits and a CDN\$50,000 per participant annual cap. In addition, some participants under the ACI SERP received secured pension benefits in respect of the ACI SERP and accordingly, were ineligible to participate in the applicable New SERP or were eligible to participate in the applicable New SERP subject to further reduction of their benefits.

WHEREAS, as a condition of participating in the New SERPs, the Restructuring Plans required eligible plan participants to waive and forfeit any and all claims in respect of the Old SERPs. In August 2010, the Debtors mailed election notices

to all SERP claimants (the "SERP Election Notices") offering them a choice between (1) participating in the New SERPs and waiving all their claims against the Debtors arising under the relevant Old SERPs, or (2) retaining their claims against the Debtors arising under the Old SERPs, and receiving distributions on account of such claims (if and when allowed) as part of the Restructuring Cases. Claimant was not eligible to participate in a New SERP or was eligible to participate in a New SERP but elected to retain his claims under the ACI SERP (the "ACI SERP Claims").

WHEREAS, at the time the SERP Election Notices were circulated, AbitibiBowater Inc. and Abitibi-Consolidated Inc. were identified as sponsors of the ACI SERP. Other Debtors may also be potential sponsors of the ACI SERP, and may also be potentially liable for the ACI SERP Claims. The Company, the post-effective date claims agent (the "Claims Agent") appointed under the Chapter 11 Plan, and the monitor appointed in the CCAA proceedings by the CCAA Court (the "Monitor"), have analyzed the likelihood of other Debtors' liability for the ACI SERP Claims.

WHEREAS, among other things, the Claims Agent, the Monitor, and the Claimant dispute the liability of the various Debtors for the ACI SERP Claims.

WHEREAS, to avoid the expense and inconvenience of further litigation, the Parties have agreed to settle on the allowed amount of Claimant's ACI SERP Claim and allocate such claim against various Debtors based on an agreement regarding each such Debtors' probable estimated liability for the claim as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and releases set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. ACI SERP Claim Allowance. Claimant shall have an allowed general unsecured ACI SERP Claim (the "Allowed ACI SERP Claim") in the amount of **CDN \$280,886.00** which shall be allocated, solely for purposes of this Agreement, against each of the following Debtors: AbitibiBowater Inc., Bowater Incorporated, Donohue Corp., Abitibi Consolidated Sales Corporation, Abitibi-Consolidated Corporation, Bowater Canadian Forest Products Inc., Abitibi-Consolidated Inc., and Abitibi-Consolidated Company of Canada (collectively, the "ACI SERP Settlement Sponsors"). Except for purposes of this Agreement, the Debtors, the Claims Agent and the Monitor do not concede that the ACI SERP Settlement Sponsors have legal liability for the ACI SERP.

2. ACI SERP Claim Allocation: The Allowed ACI SERP Claim will be allocated against the ACI SERP Settlement Sponsors in the following percentages based upon the agreed-upon relative risk of liability of each particular ACI SERP Settlement Sponsor, resulting in the corresponding portion of the Allowed ACI SERP Claim being allowed against the ACI SERP Settlement Sponsor in the indicated amounts (the "Risk-Adjusted Allowed ACI SERP Claim Amount"):

Allowed ACI SERP Claim Amount	ACI SERP Settlement Sponsor	% of Allowed ACI SERP Claim Allocated against ACI SERP Settlement Sponsor	Risk-Adjusted/Allowed ACI SERP Claim Amount	Applicable General Unsecured Claim Class	Estimated % Recovery Rate from Debtor based on Disclosure Statement and Information Circular	Estimated Recovery on Account of Risk-Adjusted Allowed ACI SERP Claim Amount
CDN\$280,886.00	Bowater Canadian Forest Products Inc.	23%	CDN\$64,603.78		36.50%	CDN\$23,580.38
CDN\$280,886.00	Abitibi-Consolidated Inc.	100%	CDN\$280,886.00		3.4%	CDN\$9,550.12
CDN\$280,886.00	Abitibi Consolidated Company of Canada	95%	CDN\$266,841.70		17.10%	CDN\$45,629.93
US\$231,258.03	AbitibiBowater Inc.	100%	US\$231,258.03	Class 6A	0.8%	US\$1,850.06

US\$231,258.03	Bowater Incorporated	23%	US\$53,189.35	Class 6S	48.4%	US\$25,743.64
US\$231,258.03	Donohue Corp.	20%	US\$46,251.61	Class 6DD	28.4%	US\$13,135.46
US\$231,258.03	Abitibi Consolidated Sales Corp.	20%	US\$46,251.61	Class 6H	23.4%	US\$10,822.88
US\$231,258.03	Abitibi Consolidated Corporation	20%	US\$46,251.61	Class 6F	12.0%	US\$5,550.19
			Total Estimated Recovery (CDNS)			\$148,116.81
			% Recovery (CDNS:CDNS)		52%	

* Currency conversions use the Bank of Canada's noon spot rate as of the Petition Date of CDN \$1.00 – US\$0.8290.

3. No Fixed Recoveries on Allowed ACI SERP Claims: The

Allowed ACI SERP Claim and Risk-Adjusted Allowed ACI SERP Claim Amounts constitute Claimant's sole Allowed claims arising under, in connection with, or relating to the ACI SERP, and all other claims (if any), including any such claims against any other Debtor or Debtor's affiliate (including for the avoidance of doubt, Bowater Canada Finance Corporation), are deemed withdrawn and expunged. Notwithstanding anything to the contrary contained in this Agreement, this Agreement does not fix recoveries or guarantee an aggregate 52% recovery on the Allowed ACI SERP Claim or a recovery against each ACI SERP Settlement Sponsor at the estimated recovery rate set forth in the applicable Disclosure Statement or Information Circular. Actual recoveries on account of such claims depend on the other claims that are ultimately allowed or disallowed against each ACI SERP Settlement Sponsor and the ultimate trading value of the New ABH Common Stock (as defined in the Chapter 11 Plan). The estimated recoveries set forth in paragraph 2 above (a) are based on the assumptions and estimated recovery rates for each ACI SERP Settlement Sponsor contained in the Disclosure Statement and Information Circular, and (b) the implied stock price of US\$25 per share of New ABH Common Stock contained in the Disclosure Statement and Information Circular. After full administration of the Restructuring Cases, actual recoveries on the Allowed ACI SERP

Claims and the Risk-Adjusted Allowed ACI SERP Claim Amounts may be significantly more or less than 52% of the claim amounts.

4. Allowed ACI SERP Claim Distributions. The Debtors will make an initial distribution of New ABH Common Stock on account of the Allowed ACI SERP Claims and the Risk-Adjusted Allowed ACI SERP Claim Amounts on the first interim distribution date after entry of orders by the U.S. Court and Canadian Courts approving this Agreement on which it is reasonably practicable for the Debtors to do so. All distributions on account of the Allowed ACI SERP Claims and Risk-Adjusted Allowed ACI SERP Claim Amounts will be subject to all applicable holdbacks and other restrictions under the Restructuring Plans (if any).

5. Agreement on Allowed Claims and Distributions. Other than the Allowed ACI SERP Claim and the Risk-Adjusted Allowed ACI SERP Claim Amounts, Claimant agrees to withdraw with prejudice all other claims asserted in connection with or arising from the ACI SERP, whether in a proof of claim or otherwise, and upon the Effective Date, all such claims shall be deemed withdrawn with prejudice and expunged, including, for the avoidance of doubt, all claims (if any) asserted against Bowater Canada Finance Corporation.

6. Injunction. Other than with respect to his rights under this Agreement, Claimant is permanently enjoined from, and agrees not to take, any of the following actions on account of his ACI SERP Claim: (a) commencing or continuing in any manner any action or other proceeding against the Debtors or their respective property; (b) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order against the Debtors or their respective property; (c) creating,

perfecting, or enforcing any lien or encumbrance against the Debtors or their respective property; (d) asserting a setoff, right of subrogation or recoupment of any kind against any debt, liability or obligation due to the Debtors or their respective property; and (e) commencing or continuing any action, in any manner, in any place that does not comply with or is inconsistent with the provisions of this Agreement and the Restructuring Plans.

7. Release by Claimant. Other than with respect to its rights under this Agreement and the Allowed ACI SERP Claim and the Risk-Adjusted Allowed ACI SERP Claim Amounts, the Claimant and each of its successors, assigns, spouses and dependents (collectively, the "Claimant Releasors") hereby release and forever discharge the Debtors (including Bowater Canada Finance Corporation), Avidity Partners, LLC, in its capacity as the Post-Effective Date Claims Agent, and Ernst & Young Inc., in its capacity as the court-appointed Monitor in respect of the Matter of the Plan of Compromise or Arrangement of AbitibiBowater Inc. and its subsidiaries and affiliates, in each case along with each of their past, present, and future direct and indirect parents, subsidiaries, affiliates, related entities, directors, officers, employees, attorneys, representatives, agents, receivers, insurers, and each of their predecessors, successors, heirs and assigns (collectively, the "Debtor Releasees") from any and all causes of action, demands, damages, costs, debts, liabilities, losses or claims of any kind, whether known or unknown, that the Claimant Releasors may now have or ever have had, or hereafter shall or may have, against the Debtor Releasees arising from, in connection with, or related to the ACI SERP.

8. Complete and Final Agreement. This Agreement sets forth the entire agreement between the Parties pertaining to the subject matter hereof. This

Agreement supersedes and replaces any and all prior or contemporaneous verbal or written agreements between the Parties concerning the subject matter hereof. No modification of, or amendment to, this Agreement shall be valid unless it is in writing and signed by the Parties hereto.

9. No Reliance. No Party has relied on or been induced to execute this Agreement by any statements, representations, agreements or promises, oral or written, made by any other Party, their agents, employees, servants or attorneys, or anyone else, other than the statements expressly written in this Settlement Agreement and Release.

10. Interpretation of Agreement. As used in this Agreement, the singular or plural number shall be deemed to include the other whenever the context so indicates or requires. The language of all parts of this Agreement shall in all cases be construed as a whole, according to its fair meaning, not strictly for or against any of the Parties.

11. Counterparts. This Agreement may be executed simultaneously or in any number of original or faxed counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same agreement.

12. Authorization. Each of the undersigned represents and warrants that he or she is competent and authorized to execute this Agreement, and further represents and warrants that he or she has read and understands the terms of this Agreement.

13. Binding Effect. This Agreement shall be binding on and shall inure to the benefit of the Parties and their respective successors, heirs, and assigns.

14. No Admission of Liability. The Parties each agree that entry into this Agreement does not constitute a determination or admission of liability under the ACI SERP by the ACI SERP Settlement Plan Sponsors, and that the allocation and allowance of the ACI SERP Claim constitutes a settlement of the ACI SERP Claim to avoid the expense and time of further litigation.

15. Governing Law. This Agreement shall be governed by and construed under the laws of either the State of Delaware or the Province of Quebec, as may be applicable, without regard to the conflict of laws provisions thereof.

16. Jurisdiction. In connection with any action, suit, or proceeding arising from, in connection with, or relating to this Agreement, the Parties each agree to submit to the exclusive jurisdiction and venue of the United States Bankruptcy Court for the District of Delaware or the CCAA Court, as may be applicable, and any appellate courts with jurisdiction over the U.S. Court and the CCAA Court.

17. Effectiveness; Termination. The Parties acknowledge that the Debtors intend to seek approval of this Agreement by the U.S. Court and the CCAA Court and that this Agreement shall only become effective upon entry of an order approving the Agreement by each of the U.S. Court and the CCAA Court (the "Effective Date").

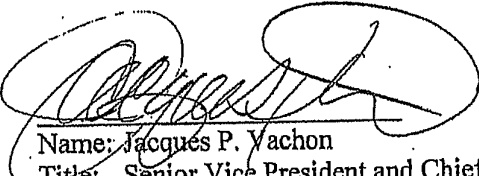
IN WITNESS WHEREOF, the Parties, by their duly authorized representatives, have executed this Agreement this 24 day of October, 2011.

CLAIMANT:

[REDACTED]

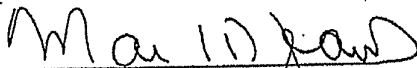
THE DEBTORS:

AbitibiBowater Inc.

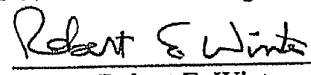
By: 
Name: Jacques P. Yachon
Title: Senior Vice President and Chief Legal Officer

APPROVED BY:

Ernst & Young Inc., in its capacity as the court-appointed Monitor in respect of the Matter of the Plan of Compromise or Arrangement of AbitibiBowater Inc. and its subsidiaries and affiliates, and not in its personal or corporate capacity.

By: 
Name: Martin Daigneault
Title: Senior Vice-President

Avidity Partners, LLC
as Post-Effective Date Claims Agent,
by its counsel Paul Hastings LP

By: 
Name: Robert E. Winter
Title: Counsel

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (the "Agreement") is entered into by and between AbitibiBowater Inc. and its affiliates in the above captioned cases (collectively, together with the affiliates who applied for protection from their creditors under Canada's *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (as amended, the "CCAA") and as reorganized, the "Debtors") and [REDACTED] ("Claimant"). The Debtors and Claimant are each referred to individually herein as a "Party" and collectively, as the "Parties."

WHEREAS, the Debtors filed creditor protection proceedings in the United States and Canada (the "Restructuring Cases") on April 16, 2009 and April 17, 2009, respectively (the "Petition Date"). In November 2010, the U.S. bankruptcy court (the "U.S. Court") and the Quebec Superior Court (the "CCAA Court") entered orders confirming and sanctioning the Debtors' chapter 11 and CCAA restructuring plans (the confirmed chapter 11 plan, the "Chapter 11 Plan" and accompanying disclosure statement, the "Disclosure Statement", and together with the sanctioned CCAA plan (the "CCAA Plan" and the accompanying information circular, the "Information Circular") the "Restructuring Plans"). The Restructuring Plans went effective on December 9, 2010.

WHEREAS, as of the Petition Date, the Debtors suspended all payments on account of pre-filing supplemental executive retirement plans (collectively, the "Old

Drive Company Limited, Bowater Treated Wood Inc., Canoxel Hardboard Inc., 9068-9050 Québec Inc., Alliance Forest Products Inc. (2001), Bowater Belledune Sawmill Inc., Bowater Maritimes Inc., Bowater Mitis Inc., Bowater Guérette Inc., and Bowater Couturier Inc.

SERPs”), including the Canadian Supplemental Executive Retirement Plan (SERP) for Executive Employees of Abitibi-Consolidated Inc. (the “ACI SERP”). The Restructuring Plans terminated all such plans. See CCAA Plan Supplement 6.9(1); Amended CCAA Plan Supplement 6.9(2); Chapter 11 Plan § 6.9; Supplement 7B (as amended). In accordance with the Restructuring Plans, however, the Debtors established new non-qualified and non-registered plans (the “New SERPs”) pursuant to which (a) all employees and beneficiaries in active status as of the Effective Date were eligible to receive benefits under the New SERPs substantially similar to those under the Old SERPs; and (b) all retirees, beneficiaries and deferred vested participants (collectively, “Retirees”), as of the Effective Date, were eligible to receive benefits under the New SERPs substantially similar to those under the Old SERPs, provided however, that the benefits to a participant under the New SERP(s) will be 10% to 35% lower, depending on the applicable Old SERP(s), the benefits under the New Plans will be subject to an annual per-participant cap, and depending on the applicable Old SERP, the benefits being further reduced by any secured pension benefits received or to be received in respect of the Old SERP. The ACI SERP is subject to a 10% reduction in benefits and a CDN\$50,000 per participant annual cap. In addition, some participants under the ACI SERP received secured pension benefits in respect of the ACI SERP and accordingly, were ineligible to participate in the applicable New SERP or were eligible to participate in the applicable New SERP subject to further reduction of their benefits.

WHEREAS, as a condition of participating in the New SERPs, the Restructuring Plans required eligible plan participants to waive and forfeit any and all claims in respect of the Old SERPs. In August 2010, the Debtors mailed election notices

to all SERP claimants (the "SERP Election Notices") offering them a choice between (1) participating in the New SERPs and waiving all their claims against the Debtors arising under the relevant Old SERPs, or (2) retaining their claims against the Debtors arising under the Old SERPs, and receiving distributions on account of such claims (if and when allowed) as part of the Restructuring Cases. Claimant was not eligible to participate in a New SERP or was eligible to participate in a New SERP but elected to retain his claims under the ACI SERP (the "ACI SERP Claims").

WHEREAS, at the time the SERP Election Notices were circulated, AbitibiBowater Inc. and Abitibi-Consolidated Inc. were identified as sponsors of the ACI SERP. Other Debtors may also be potential sponsors of the ACI SERP, and may also be potentially liable for the ACI SERP Claims. The Company, the post-effective date claims agent (the "Claims Agent") appointed under the Chapter 11 Plan, and the monitor appointed in the CCAA proceedings by the CCAA Court (the "Monitor"), have analyzed the likelihood of other Debtors' liability for the ACI SERP Claims.

WHEREAS, among other things, the Claims Agent, the Monitor, and the Claimant dispute the liability of the various Debtors for the ACI SERP Claims.

WHEREAS, to avoid the expense and inconvenience of further litigation, the Parties have agreed to settle on the allowed amount of Claimant's ACI SERP Claim and allocate such claim against various Debtors based on an agreement regarding each such Debtors' probable estimated liability for the claim as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and releases set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. ACI SERP Claim Allowance: Claimant shall have an allowed general unsecured ACI SERP Claim (the “Allowed ACI SERP Claim”) in the amount of **CDN \$509,985.00** which shall be allocated, solely for purposes of this Agreement, against each of the following Debtors: AbitibiBowater Inc., Bowater Incorporated, Donohue Corp., Abitibi Consolidated Sales Corporation, Abitibi-Consolidated Corporation, Bowater Canadian Forest Products Inc., Abitibi-Consolidated Inc., and Abitibi-Consolidated Company of Canada (collectively, the “ACI SERP Settlement Sponsors”). Except for purposes of this Agreement, the Debtors, the Claims Agent and the Monitor do not concede that the ACI SERP Settlement Sponsors have legal liability for the ACI SERP.

2. ACI SERP Claim Allocation: The Allowed ACI SERP Claim will be allocated against the ACI SERP Settlement Sponsors in the following percentages based upon the agreed-upon relative risk of liability of each particular ACI SERP Settlement Sponsor, resulting in the corresponding portion of the Allowed ACI SERP Claim being allowed against the ACI SERP Settlement Sponsor in the indicated amounts (the “Risk-Adjusted Allowed ACI SERP Claim Amount”):

Allowed ACI SERP Claim Amount	ACI SERP Settlement Sponsor	% of Allowed ACI SERP Claim Allocated against ACI SERP Settlement Sponsor	Risk-Adjusted/Allowed ACI SERP Claim Amount	Applicable General Unsecured Claim Class	Estimated % Recovery Rate from Debtor based on Disclosure Statement and Information Circular	Estimated Recovery on Account of Risk-Adjusted Allowed ACI SERP Claim Amount
CDN\$509,985.00	Bowater Canadian Forest Products Inc.	23%	CDN\$117,296.55		36.50%	CDN\$42,813.24
CDN\$509,985.00	Abitibi-Consolidated Inc.	100%	CDN\$509,985.00		3.4%	CDN\$17,339.49
CDN\$509,985.00	Abitibi Consolidated Company of Canada	95%	CDN\$484,485.75		17.10%	CDN\$82,847.06
US\$419,878.97	AbitibiBowater Inc.	100%	US\$419,878.97	Class 6A	0.8%	US\$3,359.03

US\$419,878.97	Bowater Incorporated	23%	US\$96,572.16	Class 6S	48.4%	US\$46,740.93
US\$419,878.97	Donohue Corp.	20%	US\$83,975.79	Class 6DD	28.4%	US\$23,849.13
US\$419,878.97	Abitibi Consolidated Sales Corp.	20%	US\$83,975.79	Class 6H	23.4%	US\$19,650.34
US\$419,878.97	Abitibi Consolidated Corporation	20%	US\$83,975.79	Class 6F	12.0%	US\$10,077.10
			Total Estimated Recovery (CDN\$)			\$268,925.29
			% Recovery (CDN\$: CDN\$)		52%	

* Currency conversions use the Bank of Canada's noon spot rate as of the Petition Date of CDN \$1.00 – US\$0.8290.

3. No Fixed Recoveries on Allowed ACI SERP Claims: The Allowed ACI SERP Claim and Risk-Adjusted Allowed ACI SERP Claim Amounts constitute Claimant's sole Allowed claims arising under, in connection with, or relating to the ACI SERP, and all other claims (if any), including any such claims against any other Debtor or Debtor's affiliate (including for the avoidance of doubt, Bowater Canada Finance Corporation), are deemed withdrawn and expunged. Notwithstanding anything to the contrary contained in this Agreement, this Agreement does not fix recoveries or guarantee an aggregate 52% recovery on the Allowed ACI SERP Claim or a recovery against each ACI SERP Settlement Sponsor at the estimated recovery rate set forth in the applicable Disclosure Statement or Information Circular. Actual recoveries on account of such claims depend on the other claims that are ultimately allowed or disallowed against each ACI SERP Settlement Sponsor and the ultimate trading value of the New ABH Common Stock (as defined in the Chapter 11 Plan). The estimated recoveries set forth in paragraph 2 above (a) are based on the assumptions and estimated recovery rates for each ACI SERP Settlement Sponsor contained in the Disclosure Statement and Information Circular, and (b) the implied stock price of US\$25 per share of New ABH Common Stock contained in the Disclosure Statement and Information Circular. After full administration of the Restructuring Cases, actual recoveries on the Allowed ACI SERP

Claims and the Risk-Adjusted Allowed ACI SERP Claim Amounts may be significantly more or less than 52% of the claim amounts.

4. Allowed ACI SERP Claim Distributions. The Debtors will make an initial distribution of New ABH Common Stock on account of the Allowed ACI SERP Claims and the Risk-Adjusted Allowed ACI SERP Claim Amounts on the first interim distribution date after entry of orders by the U.S. Court and Canadian Courts approving this Agreement on which it is reasonably practicable for the Debtors to do so. All distributions on account of the Allowed ACI SERP Claims and Risk-Adjusted Allowed ACI SERP Claim Amounts will be subject to all applicable holdbacks and other restrictions under the Restructuring Plans (if any).

5. Agreement on Allowed Claims and Distributions. Other than the Allowed ACI SERP Claim and the Risk-Adjusted Allowed ACI SERP Claim Amounts, Claimant agrees to withdraw with prejudice all other claims asserted in connection with or arising from the ACI SERP, whether in a proof of claim or otherwise, and upon the Effective Date, all such claims shall be deemed withdrawn with prejudice and expunged, including, for the avoidance of doubt, all claims (if any) asserted against Bowater Canada Finance Corporation.

6. Injunction. Other than with respect to his rights under this Agreement, Claimant is permanently enjoined from, and agrees not to take, any of the following actions on account of his ACI SERP Claim: (a) commencing or continuing in any manner any action or other proceeding against the Debtors or their respective property; (b) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order against the Debtors or their respective property; (c) creating,

perfecting, or enforcing any lien or encumbrance against the Debtors or their respective property; (d) asserting a setoff, right of subrogation or recoupment of any kind against any debt, liability or obligation due to the Debtors or their respective property; and (e) commencing or continuing any action, in any manner, in any place that does not comply with or is inconsistent with the provisions of this Agreement and the Restructuring Plans.

7. Release by Claimant. Other than with respect to its rights under this Agreement and the Allowed ACI SERP Claim and the Risk-Adjusted Allowed ACI SERP Claim Amounts, the Claimant and each of its successors, assigns, spouses and dependents (collectively, the "Claimant Releasors") hereby release and forever discharge the Debtors (including Bowater Canada Finance Corporation), Avidity Partners, LLC, in its capacity as the Post-Effective Date Claims Agent, and Ernst & Young Inc., in its capacity as the court-appointed Monitor in respect of the Matter of the Plan of Compromise or Arrangement of AbitibiBowater Inc. and its subsidiaries and affiliates, in each case along with each of their past, present, and future direct and indirect parents, subsidiaries, affiliates, related entities, directors, officers, employees, attorneys, representatives, agents, receivers, insurers, and each of their predecessors, successors, heirs and assigns (collectively, the "Debtor Releasees") from any and all causes of action, demands, damages, costs, debts, liabilities, losses or claims of any kind, whether known or unknown, that the Claimant Releasors may now have or ever have had, or hereafter shall or may have, against the Debtor Releasees arising from, in connection with, or related to the ACI SERP.

8. Complete and Final Agreement. This Agreement sets forth the entire agreement between the Parties pertaining to the subject matter hereof. This

Agreement supersedes and replaces any and all prior or contemporaneous verbal or written agreements between the Parties concerning the subject matter hereof. No modification of, or amendment to, this Agreement shall be valid unless it is in writing and signed by the Parties hereto.

9. No Reliance. No Party has relied on or been induced to execute this Agreement by any statements, representations, agreements or promises, oral or written, made by any other Party, their agents, employees, servants or attorneys, or anyone else, other than the statements expressly written in this Settlement Agreement and Release.

10. Interpretation of Agreement. As used in this Agreement, the singular or plural number shall be deemed to include the other whenever the context so indicates or requires. The language of all parts of this Agreement shall in all cases be construed as a whole, according to its fair meaning, not strictly for or against any of the Parties.

11. Counterparts. This Agreement may be executed simultaneously or in any number of original or faxed counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same agreement.

12. Authorization. Each of the undersigned represents and warrants that he or she is competent and authorized to execute this Agreement, and further represents and warrants that he or she has read and understands the terms of this Agreement.

13. Binding Effect. This Agreement shall be binding on and shall inure to the benefit of the Parties and their respective successors, heirs, and assigns.

14. No Admission of Liability. The Parties each agree that entry into this Agreement does not constitute a determination or admission of liability under the ACI SERP by the ACI SERP Settlement Plan Sponsors, and that the allocation and allowance of the ACI SERP Claim constitutes a settlement of the ACI SERP Claim to avoid the expense and time of further litigation.

15. Governing Law. This Agreement shall be governed by and construed under the laws of either the State of Delaware or the Province of Quebec, as may be applicable, without regard to the conflict of laws provisions thereof.

16. Jurisdiction. In connection with any action, suit, or proceeding arising from, in connection with, or relating to this Agreement, the Parties each agree to submit to the exclusive jurisdiction and venue of the United States Bankruptcy Court for the District of Delaware or the CCAA Court, as may be applicable, and any appellate courts with jurisdiction over the U.S. Court and the CCAA Court.

17. Effectiveness; Termination. The Parties acknowledge that the Debtors intend to seek approval of this Agreement by the U.S. Court and the CCAA Court and that this Agreement shall only become effective upon entry of an order approving the Agreement by each of the U.S. Court and the CCAA Court (the "Effective Date").

IN WITNESS WHEREOF, the Parties, by their duly authorized representatives, have
executed this Agreement this 26 day of October, 2011.

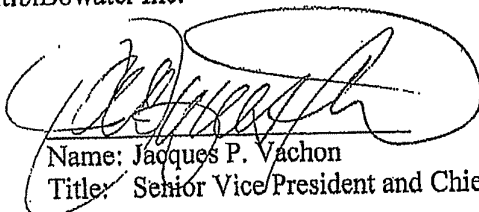
CLAIMANT:

[REDACTED]

THE DEBTORS:

AbitibiBowater Inc.

By:



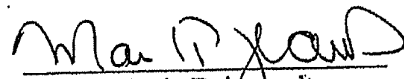
Name: Jacques P. Vachon

Title: Senior Vice President and Chief Legal Officer

APPROVED BY:

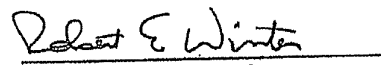
Ernst & Young Inc., in its capacity as the court-appointed Monitor in respect of the
Matter of the Plan of Compromise or Arrangement of AbitibiBowater Inc. and its
subsidiaries and affiliates, and not in its personal or corporate capacity.

By:


Name: Martin Daigneault
Title: Senior Vice-President

Avidity Partners, LLC
as Post-Effective Date Claims Agent,
by its counsel Paul Hastings LP

By:


Name: Robert E. Winter
Title: Counsel

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (the "Agreement") is entered into by and between AbitibiBowater Inc. and its affiliates in the above captioned cases (collectively, together with the affiliates who applied for protection from their creditors under Canada's *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (as amended, the "CCAA") and as reorganized, the "Debtors") and [REDACTED] ("Claimant"). The Debtors and Claimant are each referred to individually herein as a "Party" and collectively, as the "Parties."

WHEREAS, the Debtors filed creditor protection proceedings in the United States and Canada (the "Restructuring Cases") on April 16, 2009 and April 17, 2009, respectively (the "Petition Date"). In November 2010, the U.S. bankruptcy court (the "U.S. Court") and the Quebec Superior Court (the "CCAA Court") entered orders confirming and sanctioning the Debtors' chapter 11 and CCAA restructuring plans (the confirmed chapter 11 plan, the "Chapter 11 Plan" and accompanying disclosure statement, the "Disclosure Statement", and together with the sanctioned CCAA plan (the "CCAA Plan" and the accompanying information circular, the "Information Circular") the "Restructuring Plans"). The Restructuring Plans went effective on December 9, 2010.

WHEREAS, as of the Petition Date, the Debtors suspended all payments on account of pre-filing supplemental executive retirement plans (collectively, the "Old

Drive Company Limited, Bowater Treated Wood Inc., Canexel Hardboard Inc., 9068-9050 Québec Inc., Alliance Forest Products Inc. (2001), Bowater Belledune Sawmill Inc., Bowater Maritimes Inc., Bowater Mitis Inc., Bowater Guérette Inc., and Bowater Couturier Inc.

SERPs”), including the Canadian Supplemental Executive Retirement Plan (SERP) for Executive Employees of Abitibi-Consolidated Inc. (the “ACI SERP”). The Restructuring Plans terminated all such plans. See CCAA Plan Supplement 6.9(1); Amended CCAA Plan Supplement 6.9(2); Chapter 11 Plan § 6.9; Supplement 7B (as amended). In accordance with the Restructuring Plans, however, the Debtors established new non-qualified and non-registered plans (the “New SERPs”) pursuant to which (a) all employees and beneficiaries in active status as of the Effective Date were eligible to receive benefits under the New SERPs substantially similar to those under the Old SERPs; and (b) all retirees, beneficiaries and deferred vested participants (collectively, “Retirees”), as of the Effective Date, were eligible to receive benefits under the New SERPs substantially similar to those under the Old SERPs, provided however, that the benefits to a participant under the New SERP(s) will be 10% to 35% lower, depending on the applicable Old SERP(s), the benefits under the New Plans will be subject to an annual per-participant cap, and depending on the applicable Old SERP, the benefits being further reduced by any secured pension benefits received or to be received in respect of the Old SERP. The ACI SERP is subject to a 10% reduction in benefits and a CDN\$50,000 per participant annual cap. In addition, some participants under the ACI SERP received secured pension benefits in respect of the ACI SERP and accordingly, were ineligible to participate in the applicable New SERP or were eligible to participate in the applicable New SERP subject to further reduction of their benefits.

WHEREAS, as a condition of participating in the New SERPs, the Restructuring Plans required eligible plan participants to waive and forfeit any and all claims in respect of the Old SERPs. In August 2010, the Debtors mailed election notices

to all SERP claimants (the "SERP Election Notices") offering them a choice between (1) participating in the New SERPs and waiving all their claims against the Debtors arising under the relevant Old SERPs, or (2) retaining their claims against the Debtors arising under the Old SERPs, and receiving distributions on account of such claims (if and when allowed) as part of the Restructuring Cases. Claimant was not eligible to participate in a New SERP or was eligible to participate in a New SERP but elected to retain his claims under the ACI SERP (the "ACI SERP Claims").

WHEREAS, at the time the SERP Election Notices were circulated, AbitibiBowater Inc. and Abitibi-Consolidated Inc. were identified as sponsors of the ACI SERP. Other Debtors may also be potential sponsors of the ACI SERP, and may also be potentially liable for the ACI SERP Claims. The Company, the post-effective date claims agent (the "Claims Agent") appointed under the Chapter 11 Plan, and the monitor appointed in the CCAA proceedings by the CCAA Court (the "Monitor"), have analyzed the likelihood of other Debtors' liability for the ACI SERP Claims.

WHEREAS, among other things, the Claims Agent, the Monitor, and the Claimant dispute the liability of the various Debtors for the ACI SERP Claims.

WHEREAS, to avoid the expense and inconvenience of further litigation, the Parties have agreed to settle on the allowed amount of Claimant's ACI SERP Claim and allocate such claim against various Debtors based on an agreement regarding each such Debtors' probable estimated liability for the claim as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and releases set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. ACI SERP Claim Allowance. Claimant shall have an allowed general unsecured ACI SERP Claim (the "Allowed ACI SERP Claim") in the amount of **CDN \$153,240** which shall be allocated, solely for purposes of this Agreement, against each of the following Debtors: AbitibiBowater Inc., Bowater Incorporated, Donohue Corp., Abitibi Consolidated Sales Corporation, Abitibi-Consolidated Corporation, Bowater Canadian Forest Products Inc., Abitibi-Consolidated Inc., and Abitibi-Consolidated Company of Canada (collectively, the "ACI SERP Settlement Sponsors"). Except for purposes of this Agreement, the Debtors, the Claims Agent and the Monitor do not concede that the ACI SERP Settlement Sponsors have legal liability for the ACI SERP.

2. ACI SERP Claim Allocation: The Allowed ACI SERP Claim will be allocated against the ACI SERP Settlement Sponsors in the following percentages based upon the agreed-upon relative risk of liability of each particular ACI SERP Settlement Sponsor, resulting in the corresponding portion of the Allowed ACI SERP Claim being allowed against the ACI SERP Settlement Sponsor in the indicated amounts (the "Risk-Adjusted Allowed ACI SERP Claim Amount"):

Allowed ACI SERP Claim Amount	ACI SERP Settlement Sponsor	% of Allowed ACI SERP Claim Allocated against ACI SERP Settlement Sponsor	Risk-Adjusted/Allowed ACI SERP Claim Amount	Applicable General Unsecured Claim Class	Estimated % Recovery Rate from Debtor based on Disclosure Statement and Information Circular	Estimated Recovery on Account of Risk-Adjusted Allowed ACI SERP Claim Amount
CDN\$153,240	Bowater Canadian Forest Products Inc.	23%	CDN\$35,245.20		36.50%	CDN\$12,864.49
CDN\$153,240	Abitibi-Consolidated Inc.	100%	CDN\$153,240		3.4%	CDN\$5,210.16
CDN\$153,240	Abitibi Consolidated Company of Canada	95%	CDN\$145,578		17.10%	CDN\$24,893.83
US\$126,164.99	AbitibiBowater Inc.	100%	US\$126,164.99	Class 6A	0.8%	US\$1,009.31

US\$126,164.99	Bowater Incorporated	23%	US\$29,017.94	Class 6S	48.4%	US\$14,044.68
US\$126,164.99	Donohue Corp.	20%	US\$25,232.99	Class 6DD	28.4%	US\$7,166.17
US\$126,164.99	Abitibi Consolidated Sales Corp.	20%	US\$25,232.99	Class 6H	23.4%	US\$5,904.52
US\$126,164.99	Abitibi Consolidated Corporation	20%	US\$25,232.99	Class 6F	12.0%	US\$3,027.95
					Total Estimated Recovery (CDN\$)	\$80,806.51
					% Recovery (CDN\$:CDN\$)	52%

* Currency conversions use the Bank of Canada's noon spot rate as of the Petition Date of CDN \$1.00 – US\$0.8290.

3. No Fixed Recoveries on Allowed ACI SERP Claims: The

Allowed ACI SERP Claim and Risk-Adjusted Allowed ACI SERP Claim Amounts constitute Claimant's sole Allowed claims arising under, in connection with, or relating to the ACI SERP, and all other claims (if any), including any such claims against any other Debtor or Debtor's affiliate (including for the avoidance of doubt, Bowater Canada Finance Corporation), are deemed withdrawn and expunged. Notwithstanding anything to the contrary contained in this Agreement, this Agreement does not fix recoveries or guarantee an aggregate 52% recovery on the Allowed ACI SERP Claim or a recovery against each ACI SERP Settlement Sponsor at the estimated recovery rate set forth in the applicable Disclosure Statement or Information Circular. Actual recoveries on account of such claims depend on the other claims that are ultimately allowed or disallowed against each ACI SERP Settlement Sponsor and the ultimate trading value of the New ABH Common Stock (as defined in the Chapter 11 Plan). The estimated recoveries set forth in paragraph 2 above (a) are based on the assumptions and estimated recovery rates for each ACI SERP Settlement Sponsor contained in the Disclosure Statement and Information Circular, and (b) the implied stock price of US\$25 per share of New ABH Common Stock contained in the Disclosure Statement and Information Circular. After full administration of the Restructuring Cases, actual recoveries on the Allowed ACI SERP

Claims and the Risk-Adjusted Allowed ACI SERP Claim Amounts may be significantly more or less than 52% of the claim amounts.

4. Allowed ACI SERP Claim Distributions. The Debtors will make an initial distribution of New ABH Common Stock on account of the Allowed ACI SERP Claims and the Risk-Adjusted Allowed ACI SERP Claim Amounts on the first interim distribution date after entry of orders by the U.S. Court and Canadian Courts approving this Agreement on which it is reasonably practicable for the Debtors to do so. All distributions on account of the Allowed ACI SERP Claims and Risk-Adjusted Allowed ACI SERP Claim Amounts will be subject to all applicable holdbacks and other restrictions under the Restructuring Plans (if any).

5. Agreement on Allowed Claims and Distributions. Other than the Allowed ACI SERP Claim and the Risk-Adjusted Allowed ACI SERP Claim Amounts, Claimant agrees to withdraw with prejudice all other claims asserted in connection with or arising from the ACI SERP, whether in a proof of claim or otherwise, and upon the Effective Date, all such claims shall be deemed withdrawn with prejudice and expunged, including, for the avoidance of doubt, all claims (if any) asserted against Bowater Canada Finance Corporation.

6. Injunction. Other than with respect to his rights under this Agreement, Claimant is permanently enjoined from, and agrees not to take, any of the following actions on account of his ACI SERP Claim: (a) commencing or continuing in any manner any action or other proceeding against the Debtors or their respective property; (b) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order against the Debtors or their respective property; (c) creating,

perfecting, or enforcing any lien or encumbrance against the Debtors or their respective property; (d) asserting a setoff, right of subrogation or recoupment of any kind against any debt, liability or obligation due to the Debtors or their respective property; and (e) commencing or continuing any action, in any manner, in any place that does not comply with or is inconsistent with the provisions of this Agreement and the Restructuring Plans.

7. Release by Claimant. Other than with respect to its rights under this Agreement and the Allowed ACI SERP Claim and the Risk-Adjusted Allowed ACI SERP Claim Amounts, the Claimant and each of its successors, assigns, spouses and dependents (collectively, the "Claimant Releasors") hereby release and forever discharge the Debtors (including Bowater Canada Finance Corporation), Avidity Partners, LLC, in its capacity as the Post-Effective Date Claims Agent, and Ernst & Young Inc., in its capacity as the court-appointed Monitor in respect of the Matter of the Plan of Compromise or Arrangement of AbitibiBowater Inc. and its subsidiaries and affiliates, in each case along with each of their past, present, and future direct and indirect parents, subsidiaries, affiliates, related entities, directors, officers, employees, attorneys, representatives, agents, receivers, insurers, and each of their predecessors, successors, heirs and assigns (collectively, the "Debtor Releasees") from any and all causes of action, demands, damages, costs, debts, liabilities, losses or claims of any kind, whether known or unknown, that the Claimant Releasors may now have or ever have had, or hereafter shall or may have, against the Debtor Releasees arising from, in connection with, or related to the ACI SERP.

8. Complete and Final Agreement. This Agreement sets forth the entire agreement between the Parties pertaining to the subject matter hereof. This

Agreement supersedes and replaces any and all prior or contemporaneous verbal or written agreements between the Parties concerning the subject matter hereof. No modification of, or amendment to, this Agreement shall be valid unless it is in writing and signed by the Parties hereto.

9. No Reliance. No Party has relied on or been induced to execute this Agreement by any statements, representations, agreements or promises, oral or written, made by any other Party, their agents, employees, servants or attorneys, or anyone else, other than the statements expressly written in this Settlement Agreement and Release.

10. Interpretation of Agreement. As used in this Agreement, the singular or plural number shall be deemed to include the other whenever the context so indicates or requires. The language of all parts of this Agreement shall in all cases be construed as a whole, according to its fair meaning, not strictly for or against any of the Parties.

11. Counterparts. This Agreement may be executed simultaneously or in any number of original or faxed counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same agreement.

12. Authorization. Each of the undersigned represents and warrants that he or she is competent and authorized to execute this Agreement, and further represents and warrants that he or she has read and understands the terms of this Agreement.

13. Binding Effect. This Agreement shall be binding on and shall inure to the benefit of the Parties and their respective successors, heirs, and assigns.

14. No Admission of Liability. The Parties each agree that entry into this Agreement does not constitute a determination or admission of liability under the ACI SERP by the ACI SERP Settlement Plan Sponsors, and that the allocation and allowance of the ACI SERP Claim constitutes a settlement of the ACI SERP Claim to avoid the expense and time of further litigation.

15. Governing Law. This Agreement shall be governed by and construed under the laws of either the State of Delaware or the Province of Quebec, as may be applicable, without regard to the conflict of laws provisions thereof.

16. Jurisdiction. In connection with any action, suit, or proceeding arising from, in connection with, or relating to this Agreement, the Parties each agree to submit to the exclusive jurisdiction and venue of the United States Bankruptcy Court for the District of Delaware or the CCAA Court, as may be applicable, and any appellate courts with jurisdiction over the U.S. Court and the CCAA Court.

17. Effectiveness; Termination. The Parties acknowledge that the Debtors intend to seek approval of this Agreement by the U.S. Court and the CCAA Court and that this Agreement shall only become effective upon entry of an order approving the Agreement by each of the U.S. Court and the CCAA Court (the "Effective Date").

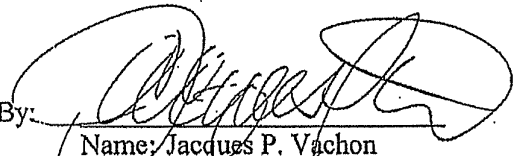
IN WITNESS WHEREOF, the Parties, by their duly authorized representatives, have
executed this Agreement this ___ day of October, 2011.

CLAIMANT:

[REDACTED]

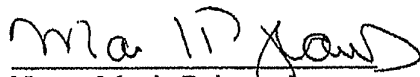
THE DEBTORS:

AbitibiBowater Inc.

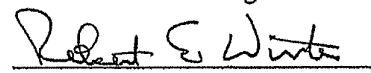
By: 
Name: Jacques P. Vachon
Title: Senior Vice President and Chief Legal Officer

APPROVED BY:

Ernst & Young Inc., in its capacity as the court-appointed Monitor in respect of the
Matter of the Plan of Compromise or Arrangement of AbitibiBowater Inc. and its
subsidiaries and affiliates, and not in its personal or corporate capacity.

By: 
Name: Martin Daigneault
Title: Senior Vice-President

Avidity Partners, LLC
as Post-Effective Date Claims Agent,
by its counsel Paul Hastings LP

By: 
Name: Robert E. Winter
Title: Counsel

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (the "Agreement") is entered into by and between AbitibiBowater Inc. and its affiliates in the above captioned cases (collectively, together with the affiliates who applied for protection from their creditors under Canada's *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (as amended, the "CCAA") and as reorganized, the "Debtors") and [REDACTED] ("Claimant"). The Debtors and Claimant are each referred to individually herein as a "Party" and collectively, as the "Parties."

WHEREAS, the Debtors filed creditor protection proceedings in the United States and Canada (the "Restructuring Cases") on April 16, 2009 and April 17, 2009, respectively (the "Petition Date"). In November 2010, the U.S. bankruptcy court (the "U.S. Court") and the Québec Superior Court (the "CCAA Court") entered orders confirming and sanctioning the Debtors' chapter 11 and CCAA restructuring plans (the confirmed chapter 11 plan, the "Chapter 11 Plan" and accompanying disclosure statement, the "Disclosure Statement", and together with the sanctioned CCAA plan (the "CCAA Plan" and the accompanying information circular, the "Information Circular") the "Restructuring Plans"). The Restructuring Plans went effective on December 9, 2010.

WHEREAS, as of the Petition Date, the Debtors suspended all payments on account of pre-filing supplemental executive retirement plans (collectively, the "Old

Drive Company Limited, Bowater Treated Wood Inc., Canexel-Hardboard Inc., 9068-9050 Québec Inc., Alliance Forest Products Inc. (2001), Bowater Belledune Sawmill Inc., Bowater Maritimes Inc., Bowater Mitis Inc., Bowater Guérette Inc., and Bowater Couturier Inc.

SERPs”), including the Canadian Supplemental Executive Retirement Plan (SERP) for Executive Employees of Abitibi-Consolidated Inc. (the “ACI SERP”). The Restructuring Plans terminated all such plans. See CCAA Plan Supplement 6.9(1); Amended CCAA Plan Supplement 6.9(2); Chapter 11 Plan § 6.9; Supplement 7B (as amended). In accordance with the Restructuring Plans, however, the Debtors established new non-qualified and non-registered plans (the “New SERPs”) pursuant to which (a) all employees and beneficiaries in active status as of the Effective Date were eligible to receive benefits under the New SERPs substantially similar to those under the Old SERPs; and (b) all retirees, beneficiaries and deferred vested participants (collectively, “Retirees”), as of the Effective Date, were eligible to receive benefits under the New SERPs substantially similar to those under the Old SERPs, provided however, that the benefits to a participant under the New SERP(s) will be 10% to 35% lower, depending on the applicable Old SERP(s), the benefits under the New Plans will be subject to an annual per-participant cap, and depending on the applicable Old SERP, the benefits being further reduced by any secured pension benefits received or to be received in respect of the Old SERP. The ACI SERP is subject to a 10% reduction in benefits and a CDN\$50,000 per participant annual cap. In addition, some participants under the ACI SERP received secured pension benefits in respect of the ACI SERP and accordingly, were ineligible to participate in the applicable New SERP or were eligible to participate in the applicable New SERP subject to further reduction of their benefits.

WHEREAS, as a condition of participating in the New SERPs, the Restructuring Plans required eligible plan participants to waive and forfeit any and all claims in respect of the Old SERPs. In August 2010, the Debtors mailed election notices

to all SERP claimants (the "SERP Election Notices") offering them a choice between (1) participating in the New SERPs and waiving all their claims against the Debtors arising under the relevant Old SERPs, or (2) retaining their claims against the Debtors arising under the Old SERPs, and receiving distributions on account of such claims (if and when allowed) as part of the Restructuring Cases. Claimant was not eligible to participate in a New SERP or was eligible to participate in a New SERP but elected to retain his claims under the ACI SERP (the "ACI SERP Claims").

WHEREAS, at the time the SERP Election Notices were circulated, AbitibiBowater Inc. and Abitibi-Consolidated Inc. were identified as sponsors of the ACI SERP. Other Debtors may also be potential sponsors of the ACI SERP, and may also be potentially liable for the ACI SERP Claims. The Company, the post-effective date claims agent (the "Claims Agent") appointed under the Chapter 11 Plan, and the monitor appointed in the CCAA proceedings by the CCAA Court (the "Monitor"), have analyzed the likelihood of other Debtors' liability for the ACI SERP Claims.

WHEREAS, among other things, the Claims Agent, the Monitor, and the Claimant dispute the liability of the various Debtors for the ACI SERP Claims.

WHEREAS, to avoid the expense and inconvenience of further litigation, the Parties have agreed to settle on the allowed amount of Claimant's ACI SERP Claim and allocate such claim against various Debtors based on an agreement regarding each such Debtors' probable estimated liability for the claim as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and releases set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. ACI SERP Claim Allowance. Claimant shall have an allowed general unsecured ACI SERP Claim (the “Allowed ACI SERP Claim”) in the amount of **CDN \$32,988.00** which shall be allocated, solely for purposes of this Agreement, against each of the following Debtors: AbitibiBowater Inc., Bowater Incorporated, Donohue Corp., Abitibi Consolidated Sales Corporation, Abitibi-Consolidated Corporation, Bowater Canadian Forest Products Inc., Abitibi-Consolidated Inc., and Abitibi-Consolidated Company of Canada (collectively, the “ACI SERP Settlement Sponsors”). Except for purposes of this Agreement, the Debtors, the Claims Agent and the Monitor do not concede that the ACI SERP Settlement Sponsors have legal liability for the ACI SERP.

2. ACI SERP Claim Allocation: The Allowed ACI SERP Claim will be allocated against the ACI SERP Settlement Sponsors in the following percentages based upon the agreed-upon relative risk of liability of each particular ACI SERP Settlement Sponsor, resulting in the corresponding portion of the Allowed ACI SERP Claim being allowed against the ACI SERP Settlement Sponsor in the indicated amounts (the “Risk-Adjusted Allowed ACI SERP Claim Amount”):

Allowed ACI SERP Claim Amount	ACI SERP Settlement Sponsor	% of Allowed ACI SERP Claim Allocated against ACI SERP Settlement Sponsor	Risk-Adjusted Allowed ACI SERP Claim Amount	Applicable General Unsecured Claim Class	Estimated % Recovery Rate from Debtor based on Disclosure Statement and Information Circular	Estimated Recovery on Account of Risk-Adjusted Allowed ACI SERP Claim Amount
CDN\$32,988.00	Bowater Canadian Forest Products Inc.	23%	CDN\$7,587.24		36.50%	CDN\$2,769.34
CDN\$32,988.00	Abitibi-Consolidated Inc.	100%	CDN\$32,988.00		3.4%	CDN\$1,121.59
CDN\$32,988.00	Abitibi Consolidated Company of Canada	95%	CDN\$31,338.60		17.10%	CDN\$5,358.90
US\$27,159.56	AbitibiBowater Inc.	100%	US\$27,159.56	Class 6A	0.8%	US\$217.28

US\$27,159.56	Bowater Incorporated	23%	US\$6,246.70	Class 6S	48.4%	US\$3,023.40
US\$27,159.56	Donohue Corp.	20%	US\$5,431.91	Class 6DD	28.4%	US\$1,542.66
US\$27,159.56	Abitibi Consolidated Sales Corp.	20%	US\$5,431.91	Class 6H	23.4%	US\$1,271.07
US\$27,159.56	Abitibi Consolidated Corporation	20%	US\$5,431.91	Class 6F	12.0%	US\$651.83
			Total Estimated Recovery (CDNS)			\$17,395.23
			% Recovery (CDNS:CDNS)		52%	

* Currency conversions use the Bank of Canada's noon spot rate as of the Petition Date of CDN \$1.00 – US\$0.8290.

3. No Fixed Recoveries on Allowed ACI SERP Claims: The

Allowed ACI SERP Claim and Risk-Adjusted Allowed ACI SERP Claim Amounts constitute Claimant's sole Allowed claims arising under, in connection with, or relating to the ACI SERP, and all other claims (if any), including any such claims against any other Debtor or Debtor's affiliate (including for the avoidance of doubt, Bowater Canada Finance Corporation), are deemed withdrawn and expunged. Notwithstanding anything to the contrary contained in this Agreement, this Agreement does not fix recoveries or guarantee an aggregate 52% recovery on the Allowed ACI SERP Claim or a recovery against each ACI SERP Settlement Sponsor at the estimated recovery rate set forth in the applicable Disclosure Statement or Information Circular. Actual recoveries on account of such claims depend on the other claims that are ultimately allowed or disallowed against each ACI SERP Settlement Sponsor and the ultimate trading value of the New ABH Common Stock (as defined in the Chapter 11 Plan). The estimated recoveries set forth in paragraph 2 above (a) are based on the assumptions and estimated recovery rates for each ACI SERP Settlement Sponsor contained in the Disclosure Statement and Information Circular, and (b) the implied stock price of US\$25 per share of New ABH Common Stock contained in the Disclosure Statement and Information Circular. After full administration of the Restructuring Cases, actual recoveries on the Allowed ACI SERP

Claims and the Risk-Adjusted Allowed ACI SERP Claim Amounts may be significantly more or less than 52% of the claim amounts.

4. Allowed ACI SERP Claim Distributions. The Debtors will make an initial distribution of New ABH Common Stock on account of the Allowed ACI SERP Claims and the Risk-Adjusted Allowed ACI SERP Claim Amounts on the first interim distribution date after entry of orders by the U.S. Court and Canadian Courts approving this Agreement on which it is reasonably practicable for the Debtors to do so. All distributions on account of the Allowed ACI SERP Claims and Risk-Adjusted Allowed ACI SERP Claim Amounts will be subject to all applicable holdbacks and other restrictions under the Restructuring Plans (if any).

5. Agreement on Allowed Claims and Distributions. Other than the Allowed ACI SERP Claim and the Risk-Adjusted Allowed ACI SERP Claim Amounts, Claimant agrees to withdraw with prejudice all other claims asserted in connection with or arising from the ACI SERP, whether in a proof of claim or otherwise, and upon the Effective Date, all such claims shall be deemed withdrawn with prejudice and expunged, including, for the avoidance of doubt, all claims (if any) asserted against Bowater Canada Finance Corporation.

6. Injunction. Other than with respect to his rights under this Agreement, Claimant is permanently enjoined from, and agrees not to take, any of the following actions on account of his ACI SERP Claim: (a) commencing or continuing in any manner any action or other proceeding against the Debtors or their respective property; (b) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order against the Debtors or their respective property; (c) creating,

perfecting, or enforcing any lien or encumbrance against the Debtors or their respective property; (d) asserting a setoff, right of subrogation or recoupment of any kind against any debt, liability or obligation due to the Debtors or their respective property; and (e) commencing or continuing any action, in any manner, in any place that does not comply with or is inconsistent with the provisions of this Agreement and the Restructuring Plans.

7. Release by Claimant. Other than with respect to its rights under this Agreement and the Allowed ACI SERP Claim and the Risk-Adjusted Allowed ACI SERP Claim Amounts, the Claimant and each of its successors, assigns, spouses and dependents (collectively, the "Claimant Releasors") hereby release and forever discharge the Debtors (including Bowater Canada Finance Corporation), Avidity Partners, LLC, in its capacity as the Post-Effective Date Claims Agent, and Ernst & Young Inc., in its capacity as the court-appointed Monitor in respect of the Matter of the Plan of Compromise or Arrangement of AbitibiBowater Inc. and its subsidiaries and affiliates, in each case along with each of their past, present, and future direct and indirect parents, subsidiaries, affiliates, related entities, directors, officers, employees, attorneys, representatives, agents, receivers, insurers, and each of their predecessors, successors, heirs and assigns (collectively, the "Debtor Releasees") from any and all causes of action, demands, damages, costs, debts, liabilities, losses or claims of any kind, whether known or unknown, that the Claimant Releasors may now have or ever have had, or hereafter shall or may have, against the Debtor Releasees arising from, in connection with, or related to the ACI SERP.

8. Complete and Final Agreement. This Agreement sets forth the entire agreement between the Parties pertaining to the subject matter hereof. This

Agreement supersedes and replaces any and all prior or contemporaneous verbal or written agreements between the Parties concerning the subject matter hereof. No modification of, or amendment to, this Agreement shall be valid unless it is in writing and signed by the Parties hereto.

9. No Reliance. No Party has relied on or been induced to execute this Agreement by any statements, representations, agreements or promises, oral or written, made by any other Party, their agents, employees, servants or attorneys, or anyone else, other than the statements expressly written in this Settlement Agreement and Release.

10. Interpretation of Agreement. As used in this Agreement, the singular or plural number shall be deemed to include the other whenever the context so indicates or requires. The language of all parts of this Agreement shall in all cases be construed as a whole, according to its fair meaning, not strictly for or against any of the Parties.

11. Counterparts. This Agreement may be executed simultaneously or in any number of original or faxed counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same agreement.

12. Authorization. Each of the undersigned represents and warrants that he or she is competent and authorized to execute this Agreement, and further represents and warrants that he or she has read and understands the terms of this Agreement.

13. Binding Effect. This Agreement shall be binding on and shall inure to the benefit of the Parties and their respective successors, heirs, and assigns.

14. No Admission of Liability. The Parties each agree that entry into this Agreement does not constitute a determination or admission of liability under the ACI SERP by the ACI SERP Settlement Plan Sponsors, and that the allocation and allowance of the ACI SERP Claim constitutes a settlement of the ACI SERP Claim to avoid the expense and time of further litigation.

15. Governing Law. This Agreement shall be governed by and construed under the laws of either the State of Delaware or the Province of Quebec, as may be applicable, without regard to the conflict of laws provisions thereof.

16. Jurisdiction. In connection with any action, suit, or proceeding arising from, in connection with, or relating to this Agreement, the Parties each agree to submit to the exclusive jurisdiction and venue of the United States Bankruptcy Court for the District of Delaware or the CCAA Court, as may be applicable, and any appellate courts with jurisdiction over the U.S. Court and the CCAA Court.

17. Effectiveness; Termination. The Parties acknowledge that the Debtors intend to seek approval of this Agreement by the U.S. Court and the CCAA Court and that this Agreement shall only become effective upon entry of an order approving the Agreement by each of the U.S. Court and the CCAA Court (the "Effective Date").

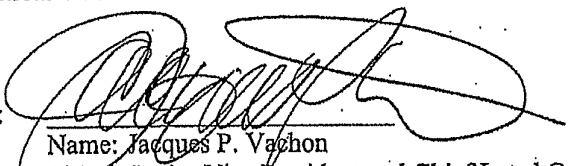
IN WITNESS WHEREOF, the Parties, by their duly authorized representatives, have
executed this Agreement this ^{14th} day of ~~October, 2011~~ ^{NOVEMBER, 2011} RAC

CLAIMANT:


Russell David Chow

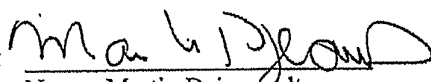
THE DEBTORS:

AbitibiBowater Inc.

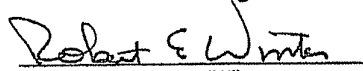
By: 
Name: Jacques P. Vachon
Title: Senior Vice President and Chief Legal Officer

APPROVED BY:

Ernst & Young Inc., in its capacity as the court-appointed Monitor in respect of the Matter of the Plan of Compromise or Arrangement of AbitibiBowater Inc. and its subsidiaries and affiliates, and not in its personal or corporate capacity.

By: 
Name: Martin Daigneault
Title: Senior Vice-President

Avidity Partners, LLC
as Post-Effective Date Claims Agent,
by its counsel Paul Hastings LP

By: 
Name: Robert E. Winter
Title: Counsel

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (the "Agreement") is entered into by and between AbitibiBowater Inc. and its affiliates in the above captioned cases (collectively, together with the affiliates who applied for protection from their creditors under Canada's *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (as amended, the "CCAA") and as reorganized, the "Debtors") and [REDACTED] ("Claimant"). The Debtors and Claimant are each referred to individually herein as a "Party" and collectively, as the "Parties."

WHEREAS, the Debtors filed creditor protection proceedings in the United States and Canada (the "Restructuring Cases") on April 16, 2009 and April 17, 2009, respectively (the "Petition Date"). In November 2010, the U.S. bankruptcy court (the "U.S. Court") and the Quebec Superior Court (the "CCAA Court") entered orders confirming and sanctioning the Debtors' chapter 11 and CCAA restructuring plans (the confirmed chapter 11 plan, the "Chapter 11 Plan" and accompanying disclosure statement, the "Disclosure Statement", and together with the sanctioned CCAA plan (the "CCAA Plan" and the accompanying information circular, the "Information Circular") the "Restructuring Plans"). The Restructuring Plans went effective on December 9, 2010.

WHEREAS, as of the Petition Date, the Debtors suspended all payments on account of pre-filing supplemental executive retirement plans (collectively, the "Old

Drive Company Limited, Bowater Treated Wood Inc., Canexel Hardboard Inc., 9068-9050 Québec Inc., Alliance Forest Products Inc. (2001), Bowater Belledune Sawmill Inc., Bowater Maritimes Inc., Bowater Mitis Inc., Bowater Guérette Inc., and Bowater Couturier Inc.

SERPs”), including the Canadian Supplemental Executive Retirement Plan (SERP) for Executive Employees of Abitibi-Consolidated Inc. (the “ACI SERP”). The Restructuring Plans terminated all such plans. See CCAA Plan Supplement 6.9(1); Amended CCAA Plan Supplement 6.9(2); Chapter 11 Plan § 6.9; Supplement 7B (as amended). In accordance with the Restructuring Plans, however, the Debtors established new non-qualified and non-registered plans (the “New SERPs”) pursuant to which (a) all employees and beneficiaries in active status as of the Effective Date were eligible to receive benefits under the New SERPs substantially similar to those under the Old SERPs; and (b) all retirees, beneficiaries and deferred vested participants (collectively, “Retirees”), as of the Effective Date, were eligible to receive benefits under the New SERPs substantially similar to those under the Old SERPs, provided however, that the benefits to a participant under the New SERP(s) will be 10% to 35% lower, depending on the applicable Old SERP(s), the benefits under the New Plans will be subject to an annual per-participant cap, and depending on the applicable Old SERP, the benefits being further reduced by any secured pension benefits received or to be received in respect of the Old SERP. The ACI SERP is subject to a 10% reduction in benefits and a CDN\$50,000 per participant annual cap. In addition, some participants under the ACI SERP received secured pension benefits in respect of the ACI SERP and accordingly, were ineligible to participate in the applicable New SERP or were eligible to participate in the applicable New SERP subject to further reduction of their benefits.

WHEREAS, as a condition of participating in the New SERPs, the Restructuring Plans required eligible plan participants to waive and forfeit any and all claims in respect of the Old SERPs. In August 2010, the Debtors mailed election notices

to all SERP claimants (the "SERP Election Notices") offering them a choice between (1) participating in the New SERPs and waiving all their claims against the Debtors arising under the relevant Old SERPs, or (2) retaining their claims against the Debtors arising under the Old SERPs, and receiving distributions on account of such claims (if and when allowed) as part of the Restructuring Cases. Claimant was not eligible to participate in a New SERP or was eligible to participate in a New SERP but elected to retain his claims under the ACI SERP (the "ACI SERP Claims").

WHEREAS, at the time the SERP Election Notices were circulated, AbitibiBowater Inc. and Abitibi-Consolidated Inc. were identified as sponsors of the ACI SERP. Other Debtors may also be potential sponsors of the ACI SERP, and may also be potentially liable for the ACI SERP Claims. The Company, the post-effective date claims agent (the "Claims Agent") appointed under the Chapter 11 Plan, and the monitor appointed in the CCAA proceedings by the CCAA Court (the "Monitor"), have analyzed the likelihood of other Debtors' liability for the ACI SERP Claims.

WHEREAS, among other things, the Claims Agent, the Monitor, and the Claimant dispute the liability of the various Debtors for the ACI SERP Claims.

WHEREAS, to avoid the expense and inconvenience of further litigation, the Parties have agreed to settle on the allowed amount of Claimant's ACI SERP Claim and allocate such claim against various Debtors based on an agreement regarding each such Debtors' probable estimated liability for the claim as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and releases set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. ACI SERP Claim Allowance. Claimant shall have an allowed general unsecured ACI SERP Claim (the "Allowed ACI SERP Claim") in the amount of **CDN \$14,632.00** which shall be allocated, solely for purposes of this Agreement, against each of the following Debtors: AbitibiBowater Inc., Bowater Incorporated, Donohue Corp., Abitibi Consolidated Sales Corporation, Abitibi-Consolidated Corporation, Bowater Canadian Forest Products Inc., Abitibi-Consolidated Inc., and Abitibi-Consolidated Company of Canada (collectively, the "ACI SERP Settlement Sponsors"). Except for purposes of this Agreement, the Debtors, the Claims Agent and the Monitor do not concede that the ACI SERP Settlement Sponsors have legal liability for the ACI SERP.

2. ACI SERP Claim Allocation: The Allowed ACI SERP Claim will be allocated against the ACI SERP Settlement Sponsors in the following percentages based upon the agreed-upon relative risk of liability of each particular ACI SERP Settlement Sponsor, resulting in the corresponding portion of the Allowed ACI SERP Claim being allowed against the ACI SERP Settlement Sponsor in the indicated amounts (the "Risk-Adjusted Allowed ACI SERP Claim Amount"):

Allowed ACI SERP Claim Amount	ACI SERP Settlement Sponsor	% of Allowed ACI SERP Claim Allocated against ACI SERP Settlement Sponsor	Risk-Adjusted/Allowed ACI SERP Claim Amount	Applicable General Unsecured Claim Class	Estimated % Recovery Rate from Debtor based on Disclosure Statement and Information Circular	Estimated Recovery on Account of Risk-Adjusted Allowed ACI SERP Claim Amount
CDN\$14,632.00	Bowater Canadian Forest Products Inc.	23%	CDN\$3,365.36		36.50%	CDN\$1,228.36
CDN\$14,632.00	Abitibi-Consolidated Inc.	100%	CDN\$14,632.00		3.4%	CDN\$497.49
CDN\$14,632.00	Abitibi Consolidated Company of Canada	95%	CDN\$13,900.40		17.10%	CDN\$2,376.97
US\$12,046.76	AbitibiBowater Inc.	100%	US\$12,046.76	Class 6A	0.8%	US\$96.37

US\$12,046.76	Bowater Incorporated	23%	US\$2,770.76	Class 6S	48.4%	US\$1,341.05
US\$12,046.76	Donohue Corp.	20%	US\$2,409.35	Class 6DD	28.4%	US\$684.26
US\$12,046.76	Abitibi Consolidated Sales Corp.	20%	US\$2,409.35	Class 6H	23.4%	US\$563.79
US\$12,046.76	Abitibi Consolidated Corporation	20%	US\$2,409.35	Class 6F	12.0%	US\$289.12
			Total Estimated Recovery (CDN\$)			\$7,715.75
			% Recovery (CDN\$:CDN\$)		52%	

* Currency conversions use the Bank of Canada's noon spot rate as of the Petition Date of CDN \$1.00 – US\$0.8290.

3. No Fixed Recoveries on Allowed ACI SERP Claims: The

Allowed ACI SERP Claim and Risk-Adjusted Allowed ACI SERP Claim Amounts constitute Claimant's sole Allowed claims arising under, in connection with, or relating to the ACI SERP, and all other claims (if any), including any such claims against any other Debtor or Debtor's affiliate (including for the avoidance of doubt, Bowater Canada Finance Corporation), are deemed withdrawn and expunged. Notwithstanding anything to the contrary contained in this Agreement, this Agreement does not fix recoveries or guarantee an aggregate 52% recovery on the Allowed ACI SERP Claim or a recovery against each ACI SERP Settlement Sponsor at the estimated recovery rate set forth in the applicable Disclosure Statement or Information Circular. Actual recoveries on account of such claims depend on the other claims that are ultimately allowed or disallowed against each ACI SERP Settlement Sponsor and the ultimate trading value of the New ABH Common Stock (as defined in the Chapter 11 Plan). The estimated recoveries set forth in paragraph 2 above (a) are based on the assumptions and estimated recovery rates for each ACI SERP Settlement Sponsor contained in the Disclosure Statement and Information Circular, and (b) the implied stock price of US\$25 per share of New ABH Common Stock contained in the Disclosure Statement and Information Circular. After full administration of the Restructuring Cases, actual recoveries on the Allowed ACI SERP

Claims and the Risk-Adjusted Allowed ACI SERP Claim Amounts may be significantly more or less than 52% of the claim amounts.

4. Allowed ACI SERP Claim Distributions. The Debtors will make an initial distribution of New ABH Common Stock on account of the Allowed ACI SERP Claims and the Risk-Adjusted Allowed ACI SERP Claim Amounts on the first interim distribution date after entry of orders by the U.S. Court and Canadian Courts approving this Agreement on which it is reasonably practicable for the Debtors to do so. All distributions on account of the Allowed ACI SERP Claims and Risk-Adjusted Allowed ACI SERP Claim Amounts will be subject to all applicable holdbacks and other restrictions under the Restructuring Plans (if any).

5. Agreement on Allowed Claims and Distributions. Other than the Allowed ACI SERP Claim and the Risk-Adjusted Allowed ACI SERP Claim Amounts, Claimant agrees to withdraw with prejudice all other claims asserted in connection with or arising from the ACI SERP, whether in a proof of claim or otherwise, and upon the Effective Date, all such claims shall be deemed withdrawn with prejudice and expunged, including, for the avoidance of doubt, all claims (if any) asserted against Bowater Canada Finance Corporation.

6. Injunction. Other than with respect to his rights under this Agreement, Claimant is permanently enjoined from, and agrees not to take, any of the following actions on account of his ACI SERP Claim: (a) commencing or continuing in any manner any action or other proceeding against the Debtors or their respective property; (b) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order against the Debtors or their respective property; (c) creating,

perfecting, or enforcing any lien or encumbrance against the Debtors or their respective property; (d) asserting a setoff, right of subrogation or recoupment of any kind against any debt, liability or obligation due to the Debtors or their respective property; and (e) commencing or continuing any action, in any manner, in any place that does not comply with or is inconsistent with the provisions of this Agreement and the Restructuring Plans.

7. Release by Claimant. Other than with respect to its rights under this Agreement and the Allowed ACI SERP Claim and the Risk-Adjusted Allowed ACI SERP Claim Amounts, the Claimant and each of its successors, assigns, spouses and dependents (collectively, the "Claimant Releasors") hereby release and forever discharge the Debtors (including Bowater Canada Finance Corporation), Avidity Partners, LLC, in its capacity as the Post-Effective Date Claims Agent, and Ernst & Young Inc., in its capacity as the court-appointed Monitor in respect of the Matter of the Plan of Compromise or Arrangement of AbitibiBowater Inc. and its subsidiaries and affiliates, in each case along with each of their past, present, and future direct and indirect parents, subsidiaries, affiliates, related entities, directors, officers, employees, attorneys, representatives, agents, receivers, insurers, and each of their predecessors, successors, heirs and assigns (collectively, the "Debtor Releasees") from any and all causes of action, demands, damages, costs, debts, liabilities, losses or claims of any kind, whether known or unknown, that the Claimant Releasors may now have or ever have had, or hereafter shall or may have, against the Debtor Releasees arising from, in connection with, or related to the ACI SERP.

8. Complete and Final Agreement. This Agreement sets forth the entire agreement between the Parties pertaining to the subject matter hereof. This

Agreement supersedes and replaces any and all prior or contemporaneous verbal or written agreements between the Parties concerning the subject matter hereof. No modification of, or amendment to, this Agreement shall be valid unless it is in writing and signed by the Parties hereto.

9. No Reliance. No Party has relied on or been induced to execute this Agreement by any statements, representations, agreements or promises, oral or written, made by any other Party, their agents, employees, servants or attorneys, or anyone else, other than the statements expressly written in this Settlement Agreement and Release.

10. Interpretation of Agreement. As used in this Agreement, the singular or plural number shall be deemed to include the other whenever the context so indicates or requires. The language of all parts of this Agreement shall in all cases be construed as a whole, according to its fair meaning, not strictly for or against any of the Parties.

11. Counterparts. This Agreement may be executed simultaneously or in any number of original or faxed counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same agreement.

12. Authorization. Each of the undersigned represents and warrants that he or she is competent and authorized to execute this Agreement, and further represents and warrants that he or she has read and understands the terms of this Agreement.

13. Binding Effect. This Agreement shall be binding on and shall inure to the benefit of the Parties and their respective successors, heirs, and assigns.

14. No Admission of Liability. The Parties each agree that entry into this Agreement does not constitute a determination or admission of liability under the ACI SERP by the ACI SERP Settlement Plan Sponsors, and that the allocation and allowance of the ACI SERP Claim constitutes a settlement of the ACI SERP Claim to avoid the expense and time of further litigation.

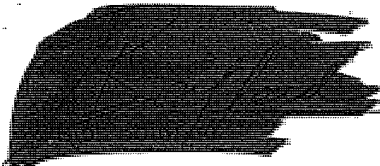
15. Governing Law. This Agreement shall be governed by and construed under the laws of either the State of Delaware or the Province of Quebec, as may be applicable, without regard to the conflict of laws provisions thereof.

16. Jurisdiction. In connection with any action, suit, or proceeding arising from, in connection with, or relating to this Agreement, the Parties each agree to submit to the exclusive jurisdiction and venue of the United States Bankruptcy Court for the District of Delaware or the CCAA Court, as may be applicable, and any appellate courts with jurisdiction over the U.S. Court and the CCAA Court.

17. Effectiveness; Termination. The Parties acknowledge that the Debtors intend to seek approval of this Agreement by the U.S. Court and the CCAA Court and that this Agreement shall only become effective upon entry of an order approving the Agreement by each of the U.S. Court and the CCAA Court (the “Effective Date”).

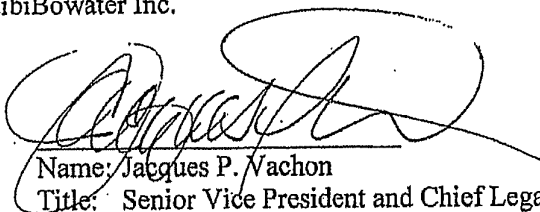
IN WITNESS WHEREOF, the Parties, by their duly authorized representatives, have
executed this Agreement this 14 day of October, 2011.

CLAIMANT:



THE DEBTORS:

AbitibiBowater Inc.

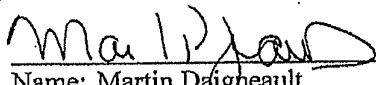
By: 

Name: Jacques P. Vachon

Title: Senior Vice President and Chief Legal Officer

APPROVED BY:

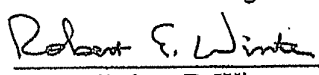
Ernst & Young Inc., in its capacity as the court-appointed Monitor in respect of the
Matter of the Plan of Compromise or Arrangement of AbitibiBowater Inc. and its
subsidiaries and affiliates, and not in its personal or corporate capacity.

By: 

Name: Martin Daigheault

Title: Senior Vice-President

Avidity Partners, LLC
as Post-Effective Date Claims Agent,
by its counsel Paul Hastings LP

By: 

Name: Robert E. Winter

Title: Counsel

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (the "Agreement") is entered into by and between AbitibiBowater Inc. and its affiliates in the above captioned cases (collectively, together with the affiliates who applied for protection from their creditors under Canada's *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (as amended, the "CCAA") and as reorganized, the "Debtors") and [REDACTED] ("Claimant"). The Debtors and Claimant are each referred to individually herein as a "Party" and collectively, as the "Parties."

WHEREAS, the Debtors filed creditor protection proceedings in the United States and Canada (the "Restructuring Cases") on April 16, 2009 and April 17, 2009, respectively (the "Petition Date"). In November 2010, the U.S. bankruptcy court (the "U.S. Court") and the Quebec Superior Court (the "CCAA Court") entered orders confirming and sanctioning the Debtors' chapter 11 and CCAA restructuring plans (the confirmed chapter 11 plan, the "Chapter 11 Plan" and accompanying disclosure statement, the "Disclosure Statement", and together with the sanctioned CCAA plan (the "CCAA Plan" and the accompanying information circular, the "Information Circular") the "Restructuring Plans"). The Restructuring Plans went effective on December 9, 2010.

WHEREAS, as of the Petition Date, the Debtors suspended all payments on account of pre-filing supplemental executive retirement plans (collectively, the "Old

Drive Company Limited, Bowater Treated Wood Inc., Canexel Hardboard Inc., 9068-9050 Québec Inc., Alliance Forest Products Inc. (2001), Bowater Belledune Sawmill Inc., Bowater Maritimes Inc., Bowater Mitis Inc., Bowater Guérette Inc., and Bowater Couturier Inc.

SERPs”), including the Canadian Supplemental Executive Retirement Plan (SERP) for Executive Employees of Abitibi-Consolidated Inc. (the “ACI SERP”). The Restructuring Plans terminated all such plans. See CCAA Plan Supplement 6.9(1); Amended CCAA Plan Supplement 6.9(2); Chapter 11 Plan § 6.9; Supplement 7B (as amended). In accordance with the Restructuring Plans, however, the Debtors established new non-qualified and non-registered plans (the “New SERPs”) pursuant to which (a) all employees and beneficiaries in active status as of the Effective Date were eligible to receive benefits under the New SERPs substantially similar to those under the Old SERPs; and (b) all retirees, beneficiaries and deferred vested participants (collectively, “Retirees”), as of the Effective Date, were eligible to receive benefits under the New SERPs substantially similar to those under the Old SERPs, provided however, that the benefits to a participant under the New SERP(s) will be 10% to 35% lower, depending on the applicable Old SERP(s), the benefits under the New Plans will be subject to an annual per-participant cap, and depending on the applicable Old SERP, the benefits being further reduced by any secured pension benefits received or to be received in respect of the Old SERP. The ACI SERP is subject to a 10% reduction in benefits and a CDN\$50,000 per participant annual cap. In addition, some participants under the ACI SERP received secured pension benefits in respect of the ACI SERP and accordingly, were ineligible to participate in the applicable New SERP or were eligible to participate in the applicable New SERP subject to further reduction of their benefits.

WHEREAS, as a condition of participating in the New SERPs, the Restructuring Plans required eligible plan participants to waive and forfeit any and all claims in respect of the Old SERPs. In August 2010, the Debtors mailed election notices

to all SERP claimants (the "SERP Election Notices") offering them a choice between (1) participating in the New SERPs and waiving all their claims against the Debtors arising under the relevant Old SERPs, or (2) retaining their claims against the Debtors arising under the Old SERPs, and receiving distributions on account of such claims (if and when allowed) as part of the Restructuring Cases. Claimant was not eligible to participate in a New SERP or was eligible to participate in a New SERP but elected to retain his claims under the ACI SERP (the "ACI SERP Claims").

WHEREAS, at the time the SERP Election Notices were circulated, AbitibiBowater Inc. and Abitibi-Consolidated Inc. were identified as sponsors of the ACI SERP. Other Debtors may also be potential sponsors of the ACI SERP, and may also be potentially liable for the ACI SERP Claims. The Company, the post-effective date claims agent (the "Claims Agent") appointed under the Chapter 11 Plan, and the monitor appointed in the CCAA proceedings by the CCAA Court (the "Monitor"), have analyzed the likelihood of other Debtors' liability for the ACI SERP Claims.

WHEREAS, among other things, the Claims Agent, the Monitor, and the Claimant dispute the liability of the various Debtors for the ACI SERP Claims.

WHEREAS, to avoid the expense and inconvenience of further litigation, the Parties have agreed to settle on the allowed amount of Claimant's ACI SERP Claim and allocate such claim against various Debtors based on an agreement regarding each such Debtors' probable estimated liability for the claim as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and releases set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. ACI SERP Claim Allowance. Claimant shall have an allowed general unsecured ACI SERP Claim (the "Allowed ACI SERP Claim") in the amount of **CDN \$12,055.00** which shall be allocated, solely for purposes of this Agreement, against each of the following Debtors: AbitibiBowater Inc., Bowater Incorporated, Donohue Corp., Abitibi Consolidated Sales Corporation, Abitibi-Consolidated Corporation, Bowater Canadian Forest Products Inc., Abitibi-Consolidated Inc., and Abitibi-Consolidated Company of Canada (collectively, the "ACI SERP Settlement Sponsors"). Except for purposes of this Agreement, the Debtors, the Claims Agent and the Monitor do not concede that the ACI SERP Settlement Sponsors have legal liability for the ACI SERP.

2. ACI SERP Claim Allocation: The Allowed ACI SERP Claim will be allocated against the ACI SERP Settlement Sponsors in the following percentages based upon the agreed-upon relative risk of liability of each particular ACI SERP Settlement Sponsor, resulting in the corresponding portion of the Allowed ACI SERP Claim being allowed against the ACI SERP Settlement Sponsor in the indicated amounts (the "Risk-Adjusted Allowed ACI SERP Claim Amount"):

Allowed ACI SERP Claim Amount	ACI SERP Settlement Sponsor	% of Allowed ACI SERP Claim Allocated against ACI SERP Settlement Sponsor	Risk-Adjusted Allowed ACI SERP Claim Amount	Applicable General Unsecured Claim Class	Estimated % Recovery Rate from Debtor based on Disclosure Statement and Information Circular	Estimated Recovery on Account of Risk-Adjusted Allowed ACI SERP Claim Amount
CDN\$12,055.00	Bowater Canadian Forest Products Inc.	23%	CDN\$2,772.65		36.50%	CDN\$1,012.02
CDN\$12,055.00	Abitibi-Consolidated Inc.	100%	CDN\$12,055.00		3.4%	CDN\$409.87
CDN\$12,055.00	Abitibi Consolidated Company of Canada	95%	CDN\$11,452.25		17.10%	CDN\$1,958.33
US\$9,925.08	AbitibiBowater Inc.	100%	US\$9,925.08	Class 6A	0.8%	US\$79.40

US\$9,925.08	Bowater Incorporated	23%	US\$2,282.77	Class 6S	48.4%	US\$1,104.86
US\$9,925.08	Donohue Corp.	20%	US\$1,985.02	Class 6DD	28.4%	US\$563.74
US\$9,925.08	Abitibi Consolidated Sales Corp.	20%	US\$1,985.02	Class 6H	23.4%	US\$464.49
US\$9,925.08	Abitibi Consolidated Corporation	20%	US\$1,985.02	Class 6F	12.0%	US\$238.20
			Total Estimated Recovery (CDNS)			\$6,356.84
			% Recovery (CDNS:CDNS)		52%	

* Currency conversions use the Bank of Canada's noon spot rate as of the Petition Date of CDN \$1.00 – US\$0.8290.

3. No Fixed Recoveries on Allowed ACI SERP Claims: The

Allowed ACI SERP Claim and Risk-Adjusted Allowed ACI SERP Claim Amounts

constitute Claimant's sole Allowed claims arising under, in connection with, or relating to the ACI SERP, and all other claims (if any), including any such claims against any other Debtor or Debtor's affiliate (including for the avoidance of doubt, Bowater Canada Finance Corporation), are deemed withdrawn and expunged. Notwithstanding anything to the contrary contained in this Agreement, this Agreement does not fix recoveries or guarantee an aggregate 52% recovery on the Allowed ACI SERP Claim or a recovery against each ACI SERP Settlement Sponsor at the estimated recovery rate set forth in the applicable Disclosure Statement or Information Circular. Actual recoveries on account of such claims depend on the other claims that are ultimately allowed or disallowed against each ACI SERP Settlement Sponsor and the ultimate trading value of the New ABH Common Stock (as defined in the Chapter 11 Plan). The estimated recoveries set forth in paragraph 2 above (a) are based on the assumptions and estimated recovery rates for each ACI SERP Settlement Sponsor contained in the Disclosure Statement and Information Circular, and (b) the implied stock price of US\$25 per share of New ABH Common Stock contained in the Disclosure Statement and Information Circular. After full administration of the Restructuring Cases, actual recoveries on the Allowed ACI SERP

Claims and the Risk-Adjusted Allowed ACI SERP Claim Amounts may be significantly more or less than 52% of the claim amounts.

4. Allowed ACI SERP Claim Distributions. The Debtors will make an initial distribution of New ABH Common Stock on account of the Allowed ACI SERP Claims and the Risk-Adjusted Allowed ACI SERP Claim Amounts on the first interim distribution date after entry of orders by the U.S. Court and Canadian Courts approving this Agreement on which it is reasonably practicable for the Debtors to do so. All distributions on account of the Allowed ACI SERP Claims and Risk-Adjusted Allowed ACI SERP Claim Amounts will be subject to all applicable holdbacks and other restrictions under the Restructuring Plans (if any).

5. Agreement on Allowed Claims and Distributions. Other than the Allowed ACI SERP Claim and the Risk-Adjusted Allowed ACI SERP Claim Amounts, Claimant agrees to withdraw with prejudice all other claims asserted in connection with or arising from the ACI SERP, whether in a proof of claim or otherwise, and upon the Effective Date, all such claims shall be deemed withdrawn with prejudice and expunged, including, for the avoidance of doubt, all claims (if any) asserted against Bowater Canada Finance Corporation.

6. Injunction. Other than with respect to his rights under this Agreement, Claimant is permanently enjoined from, and agrees not to take, any of the following actions on account of his ACI SERP Claim: (a) commencing or continuing in any manner any action or other proceeding against the Debtors or their respective property; (b) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order against the Debtors or their respective property; (c) creating,

perfecting, or enforcing any lien or encumbrance against the Debtors or their respective property; (d) asserting a setoff, right of subrogation or recoupment of any kind against any debt, liability or obligation due to the Debtors or their respective property; and (e) commencing or continuing any action, in any manner, in any place that does not comply with or is inconsistent with the provisions of this Agreement and the Restructuring Plans.

7. Release by Claimant. Other than with respect to its rights under this Agreement and the Allowed ACI SERP Claim and the Risk-Adjusted Allowed ACI SERP Claim Amounts, the Claimant and each of its successors, assigns, spouses and dependents (collectively, the "Claimant Releasors") hereby release and forever discharge the Debtors (including Bowater Canada Finance Corporation), Avidity Partners, LLC, in its capacity as the Post-Effective Date Claims Agent, and Ernst & Young Inc., in its capacity as the court-appointed Monitor in respect of the Matter of the Plan of Compromise or Arrangement of AbitibiBowater Inc. and its subsidiaries and affiliates, in each case along with each of their past, present, and future direct and indirect parents, subsidiaries, affiliates, related entities, directors, officers, employees, attorneys, representatives, agents, receivers, insurers, and each of their predecessors, successors, heirs and assigns (collectively, the "Debtor Releasees") from any and all causes of action, demands, damages, costs, debts, liabilities, losses or claims of any kind, whether known or unknown, that the Claimant Releasors may now have or ever have had, or hereafter shall or may have, against the Debtor Releasees arising from, in connection with, or related to the ACI SERP.

8. Complete and Final Agreement. This Agreement sets forth the entire agreement between the Parties pertaining to the subject matter hereof. This

Agreement supersedes and replaces any and all prior or contemporaneous verbal or written agreements between the Parties concerning the subject matter hereof. No modification of, or amendment to, this Agreement shall be valid unless it is in writing and signed by the Parties hereto.

9. No Reliance. No Party has relied on or been induced to execute this Agreement by any statements, representations, agreements or promises, oral or written, made by any other Party, their agents, employees, servants or attorneys, or anyone else, other than the statements expressly written in this Settlement Agreement and Release.

10. Interpretation of Agreement. As used in this Agreement, the singular or plural number shall be deemed to include the other whenever the context so indicates or requires. The language of all parts of this Agreement shall in all cases be construed as a whole, according to its fair meaning, not strictly for or against any of the Parties.

11. Counterparts. This Agreement may be executed simultaneously or in any number of original or faxed counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same agreement.

12. Authorization. Each of the undersigned represents and warrants that he or she is competent and authorized to execute this Agreement, and further represents and warrants that he or she has read and understands the terms of this Agreement.

13. Binding Effect. This Agreement shall be binding on and shall inure to the benefit of the Parties and their respective successors, heirs, and assigns.

14. No Admission of Liability. The Parties each agree that entry into this Agreement does not constitute a determination or admission of liability under the ACI SERP by the ACI SERP Settlement Plan Sponsors, and that the allocation and allowance of the ACI SERP Claim constitutes a settlement of the ACI SERP Claim to avoid the expense and time of further litigation.

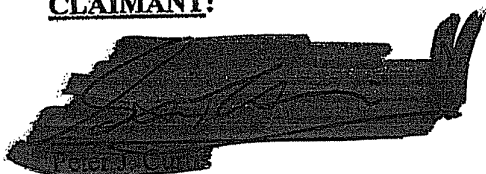
15. Governing Law. This Agreement shall be governed by and construed under the laws of either the State of Delaware or the Province of Quebec, as may be applicable, without regard to the conflict of laws provisions thereof.

16. Jurisdiction. In connection with any action, suit, or proceeding arising from, in connection with, or relating to this Agreement, the Parties each agree to submit to the exclusive jurisdiction and venue of the United States Bankruptcy Court for the District of Delaware or the CCAA Court, as may be applicable, and any appellate courts with jurisdiction over the U.S. Court and the CCAA Court.

17. Effectiveness; Termination. The Parties acknowledge that the Debtors intend to seek approval of this Agreement by the U.S. Court and the CCAA Court and that this Agreement shall only become effective upon entry of an order approving the Agreement by each of the U.S. Court and the CCAA Court (the "Effective Date").

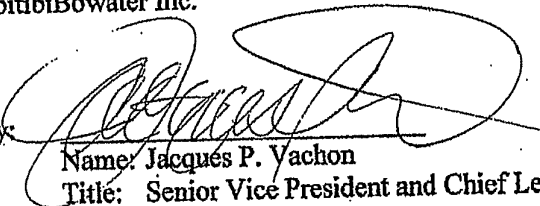
IN WITNESS WHEREOF, the Parties, by their duly authorized representatives, have
executed this Agreement this 13th day of October, 2011.

CLAIMANT:



THE DEBTORS:

AbitibiBowater Inc.

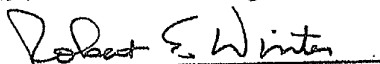
By: 
Name: Jacques P. Yachon
Title: Senior Vice President and Chief Legal Officer

APPROVED BY:

Ernst & Young Inc., in its capacity as the court-appointed Monitor in respect of the
Matter of the Plan of Compromise or Arrangement of AbitibiBowater Inc. and its
subsidiaries and affiliates, and not in its personal or corporate capacity.

By: 
Name: Martin Daigneault
Title: Senior Vice-President

Avidity Partners, LLC
as Post-Effective Date Claims Agent,
by its counsel Paul Hastings LP

By: 
Name: Robert E. Winter
Title: Counsel

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (the "Agreement") is entered into by and between AbitibiBowater Inc. and its affiliates in the above captioned cases (collectively, together with the affiliates who applied for protection from their creditors under Canada's *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (as amended, the "CCAA") and as reorganized, the "Debtors") and [REDACTED] ("Claimant"). The Debtors and Claimant are each referred to individually herein as a "Party" and collectively, as the "Parties."

WHEREAS, the Debtors filed creditor protection proceedings in the United States and Canada (the "Restructuring Cases") on April 16, 2009 and April 17, 2009, respectively (the "Petition Date"). In November 2010, the U.S. bankruptcy court (the "U.S. Court") and the Quebec Superior Court (the "CCAA Court") entered orders confirming and sanctioning the Debtors' chapter 11 and CCAA restructuring plans (the confirmed chapter 11 plan, the "Chapter 11 Plan" and accompanying disclosure statement, the "Disclosure Statement", and together with the sanctioned CCAA plan (the "CCAA Plan" and the accompanying information circular, the "Information Circular") the "Restructuring Plans"). The Restructuring Plans went effective on December 9, 2010.

WHEREAS, as of the Petition Date, the Debtors suspended all payments on account of pre-filing supplemental executive retirement plans (collectively, the "Old

Drive Company Limited, Bowater Treated Wood Inc., Canoxel Hardboard Inc., 9068-9050 Québec Inc., Alliance Forest Products Inc. (2001), Bowater Belledune Sawmill Inc., Bowater Maritimes Inc., Bowater Mitis Inc., Bowater Guérette Inc., and Bowater Couturier Inc.

SERPs”), including the Canadian Supplemental Executive Retirement Plan (SERP) for Executive Employees of Abitibi-Consolidated Inc. (the “ACI SERP”). The Restructuring Plans terminated all such plans. See CCAA Plan Supplement 6.9(1); Amended CCAA Plan Supplement 6.9(2); Chapter 11 Plan § 6.9; Supplement 7B (as amended). In accordance with the Restructuring Plans, however, the Debtors established new non-qualified and non-registered plans (the “New SERPs”) pursuant to which (a) all employees and beneficiaries in active status as of the Effective Date were eligible to receive benefits under the New SERPs substantially similar to those under the Old SERPs; and (b) all retirees, beneficiaries and deferred vested participants (collectively, “Retirees”), as of the Effective Date, were eligible to receive benefits under the New SERPs substantially similar to those under the Old SERPs, provided however, that the benefits to a participant under the New SERP(s) will be 10% to 35% lower, depending on the applicable Old SERP(s); the benefits under the New Plans will be subject to an annual per-participant cap, and depending on the applicable Old SERP, the benefits being further reduced by any secured pension benefits received or to be received in respect of the Old SERP. The ACI SERP is subject to a 10% reduction in benefits and a CDN\$50,000 per participant annual cap. In addition, some participants under the ACI SERP received secured pension benefits in respect of the ACI SERP and accordingly, were ineligible to participate in the applicable New SERP or were eligible to participate in the applicable New SERP subject to further reduction of their benefits.

WHEREAS, as a condition of participating in the New SERPs, the Restructuring Plans required eligible plan participants to waive and forfeit any and all claims in respect of the Old SERPs. In August 2010, the Debtors mailed election notices

to all SERP claimants (the "SERP Election Notices") offering them a choice between (1) participating in the New SERPs and waiving all their claims against the Debtors arising under the relevant Old SERPs, or (2) retaining their claims against the Debtors arising under the Old SERPs, and receiving distributions on account of such claims (if and when allowed) as part of the Restructuring Cases. Claimant was not eligible to participate in a New SERP or was eligible to participate in a New SERP but elected to retain his claims under the ACI SERP (the "ACI SERP Claims").

WHEREAS, at the time the SERP Election Notices were circulated, AbitibiBowater Inc. and Abitibi-Consolidated Inc. were identified as sponsors of the ACI SERP. Other Debtors may also be potential sponsors of the ACI SERP, and may also be potentially liable for the ACI SERP Claims. The Company, the post-effective date claims agent (the "Claims Agent") appointed under the Chapter 11 Plan, and the monitor appointed in the CCAA proceedings by the CCAA Court (the "Monitor"), have analyzed the likelihood of other Debtors' liability for the ACI SERP Claims.

WHEREAS, among other things, the Claims Agent, the Monitor, and the Claimant dispute the liability of the various Debtors for the ACI SERP Claims.

WHEREAS, to avoid the expense and inconvenience of further litigation, the Parties have agreed to settle on the allowed amount of Claimant's ACI SERP Claim and allocate such claim against various Debtors based on an agreement regarding each such Debtors' probable estimated liability for the claim as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and releases set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. ACI SERP Claim Allowance. Claimant shall have an allowed general unsecured ACI SERP Claim (the “Allowed ACI SERP Claim”) in the amount of **CDN \$42,680.00** which shall be allocated, solely for purposes of this Agreement, against each of the following Debtors: AbitibiBowater Inc., Bowater Incorporated, Donohue Corp., Abitibi Consolidated Sales Corporation, Abitibi-Consolidated Corporation, Bowater Canadian Forest Products Inc., Abitibi-Consolidated Inc., and Abitibi-Consolidated Company of Canada (collectively, the “ACI SERP Settlement Sponsors”). Except for purposes of this Agreement, the Debtors, the Claims Agent and the Monitor do not concede that the ACI SERP Settlement Sponsors have legal liability for the ACI SERP.

2. ACI SERP Claim Allocation: The Allowed ACI SERP Claim will be allocated against the ACI SERP Settlement Sponsors in the following percentages based upon the agreed-upon relative risk of liability of each particular ACI SERP Settlement Sponsor, resulting in the corresponding portion of the Allowed ACI SERP Claim being allowed against the ACI SERP Settlement Sponsor in the indicated amounts (the “Risk-Adjusted Allowed ACI SERP Claim Amount”):

Allowed ACI SERP Claim Amount	ACI SERP Settlement Sponsor	% of Allowed ACI SERP Claim Allocated against ACI SERP Settlement Sponsor	Risk-Adjusted/Allowed ACI SERP Claim Amount	Applicable General Unsecured Claim Class	Estimated % Recovery Rate from Debtor based on Disclosure Statement and Information Circular	Estimated Recovery on Account of Risk-Adjusted Allowed ACI SERP Claim Amount
CDN\$42,680.00	Bowater Canadian Forest Products Inc.	23%	CDN\$9,816.40		36.50%	CDN\$3,582.99
CDN\$42,680.00	Abitibi-Consolidated Inc.	100%	CDN\$42,680.00		3.4%	CDN\$1,451.12
CDN\$42,680.00	Abitibi Consolidated Company of Canada	95%	CDN\$40,546.00		17.10%	CDN\$6,933.37
US\$35,139.14	AbitibiBowater Inc.	100%	US\$35,139.14	Class 6A	0.8%	US\$281.11

US\$35,139.14	Bowater Incorporated	23%	US\$8,082.00	Class 6S	48.4%	US\$3,911.69
US\$35,139.14	Donohue Corp.	20%	US\$7,027.83	Class 6DD	28.4%	US\$1,995.90
US\$35,139.14	Abitibi Consolidated Sales Corp.	20%	US\$7,027.83	Class 6H	23.4%	US\$1,644.51
US\$35,139.14	Abitibi Consolidated Corporation	20%	US\$7,027.83	Class 6F	12.0%	US\$843.34
			Total Estimated Recovery (CDNS)			\$22,506.02
			% Recovery (CDNS:CDNS)		52%	

* Currency conversions use the Bank of Canada's noon spot rate as of the Petition Date of CDN \$1.00 – US\$0.8290.

3. No Fixed Recoveries on Allowed ACI SERP Claims: The

Allowed ACI SERP Claim and Risk-Adjusted Allowed ACI SERP Claim Amounts constitute Claimant's sole Allowed claims arising under, in connection with, or relating to the ACI SERP, and all other claims (if any), including any such claims against any other Debtor or Debtor's affiliate (including for the avoidance of doubt, Bowater Canada Finance Corporation), are deemed withdrawn and expunged. Notwithstanding anything to the contrary contained in this Agreement, this Agreement does not fix recoveries or guarantee an aggregate 52% recovery on the Allowed ACI SERP Claim or a recovery against each ACI SERP Settlement Sponsor at the estimated recovery rate set forth in the applicable Disclosure Statement or Information Circular. Actual recoveries on account of such claims depend on the other claims that are ultimately allowed or disallowed against each ACI SERP Settlement Sponsor and the ultimate trading value of the New ABH Common Stock (as defined in the Chapter 11 Plan). The estimated recoveries set forth in paragraph 2 above (a) are based on the assumptions and estimated recovery rates for each ACI SERP Settlement Sponsor contained in the Disclosure Statement and Information Circular, and (b) the implied stock price of US\$25 per share of New ABH Common Stock contained in the Disclosure Statement and Information Circular. After full administration of the Restructuring Cases, actual recoveries on the Allowed ACI SERP

Claims and the Risk-Adjusted Allowed ACI SERP Claim Amounts may be significantly more or less than 52% of the claim amounts.

4. Allowed ACI SERP Claim Distributions. The Debtors will make an initial distribution of New ABH Common Stock on account of the Allowed ACI SERP Claims and the Risk-Adjusted Allowed ACI SERP Claim Amounts on the first interim distribution date after entry of orders by the U.S. Court and Canadian Courts approving this Agreement on which it is reasonably practicable for the Debtors to do so. All distributions on account of the Allowed ACI SERP Claims and Risk-Adjusted Allowed ACI SERP Claim Amounts will be subject to all applicable holdbacks and other restrictions under the Restructuring Plans (if any).

5. Agreement on Allowed Claims and Distributions. Other than the Allowed ACI SERP Claim and the Risk-Adjusted Allowed ACI SERP Claim Amounts, Claimant agrees to withdraw with prejudice all other claims asserted in connection with or arising from the ACI SERP, whether in a proof of claim or otherwise, and upon the Effective Date, all such claims shall be deemed withdrawn with prejudice and expunged, including, for the avoidance of doubt, all claims (if any) asserted against Bowater Canada Finance Corporation.

6. Injunction. Other than with respect to his rights under this Agreement, Claimant is permanently enjoined from, and agrees not to take, any of the following actions on account of his ACI SERP Claim: (a) commencing or continuing in any manner any action or other proceeding against the Debtors or their respective property; (b) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order against the Debtors or their respective property; (c) creating,

perfecting, or enforcing any lien or encumbrance against the Debtors or their respective property; (d) asserting a setoff, right of subrogation or recoupment of any kind against any debt, liability or obligation due to the Debtors or their respective property; and (e) commencing or continuing any action, in any manner, in any place that does not comply with or is inconsistent with the provisions of this Agreement and the Restructuring Plans.

7. Release by Claimant. Other than with respect to its rights under this Agreement and the Allowed ACI SERP Claim and the Risk-Adjusted Allowed ACI SERP Claim Amounts, the Claimant and each of its successors, assigns, spouses and dependents (collectively, the "Claimant Releasors") hereby release and forever discharge the Debtors (including Bowater Canada Finance Corporation), Avidity Partners, LLC, in its capacity as the Post-Effective Date Claims Agent, and Ernst & Young Inc., in its capacity as the court-appointed Monitor in respect of the Matter of the Plan of Compromise or Arrangement of AbitibiBowater Inc. and its subsidiaries and affiliates, in each case along with each of their past, present, and future direct and indirect parents, subsidiaries, affiliates, related entities, directors, officers, employees, attorneys, representatives, agents, receivers, insurers, and each of their predecessors, successors, heirs and assigns (collectively, the "Debtor Releasees") from any and all causes of action, demands, damages, costs, debts, liabilities, losses or claims of any kind, whether known or unknown, that the Claimant Releasors may now have or ever have had, or hereafter shall or may have, against the Debtor Releasees arising from, in connection with, or related to the ACI SERP.

8. Complete and Final Agreement. This Agreement sets forth the entire agreement between the Parties pertaining to the subject matter hereof. This

Agreement supersedes and replaces any and all prior or contemporaneous verbal or written agreements between the Parties concerning the subject matter hereof. No modification of, or amendment to, this Agreement shall be valid unless it is in writing and signed by the Parties hereto.

9. No Reliance. No Party has relied on or been induced to execute this Agreement by any statements, representations, agreements or promises, oral or written, made by any other Party, their agents, employees, servants or attorneys, or anyone else, other than the statements expressly written in this Settlement Agreement and Release.

10. Interpretation of Agreement. As used in this Agreement, the singular or plural number shall be deemed to include the other whenever the context so indicates or requires. The language of all parts of this Agreement shall in all cases be construed as a whole, according to its fair meaning, not strictly for or against any of the Parties.

11. Counterparts. This Agreement may be executed simultaneously or in any number of original or faxed counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same agreement.

12. Authorization. Each of the undersigned represents and warrants that he or she is competent and authorized to execute this Agreement, and further represents and warrants that he or she has read and understands the terms of this Agreement.

13. Binding Effect. This Agreement shall be binding on and shall inure to the benefit of the Parties and their respective successors, heirs, and assigns.

14. No Admission of Liability. The Parties each agree that entry into this Agreement does not constitute a determination or admission of liability under the ACI SERP by the ACI SERP Settlement Plan Sponsors, and that the allocation and allowance of the ACI SERP Claim constitutes a settlement of the ACI SERP Claim to avoid the expense and time of further litigation.

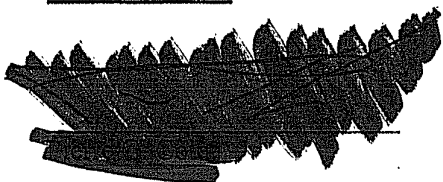
15. Governing Law. This Agreement shall be governed by and construed under the laws of either the State of Delaware or the Province of Quebec, as may be applicable, without regard to the conflict of laws provisions thereof.

16. Jurisdiction. In connection with any action, suit, or proceeding arising from, in connection with, or relating to this Agreement, the Parties each agree to submit to the exclusive jurisdiction and venue of the United States Bankruptcy Court for the District of Delaware or the CCAA Court, as may be applicable, and any appellate courts with jurisdiction over the U.S. Court and the CCAA Court.

17. Effectiveness; Termination. The Parties acknowledge that the Debtors intend to seek approval of this Agreement by the U.S. Court and the CCAA Court and that this Agreement shall only become effective upon entry of an order approving the Agreement by each of the U.S. Court and the CCAA Court (the "Effective Date").

EN FOI DE QUOI, les parties, par l'intermédiaire de leurs représentants dûment autorisés,
ont signé la présente convention le 23 octobre 2011.

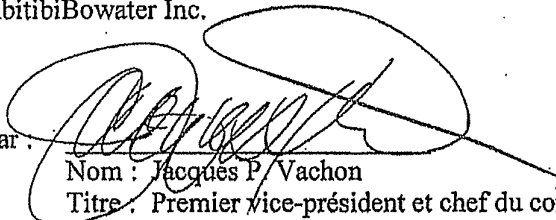
RÉCLAMANT :



voir à la section 2, Pages
6 et 7 ;
Mes choix de règlements
par entités légales

DÉBITEURS :

AbitibiBowater Inc.

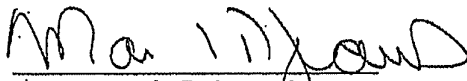
Par : 
Nom : Jacques P. Vachon
Titre : Premier vice-président et chef du contentieux

A : en action

C : réclamation de
commodité transfrontalière

APPROUVÉ PAR :

Ernst & Young Inc., en sa qualité de contrôleur nommé par le tribunal à l'égard de
l'affaire du plan de transaction ou d'arrangement d'AbitibiBowater Inc. et de ses filiales et
membres du même groupe, et non à titre personnel ou en qualité de société.

Par : 
Nom : Martin Daigneault
Titre : Premier vice-président

Avidity Partners, LLC

à titre d'agent des réclamations après la date de prise d'effet,
par l'intermédiaire de son conseiller juridique Paul Hastings LP

Par : 
Name: Robert E. Winter
Title: Counsel

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (the "Agreement") is entered into by and between AbitibiBowater Inc. and its affiliates in the above captioned cases (collectively, together with the affiliates who applied for protection from their creditors under Canada's *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (as amended, the "CCAA") and as reorganized, the "Debtors") and [REDACTED] ("Claimant"). The Debtors and Claimant are each referred to individually herein as a "Party" and collectively, as the "Parties."

WHEREAS, the Debtors filed creditor protection proceedings in the United States and Canada (the "Restructuring Cases") on April 16, 2009 and April 17, 2009, respectively (the "Petition Date"). In November 2010, the U.S. bankruptcy court (the "U.S. Court") and the Quebec Superior Court (the "CCAA Court") entered orders confirming and sanctioning the Debtors' chapter 11 and CCAA restructuring plans (the confirmed chapter 11 plan, the "Chapter 11 Plan" and accompanying disclosure statement, the "Disclosure Statement", and together with the sanctioned CCAA plan (the "CCAA Plan" and the accompanying information circular, the "Information Circular") the "Restructuring Plans"). The Restructuring Plans went effective on December 9, 2010.

WHEREAS, as of the Petition Date, the Debtors suspended all payments on account of pre-filing supplemental executive retirement plans (collectively, the "Old

Drive Company Limited, Bowater Treated Wood Inc., Canexel Hardboard Inc., 9068-9050 Québec Inc., Alliance Forest Products Inc. (2001), Bowater Belledune Sawmill Inc., Bowater Maritimes Inc., Bowater Mitis Inc., Bowater Guérette Inc., and Bowater Couturier Inc.

SERPs”), including the Canadian Supplemental Executive Retirement Plan (SERP) for Executive Employees of Abitibi-Consolidated Inc. (the “ACI SERP”). The Restructuring Plans terminated all such plans. See CCAA Plan Supplement 6.9(1); Amended CCAA Plan Supplement 6.9(2); Chapter 11 Plan § 6.9; Supplement 7B (as amended). In accordance with the Restructuring Plans, however, the Debtors established new non-qualified and non-registered plans (the “New SERPs”) pursuant to which (a) all employees and beneficiaries in active status as of the Effective Date were eligible to receive benefits under the New SERPs substantially similar to those under the Old SERPs; and (b) all retirees, beneficiaries and deferred vested participants (collectively, “Retirees”), as of the Effective Date, were eligible to receive benefits under the New SERPs substantially similar to those under the Old SERPs, provided however, that the benefits to a participant under the New SERP(s) will be 10% to 35% lower, depending on the applicable Old SERP(s), the benefits under the New Plans will be subject to an annual per-participant cap, and depending on the applicable Old SERP, the benefits being further reduced by any secured pension benefits received or to be received in respect of the Old SERP. The ACI SERP is subject to a 10% reduction in benefits and a CDN\$50,000 per participant annual cap. In addition, some participants under the ACI SERP received secured pension benefits in respect of the ACI SERP and accordingly, were ineligible to participate in the applicable New SERP or were eligible to participate in the applicable New SERP subject to further reduction of their benefits.

WHEREAS, as a condition of participating in the New SERPs, the Restructuring Plans required eligible plan participants to waive and forfeit any and all claims in respect of the Old SERPs. In August 2010, the Debtors mailed election notices

to all SERP claimants (the "SERP Election Notices") offering them a choice between (1) participating in the New SERPs and waiving all their claims against the Debtors arising under the relevant Old SERPs, or (2) retaining their claims against the Debtors arising under the Old SERPs, and receiving distributions on account of such claims (if and when allowed) as part of the Restructuring Cases. Claimant was not eligible to participate in a New SERP or was eligible to participate in a New SERP but elected to retain his claims under the ACI SERP (the "ACI SERP Claims").

WHEREAS, at the time the SERP Election Notices were circulated, AbitibiBowater Inc. and Abitibi-Consolidated Inc. were identified as sponsors of the ACI SERP. Other Debtors may also be potential sponsors of the ACI SERP, and may also be potentially liable for the ACI SERP Claims. The Company, the post-effective date claims agent (the "Claims Agent") appointed under the Chapter 11 Plan, and the monitor appointed in the CCAA proceedings by the CCAA Court (the "Monitor"), have analyzed the likelihood of other Debtors' liability for the ACI SERP Claims.

WHEREAS, among other things, the Claims Agent, the Monitor, and the Claimant dispute the liability of the various Debtors for the ACI SERP Claims.

WHEREAS, to avoid the expense and inconvenience of further litigation, the Parties have agreed to settle on the allowed amount of Claimant's ACI SERP Claim and allocate such claim against various Debtors based on an agreement regarding each such Debtors' probable estimated liability for the claim as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and releases set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. ACI SERP Claim Allowance. Claimant shall have an allowed general unsecured ACI SERP Claim (the "Allowed ACI SERP Claim") in the amount of **CDN \$146,759.00** which shall be allocated, solely for purposes of this Agreement, against each of the following Debtors: AbitibiBowater Inc., Bowater Incorporated, Donohue Corp., Abitibi Consolidated Sales Corporation, Abitibi-Consolidated Corporation, Bowater Canadian Forest Products Inc., Abitibi-Consolidated Inc., and Abitibi-Consolidated Company of Canada (collectively, the "ACI SERP Settlement Sponsors"). Except for purposes of this Agreement, the Debtors, the Claims Agent and the Monitor do not concede that the ACI SERP Settlement Sponsors have legal liability for the ACI SERP.

2. ACI SERP Claim Allocation: The Allowed ACI SERP Claim will be allocated against the ACI SERP Settlement Sponsors in the following percentages based upon the agreed-upon relative risk of liability of each particular ACI SERP Settlement Sponsor, resulting in the corresponding portion of the Allowed ACI SERP Claim being allowed against the ACI SERP Settlement Sponsor in the indicated amounts (the "Risk-Adjusted Allowed ACI SERP Claim Amount"):

Allowed ACI SERP Claim Amount	ACI SERP Settlement Sponsor	% of Allowed ACI SERP Claim Allocated against ACI SERP Settlement Sponsor	Risk-Adjusted Allowed ACI SERP Claim Amount	Applicable General Unsecured Claim Class	Estimated % Recovery Rate from Debtor based on Disclosure Statement and Information Circular	Estimated Recovery on Account of Risk-Adjusted Allowed ACI SERP Claim Amount
CDN\$146,759.00	Bowater Canadian Forest Products Inc.	23%	CDN\$33,754.57		36.50%	CDN\$12,320.42
CDN\$146,759.00	Abitibi-Consolidated Inc.	100%	CDN\$146,759.00		3.4%	CDN\$4,989.81
CDN\$146,759.00	Abitibi Consolidated Company of Canada	95%	CDN\$139,421.05		17.10%	CDN\$23,841.00
US\$120,829.08	AbitibiBowater Inc.	100%	US\$120,829.08	Class 6A	0.8%	US\$966.63

US\$120,829.08	Bowater Incorporated	23%	US\$27,790.69	Class 6S	48.4%	US\$13,450.69
US\$120,829.08	Donohue Corp.	20%	US\$24,165.82	Class 6DD	28.4%	US\$6,863.09
US\$120,829.08	Abitibi Consolidated Sales Corp.	20%	US\$24,165.82	Class 6H	23.4%	US\$5,654.80
US\$120,829.08	Abitibi Consolidated Corporation	20%	US\$24,165.82	Class 6F	12.0%	US\$2,899.90
			Total Estimated Recovery (CDNS)			\$77,388.96
			% Recovery (CDNS:CDNS)		52%	

* Currency conversions use the Bank of Canada's noon spot rate as of the Petition Date of CDN \$1.00 – US\$0.8290.

3. No Fixed Recoveries on Allowed ACI SERP Claims: The

Allowed ACI SERP Claim and Risk-Adjusted Allowed ACI SERP Claim Amounts constitute Claimant's sole Allowed claims arising under, in connection with, or relating to the ACI SERP, and all other claims (if any), including any such claims against any other Debtor or Debtor's affiliate (including for the avoidance of doubt, Bowater Canada Finance Corporation), are deemed withdrawn and expunged. Notwithstanding anything to the contrary contained in this Agreement, this Agreement does not fix recoveries or guarantee an aggregate 52% recovery on the Allowed ACI SERP Claim or a recovery against each ACI SERP Settlement Sponsor at the estimated recovery rate set forth in the applicable Disclosure Statement or Information Circular. Actual recoveries on account of such claims depend on the other claims that are ultimately allowed or disallowed against each ACI SERP Settlement Sponsor and the ultimate trading value of the New ABH Common Stock (as defined in the Chapter 11 Plan). The estimated recoveries set forth in paragraph 2 above (a) are based on the assumptions and estimated recovery rates for each ACI SERP Settlement Sponsor contained in the Disclosure Statement and Information Circular, and (b) the implied stock price of US\$25 per share of New ABH Common Stock contained in the Disclosure Statement and Information Circular. After full administration of the Restructuring Cases, actual recoveries on the Allowed ACI SERP

Claims and the Risk-Adjusted Allowed ACI SERP Claim Amounts may be significantly more or less than 52% of the claim amounts.

4. Allowed ACI SERP Claim Distributions. The Debtors will make an initial distribution of New ABH Common Stock on account of the Allowed ACI SERP Claims and the Risk-Adjusted Allowed ACI SERP Claim Amounts on the first interim distribution date after entry of orders by the U.S. Court and Canadian Courts approving this Agreement on which it is reasonably practicable for the Debtors to do so. All distributions on account of the Allowed ACI SERP Claims and Risk-Adjusted Allowed ACI SERP Claim Amounts will be subject to all applicable holdbacks and other restrictions under the Restructuring Plans (if any).

5. Agreement on Allowed Claims and Distributions. Other than the Allowed ACI SERP Claim and the Risk-Adjusted Allowed ACI SERP Claim Amounts, Claimant agrees to withdraw with prejudice all other claims asserted in connection with or arising from the ACI SERP, whether in a proof of claim or otherwise, and upon the Effective Date, all such claims shall be deemed withdrawn with prejudice and expunged, including, for the avoidance of doubt, all claims (if any) asserted against Bowater Canada Finance Corporation.

6. Injunction. Other than with respect to his rights under this Agreement, Claimant is permanently enjoined from, and agrees not to take, any of the following actions on account of his ACI SERP Claim: (a) commencing or continuing in any manner any action or other proceeding against the Debtors or their respective property; (b) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order against the Debtors or their respective property; (c) creating,

perfecting, or enforcing any lien or encumbrance against the Debtors or their respective property; (d) asserting a setoff, right of subrogation or recoupment of any kind against any debt, liability or obligation due to the Debtors or their respective property; and (e) commencing or continuing any action, in any manner, in any place that does not comply with or is inconsistent with the provisions of this Agreement and the Restructuring Plans.

7. Release by Claimant. Other than with respect to its rights under this Agreement and the Allowed ACI SERP Claim and the Risk-Adjusted Allowed ACI SERP Claim Amounts, the Claimant and each of its successors, assigns, spouses and dependents (collectively, the "Claimant Releasors") hereby release and forever discharge the Debtors (including Bowater Canada Finance Corporation), Avidity Partners, LLC, in its capacity as the Post-Effective Date Claims Agent, and Ernst & Young Inc., in its capacity as the court-appointed Monitor in respect of the Matter of the Plan of Compromise or Arrangement of AbitibiBowater Inc. and its subsidiaries and affiliates, in each case along with each of their past, present, and future direct and indirect parents, subsidiaries, affiliates, related entities, directors, officers, employees, attorneys, representatives, agents, receivers, insurers, and each of their predecessors, successors, heirs and assigns (collectively, the "Debtor Releasees") from any and all causes of action, demands, damages, costs, debts, liabilities, losses or claims of any kind, whether known or unknown, that the Claimant Releasors may now have or ever have had, or hereafter shall or may have, against the Debtor Releasees arising from, in connection with, or related to the ACI SERP.

8. Complete and Final Agreement. This Agreement sets forth the entire agreement between the Parties pertaining to the subject matter hereof. This

Agreement supersedes and replaces any and all prior or contemporaneous verbal or written agreements between the Parties concerning the subject matter hereof. No modification of, or amendment to, this Agreement shall be valid unless it is in writing and signed by the Parties hereto.

9. No Reliance. No Party has relied on or been induced to execute this Agreement by any statements, representations, agreements or promises, oral or written, made by any other Party, their agents, employees, servants or attorneys, or anyone else, other than the statements expressly written in this Settlement Agreement and Release.

10. Interpretation of Agreement. As used in this Agreement, the singular or plural number shall be deemed to include the other whenever the context so indicates or requires. The language of all parts of this Agreement shall in all cases be construed as a whole, according to its fair meaning, not strictly for or against any of the Parties.

11. Counterparts. This Agreement may be executed simultaneously or in any number of original or faxed counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same agreement.

12. Authorization. Each of the undersigned represents and warrants that he or she is competent and authorized to execute this Agreement, and further represents and warrants that he or she has read and understands the terms of this Agreement.

13. Binding Effect. This Agreement shall be binding on and shall inure to the benefit of the Parties and their respective successors, heirs, and assigns.

14. No Admission of Liability. The Parties each agree that entry into this Agreement does not constitute a determination or admission of liability under the ACI SERP by the ACI SERP Settlement Plan Sponsors, and that the allocation and allowance of the ACI SERP Claim constitutes a settlement of the ACI SERP Claim to avoid the expense and time of further litigation.

15. Governing Law. This Agreement shall be governed by and construed under the laws of either the State of Delaware or the Province of Quebec, as may be applicable, without regard to the conflict of laws provisions thereof.

16. Jurisdiction. In connection with any action, suit, or proceeding arising from, in connection with, or relating to this Agreement, the Parties each agree to submit to the exclusive jurisdiction and venue of the United States Bankruptcy Court for the District of Delaware or the CCAA Court, as may be applicable, and any appellate courts with jurisdiction over the U.S. Court and the CCAA Court.

17. Effectiveness; Termination. The Parties acknowledge that the Debtors intend to seek approval of this Agreement by the U.S. Court and the CCAA Court and that this Agreement shall only become effective upon entry of an order approving the Agreement by each of the U.S. Court and the CCAA Court (the "Effective Date").

IN WITNESS WHEREOF, the Parties, by their duly authorized representatives, have executed this Agreement this 31st day of October, 2011.

CLAIMANT:

[REDACTED]

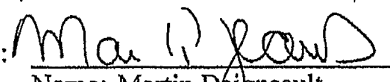
THE DEBTORS:

AbitibiBowater Inc.

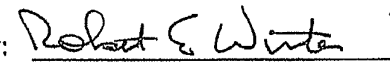
By: 
Name: Jacques P. Vachon
Title: Senior Vice President and Chief Legal Officer

APPROVED BY:

Ernst & Young Inc., in its capacity as the court-appointed Monitor in respect of the Matter of the Plan of Compromise or Arrangement of AbitibiBowater Inc. and its subsidiaries and affiliates, and not in its personal or corporate capacity.

By: 
Name: Martin Daigneault
Title: Senior Vice-President

Avidity Partners, LLC
as Post-Effective Date Claims Agent,
by its counsel Paul Hastings LP

By: 
Name: Robert E. Winter
Title: Counsel

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (the "Agreement") is entered into by and between AbitibiBowater Inc. and its affiliates in the above captioned cases (collectively, together with the affiliates who applied for protection from their creditors under Canada's *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (as amended, the "CCAA") and as reorganized, the "Debtors") and [REDACTED] ("Claimant"). The Debtors and Claimant are each referred to individually herein as a "Party" and collectively, as the "Parties."

WHEREAS, the Debtors filed creditor protection proceedings in the United States and Canada (the "Restructuring Cases") on April 16, 2009 and April 17, 2009, respectively (the "Petition Date"). In November 2010, the U.S. bankruptcy court (the "U.S. Court") and the Quebec Superior Court (the "CCAA Court") entered orders confirming and sanctioning the Debtors' chapter 11 and CCAA restructuring plans (the confirmed chapter 11 plan, the "Chapter 11 Plan" and accompanying disclosure statement, the "Disclosure Statement", and together with the sanctioned CCAA plan (the "CCAA Plan" and the accompanying information circular, the "Information Circular") (the "Restructuring Plans"). The Restructuring Plans went effective on December 9, 2010.

WHEREAS, as of the Petition Date, the Debtors suspended all payments on account of pre-filing supplemental executive retirement plans (collectively, the "Old

Drive Company Limited, Bowater Treated Wood Inc., Canoxel Hardboard Inc., 9068-9050 Québec Inc., Alliance Forest Products Inc. (2001), Bowater Belledune Sawmill Inc., Bowater Maritimes Inc., Bowater Mitis Inc., Bowater Guérette Inc., and Bowater Couturier Inc.

SERPs”), including the Canadian Supplemental Executive Retirement Plan (SERP) for Executive Employees of Abitibi-Consolidated Inc. (the “ACI SERP”). The Restructuring Plans terminated all such plans. *See* CCAA Plan Supplement 6.9(1); Amended CCAA Plan Supplement 6.9(2); Chapter 11 Plan § 6.9; Supplement 7B (as amended). In accordance with the Restructuring Plans, however, the Debtors established new non-qualified and non-registered plans (the “New SERPs”) pursuant to which (a) all employees and beneficiaries in active status as of the Effective Date were eligible to receive benefits under the New SERPs substantially similar to those under the Old SERPs; and (b) all retirees, beneficiaries and deferred vested participants (collectively, “Retirees”), as of the Effective Date, were eligible to receive benefits under the New SERPs substantially similar to those under the Old SERPs, provided however, that the benefits to a participant under the New SERP(s) will be 10% to 35% lower, depending on the applicable Old SERP(s), the benefits under the New Plans will be subject to an annual per-participant cap, and depending on the applicable Old SERP, the benefits being further reduced by any secured pension benefits received or to be received in respect of the Old SERP. The ACI SERP is subject to a 10% reduction in benefits and a CDN\$50,000 per participant annual cap. In addition, some participants under the ACI SERP received secured pension benefits in respect of the ACI SERP and accordingly, were ineligible to participate in the applicable New SERP or were eligible to participate in the applicable New SERP subject to further reduction of their benefits.

WHEREAS, as a condition of participating in the New SERPs, the Restructuring Plans required eligible plan participants to waive and forfeit any and all claims in respect of the Old SERPs. In August 2010, the Debtors mailed election notices

to all SERP claimants (the "SERP Election Notices") offering them a choice between (1) participating in the New SERPs and waiving all their claims against the Debtors arising under the relevant Old SERPs, or (2) retaining their claims against the Debtors arising under the Old SERPs, and receiving distributions on account of such claims (if and when allowed) as part of the Restructuring Cases. Claimant was not eligible to participate in a New SERP or was eligible to participate in a New SERP but elected to retain his claims under the ACI SERP (the "ACI SERP Claims").

WHEREAS, at the time the SERP Election Notices were circulated, AbitibiBowater Inc. and Abitibi-Consolidated Inc. were identified as sponsors of the ACI SERP. Other Debtors may also be potential sponsors of the ACI SERP, and may also be potentially liable for the ACI SERP Claims. The Company, the post-effective date claims agent (the "Claims Agent") appointed under the Chapter 11 Plan, and the monitor appointed in the CCAA proceedings by the CCAA Court (the "Monitor"), have analyzed the likelihood of other Debtors' liability for the ACI SERP Claims.

WHEREAS, among other things, the Claims Agent, the Monitor, and the Claimant dispute the liability of the various Debtors for the ACI SERP Claims.

WHEREAS, to avoid the expense and inconvenience of further litigation, the Parties have agreed to settle on the allowed amount of Claimant's ACI SERP Claim and allocate such claim against various Debtors based on an agreement regarding each such Debtors' probable estimated liability for the claim as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and releases set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. ACI SERP Claim Allowance. Claimant shall have an allowed general unsecured ACI SERP Claim (the "Allowed ACI SERP Claim") in the amount of **CDN \$155,892.00** which shall be allocated, solely for purposes of this Agreement, against each of the following Debtors: AbitibiBowater Inc., Bowater Incorporated, Donohue Corp., Abitibi Consolidated Sales Corporation, Abitibi-Consolidated Corporation, Bowater Canadian Forest Products Inc., Abitibi-Consolidated Inc., and Abitibi-Consolidated Company of Canada (collectively, the "ACI SERP Settlement Sponsors"). Except for purposes of this Agreement, the Debtors, the Claims Agent and the Monitor do not concede that the ACI SERP Settlement Sponsors have legal liability for the ACI SERP.

2. ACI SERP Claim Allocation: The Allowed ACI SERP Claim will be allocated against the ACI SERP Settlement Sponsors in the following percentages based upon the agreed-upon relative risk of liability of each particular ACI SERP Settlement Sponsor, resulting in the corresponding portion of the Allowed ACI SERP Claim being allowed against the ACI SERP Settlement Sponsor in the indicated amounts (the "Risk-Adjusted Allowed ACI SERP Claim Amount"):

Allowed ACI SERP Claim Amount	ACI SERP Settlement Sponsor	% of Allowed ACI SERP Claim Allocated against ACI SERP Settlement Sponsor	Risk-Adjusted/Allowed ACI SERP Claim Amount	Applicable General Unsecured Claim Class	Estimated % Recovery Rate from Debtor based on Disclosure Statement and Information Circular	Estimated Recovery on Account of Risk-Adjusted Allowed ACI SERP Claim Amount
CDN\$155,892.00	Bowater Canadian Forest Products Inc.	23%	CDN\$35,855.16		36.50%	CDN\$13,087.13
CDN\$155,892.00	Abitibi-Consolidated Inc.	100%	CDN\$155,892.00		3.4%	CDN\$5,300.33
CDN\$155,892.00	Abitibi Consolidated Company of Canada	95%	CDN\$148,097.40		17.10%	CDN\$25,324.66
US\$128,348.43	AbitibiBowater Inc.	100%	US\$128,348.43	Class 6A	0.8%	US\$1,026.79

US\$128,348.43	Bowater Incorporated	23%	US\$29,520.14	Class 6S	48.4%	US\$14,287.75
US\$128,348.43	Donohue Corp.	20%	US\$25,669.69	Class 6DD	28.4%	US\$7,290.19
US\$128,348.43	Abitibi Consolidated Sales Corp.	20%	US\$25,669.69	Class 6H	23.4%	US\$6,006.71
US\$128,348.43	Abitibi Consolidated Corporation	20%	US\$25,669.69	Class 6P	12.0%	US\$3,080.36
			Total Estimated Recovery (CDNs)			\$82,204.97
			% Recovery (CDNs:CDNs)		52%	

* Currency conversions use the Bank of Canada's noon spot rate as of the Petition Date of CDN \$1.00 – US\$0.8290.

3. No Fixed Recoveries on Allowed ACI SERP Claims: The

Allowed ACI SERP Claim and Risk-Adjusted Allowed ACI SERP Claim Amounts constitute Claimant's sole Allowed claims arising under, in connection with, or relating to the ACI SERP, and all other claims (if any), including any such claims against any other Debtor or Debtor's affiliate (including for the avoidance of doubt, Bowater Canada Finance Corporation), are deemed withdrawn and expunged. Notwithstanding anything to the contrary contained in this Agreement, this Agreement does not fix recoveries or guarantee an aggregate 52% recovery on the Allowed ACI SERP Claim or a recovery against each ACI SERP Settlement Sponsor at the estimated recovery rate set forth in the applicable Disclosure Statement or Information Circular. Actual recoveries on account of such claims depend on the other claims that are ultimately allowed or disallowed against each ACI SERP Settlement Sponsor and the ultimate trading value of the New ABH Common Stock (as defined in the Chapter 11 Plan). The estimated recoveries set forth in paragraph 2 above (a) are based on the assumptions and estimated recovery rates for each ACI SERP Settlement Sponsor contained in the Disclosure Statement and Information Circular, and (b) the implied stock price of US\$25 per share of New ABH Common Stock contained in the Disclosure Statement and Information Circular. After full administration of the Restructuring Cases, actual recoveries on the Allowed ACI SERP

Claims and the Risk-Adjusted Allowed ACI SERP Claim Amounts may be significantly more or less than 52% of the claim amounts.

4. Allowed ACI SERP Claim Distributions. The Debtors will make an initial distribution of New ABH Common Stock on account of the Allowed ACI SERP Claims and the Risk-Adjusted Allowed ACI SERP Claim Amounts on the first interim distribution date after entry of orders by the U.S. Court and Canadian Courts approving this Agreement on which it is reasonably practicable for the Debtors to do so. All distributions on account of the Allowed ACI SERP Claims and Risk-Adjusted Allowed ACI SERP Claim Amounts will be subject to all applicable holdbacks and other restrictions under the Restructuring Plans (if any).

5. Agreement on Allowed Claims and Distributions. Other than the Allowed ACI SERP Claim and the Risk-Adjusted Allowed ACI SERP Claim Amounts, Claimant agrees to withdraw with prejudice all other claims asserted in connection with or arising from the ACI SERP, whether in a proof of claim or otherwise, and upon the Effective Date, all such claims shall be deemed withdrawn with prejudice and expunged, including, for the avoidance of doubt, all claims (if any) asserted against Bowater Canada Finance Corporation.

6. Injunction. Other than with respect to his rights under this Agreement, Claimant is permanently enjoined from, and agrees not to take, any of the following actions on account of his ACI SERP Claim: (a) commencing or continuing in any manner any action or other proceeding against the Debtors or their respective property; (b) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order against the Debtors or their respective property; (c) creating,

perfecting, or enforcing any lien or encumbrance against the Debtors or their respective property; (d) asserting a setoff, right of subrogation or recoupment of any kind against any debt, liability or obligation due to the Debtors or their respective property; and (e) commencing or continuing any action, in any manner, in any place that does not comply with or is inconsistent with the provisions of this Agreement and the Restructuring Plans.

7. Release by Claimant. Other than with respect to its rights under this Agreement and the Allowed ACI SERP Claim and the Risk-Adjusted Allowed ACI SERP Claim Amounts, the Claimant and each of its successors, assigns, spouses and dependents (collectively, the "Claimant Releasors") hereby release and forever discharge the Debtors (including Bowater Canada Finance Corporation), Avidity Partners, LLC, in its capacity as the Post-Effective Date Claims Agent, and Ernst & Young Inc., in its capacity as the court-appointed Monitor in respect of the Matter of the Plan of Compromise or Arrangement of AbitibiBowater Inc. and its subsidiaries and affiliates, in each case along with each of their past, present, and future direct and indirect parents, subsidiaries, affiliates, related entities, directors, officers, employees, attorneys, representatives, agents, receivers, insurers, and each of their predecessors, successors, heirs and assigns (collectively, the "Debtor Releasees") from any and all causes of action, demands, damages, costs, debts, liabilities, losses or claims of any kind, whether known or unknown, that the Claimant Releasors may now have or ever have had, or hereafter shall or may have, against the Debtor Releasees arising from, in connection with, or related to the ACI SERP.

8. Complete and Final Agreement. This Agreement sets forth the entire agreement between the Parties pertaining to the subject matter hereof. This

Agreement supersedes and replaces any and all prior or contemporaneous verbal or written agreements between the Parties concerning the subject matter hereof. No modification of, or amendment to, this Agreement shall be valid unless it is in writing and signed by the Parties hereto.

9. No Reliance. No Party has relied on or been induced to execute this Agreement by any statements, representations, agreements or promises, oral or written, made by any other Party, their agents, employees, servants or attorneys, or anyone else, other than the statements expressly written in this Settlement Agreement and Release.

10. Interpretation of Agreement. As used in this Agreement, the singular or plural number shall be deemed to include the other whenever the context so indicates or requires. The language of all parts of this Agreement shall in all cases be construed as a whole, according to its fair meaning, not strictly for or against any of the Parties.

11. Counterparts. This Agreement may be executed simultaneously or in any number of original or faxed counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same agreement.

12. Authorization. Each of the undersigned represents and warrants that he or she is competent and authorized to execute this Agreement, and further represents and warrants that he or she has read and understands the terms of this Agreement.

13. Binding Effect. This Agreement shall be binding on and shall inure to the benefit of the Parties and their respective successors, heirs, and assigns.

14. No Admission of Liability. The Parties each agree that entry into this Agreement does not constitute a determination or admission of liability under the ACI SERP by the ACI SERP Settlement Plan Sponsors, and that the allocation and allowance of the ACI SERP Claim constitutes a settlement of the ACI SERP Claim to avoid the expense and time of further litigation.

15. Governing Law. This Agreement shall be governed by and construed under the laws of either the State of Delaware or the Province of Quebec, as may be applicable, without regard to the conflict of laws provisions thereof.

16. Jurisdiction. In connection with any action, suit, or proceeding arising from, in connection with, or relating to this Agreement, the Parties each agree to submit to the exclusive jurisdiction and venue of the United States Bankruptcy Court for the District of Delaware or the CCAA Court, as may be applicable, and any appellate courts with jurisdiction over the U.S. Court and the CCAA Court.

17. Effectiveness; Termination. The Parties acknowledge that the Debtors intend to seek approval of this Agreement by the U.S. Court and the CCAA Court and that this Agreement shall only become effective upon entry of an order approving the Agreement by each of the U.S. Court and the CCAA Court (the "Effective Date").

IN WITNESS WHEREOF, the Parties, by their duly authorized representatives, have
executed this Agreement this ___ day of October, 2011.

CLAIMANT:

[REDACTED]

THE DEBTORS:

AbitibiBowater Inc.

By: _____

Name: Jacques P. Vachon

Title: Senior Vice President and Chief Legal Officer

APPROVED BY:

Ernst & Young Inc., in its capacity as the court-appointed Monitor in respect of the
Matter of the Plan of Compromise or Arrangement of AbitibiBowater Inc. and its
subsidiaries and affiliates, and not in its personal or corporate capacity.

By: Martin Daigault

Name: Martin Daigault

Title: Senior Vice-President

Avidity Partners, LLC
as Post-Effective Date Claims Agent,
by its counsel Paul Hastings LP

By: _____

Name: Robert E. Winter

Title: Counsel