Court File No. 500-11-036133-094

QUEBEC
SUPERIOR COURT COMMERCIAL DIVISION

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C.1985, C. c-36, AS AMENDED
AND IN THE MATTER OF SECTION 191 OF THE *CANADA BUSINESS CORPORATIONS ACT*, R.S.C. 1985, c. C-44, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF

ABITIBIBOWATER INC.
AND
ABITIBI CONSOLIDATED INC.
AND
BOWATER CANADIAN HOLDINGS INC.
Petitioners
And other Petitioners listed on Schedules A,B and C

AND
ERNST & YOUNG INC.
Monitor

AFFIDAVIT OF LINDA MAHER
(Sworn May 1, 2009)

I, Linda Maher of the City of Ottawa, in the Province of Ontario, MAKE OATH AND SAY AS FOLLOWS:

1. I am a Director in the Private Pension Plans Division of the Office of the Superintendent of Financial Institutions ("OSFI") and as such have personal knowledge, unless otherwise indicated, of the matters addressed in this affidavit.

2. My responsibilities at OSFI include the management of the Supervision Section of the Division at OSFI that is responsible for regulating the conduct of employers or plan sponsors and pension plan administrators in respect of pension plans registered under the *Pension Benefits Standards Act, 1985* ("PBSA") and ensuring that the minimum standards set out in the PBSA are met.

3. OSFI was created in 1987 pursuant to the *Office of the Superintendent of Financial Institutions Act*. One of its responsibilities is the administration of the PBSA and the supervision of federally regulated private pension plans ("Plans"). Currently, OSFI regulates approximately 1400 Plans.

4. OSFI is responsible for assuring that the Plans are properly funded and administered with a view to protecting the rights and interests of members, former members and other beneficiaries of pension plans. OSFI may order administrators to deliver various reports in order to allow OSFI to assess the viability of the Plans and may direct administrators to contribute to the Plans in order to assure that the Plans are financially viable and that there are sufficient funds available to meet the commitments under the Plans. In the event that OSFI feels that the administrator of a federally regulated pension plan is not complying with its obligations under the PBSA, OSFI may appoint a replacement administrator for the Plan. In addition to its other functions, OSFI's consent is required before amendments to the existing Plans can be made that reduce or have the effect of reducing accrued pension benefits, pension benefit credits related to accrued benefits or immediate or deferred pension benefits.

5. The Petitioners have a defined benefit pension plan registered with OSFI, the Régime de retraite des employés (AID) de Bowater Produits forestiers du Canada Inc. ("Plan"). The Plan was registered in 1994 and bears the registration number 56735. The terms of a "defined benefit" pension plan define the amount of pension benefit to which a member will become entitled. Generally, these plans also require the employer to fund the plan so that these obligations may be met. This pension plan is registered and subject to the PBSA.

6. Pension plans that are subject to the PBSA must periodically file actuarial reports. Where the report shows that a pension plan has a solvency deficiency i.e., the liabilities exceeds the assets, special payments are required to liquidate the deficiency. The last actuarial report filed by the Plan valued the Plan as at December 31, 2006. The report showed that the Plan did not have a solvency deficiency and no special payments were required to be paid to the Plan's fund since the last valuation of the Plan. The operations at Dalhousie, New Brunswick closed on January 31, 2008 and employees who participated in the Plan were terminated on or about March 27, 2008. As a result, as of that date there were no accruals under the Plan and no current service contributions were owed. The employer did not terminate the Plan.

7. On March 27, 2009, pursuant to section 12(3) of the PBSA, OSFI directed the employer and Plan administrator to file an actuarial report valuing the Plan as at December 31, 2008 and to be filed by May 15, 2009. The report has not been filed and to date special payments are not owed to the Plan. A copy of the direction is attached as Exhibit "A" to this Affidavit.

8. On December 8, 2008 an arbitration award was issued against the employer. The effect of this award will increase the liabilities to the Plan. The award has not been satisfied. By way of e-mail dated March 30, 2009, the employer informed OSFI that it had filed an application for judicial review of this award. A copy of the award and the e-mail are attached as Exhibit "B" and "C" to this Affidavit, respectively.

9. Subsections 8(1) and (2) of the PBSA provide that amounts owed by the employer are subject to a deemed trust. Subsection 8(2) specifically provides that the deemed trust applies where an employer is bankrupt.

10. I make this affidavit in support of the submissions made in response to the motion to amend the Initial Order (Amended) and for no improper purpose or delay.

SWORN BEFORE ME at the City of Ottawa, in the Province of Ontario This 1st day of May, 2009	)
	)
	) Linda Maher
Commissioner for taking Affidavits	) LINDA MAHER