(Translation of the French original)

C A N A D A
PROVINCE OF QUÉBEC
DISTRICT OF QUÉBEC

S U P E R I O R C O U R T

Commercial Division

No.: 500-11-036133-094

IN THE MATTER OF THE ARRANGEMENT PLAN CONCERNING:
(*Companies' Creditors Arrangement Act*)

ABITIBIBOWATER INC.
and
ABITIBI-CONSOLIDATED INC.
and
BOWATER CANADIAN HOLDINGS INC.
and **OTHERS**
Debtors
and
ERNST & YOUNG INC.
Monitor
and
RÉGIE DES RENTES DU QUÉBEC
Petitioner

MOTION FOR THE ISSUANCE OF SPECIAL ORDERS WITH RESPECT TO THE CURRENT SERVICE CONTRIBUTIONS OF CERTAIN PENSION PLANS OF THE DEBTORS

To the Honourable Justice Clément Gascon or any other Honourable Justice sitting in the Commercial Division, the Petitioner, namely, the Régie des rentes du Québec, hereinafter “the Régie”, respectfully submits this motion to be heard at a date to be determined by the Court:

1. This motion is further to the judgment rendered in this case on 7 May 2009 by the Honourable Justice Danièle Mayrand, which suspends the remittance of amortization payments (“Special Payments”) with respect to the pension

plans of the Debtors. (The reasons for the judgment are available on the Monitor's Web site, at: http://documentcentre.eycan.com/).

2. The Régie is the supervisory authority responsible for the application of the *Supplemental Pension Plans Act* (R.S.Q., chapter R-15.1), hereinafter "the SPP Act", with respect to 17 pension plans to which the Debtors are parties as employers. Those plans are included in those listed in the table entitled "Information on the Pension Plans of AbitibiBowater" produced as exhibit **RRQ-1**.

3. Of these 17 pension plans, 16 are defined benefit plans or plans with a defined benefit component. These 16 pension plans registered, respectively, under numbers 22112, 22322, 23058, 24239, 27066, 30014, 30064, 31806, 31990, 32022, 101793, 5839, 30670, 31383, 31384 and 32052, are hereinafter called "the Plans".

4. As can be seen in exhibit **RRQ-1**, the most recent actuarial valuations of the Plans submitted to the Régie date back to 31 December 2006 or 31 December 2007.

5. On 10 June 2009, the Régie received from the Plans' actuary an estimate of their solvency ratio as at 31 December 2008. This new information has been added to the table appearing in exhibit **RRQ-1** and shows that the Plans' solvency ratio as at 31 December 2008 is lower than it was as at the date of the actuarial valuations submitted to the Régie.

6. The amortization payments, which have been suspended by Order of this Court, are required under the SPP Act for the purpose of restoring the Plans' solvency and of guaranteeing payment of the benefits recognized thereunder. The suspension of remittance of the amortization payments directly affects the funding of the Plans.

7. In this context, for some of the Plans, the Current Service Contributions determined on the going concern basis are insufficient to fund the value of the plan members' recognized benefits on the solvency basis. Such insufficiency has the effect of deteriorating the Plans' financial situation from the standpoint of the latter basis.

8. The Current Service Contributions must be paid with respect to the active members, that is, those whose working conditions are maintained by the Debtors. These contributions are part of the Debtors' obligations in order to pursue their activities. Under the principles of the *Companies' Creditors Arrangement Act,* they must reflect the true cost of this obligation.

9. In fact, the provisions and the demographic make up of some of the Plans will contribute to the deterioration of their financial situation, on the solvency basis, during the **Stay Period** and its extensions if the only contributions paid are the Current Service Contributions determined on the going concern basis.

10. Furthermore, the Debtors' obligations with respect to the Plans were determined by the Monitor on the solvency basis, as can be seen, in particular, in his report of 16 April 2009, in paragraphs 60 to 65.

11. In such a context, it is prudent and appropriate that the contributions paid during the **Stay Period** and its extensions correspond to the increase in the value of the benefits of the members and beneficiaries determined on the solvency basis, excluding the effect of any amendment with respect to service recognized prior to the effective date of the initial Order. For several of the Plans, the Current Service Contributions determined on the going concern basis (i.e., that currently paid to the pension fund in accordance with the Monitor's proposition) is less than such increase.

12. It is necessary that measures be taken so that active members' recognized service under the Plans be adequately funded, thus avoiding further deterioration of their financial situation as determined on the solvency basis as at the **Effective Time** of the initial Order, which was 17 April 2009.

13. The Régie is of the opinion that a method based on solvency, such as that described in the document entitled "Calculation Method to Determine the Current Service Contribution on the Solvency Basis" produced in support of this motion as exhibit **RRQ-2**, would be more appropriate to maintain adequate funding of the Plans' current service and to avoid further deterioration of their financial situation on that basis.

14. The Régie therefore proposes the following measure:

    To Order that the Current Service Contribution of each of the Plans be established on the solvency basis, as described in the document entitled "Calculation Method to Determine the Current Service Contribution on the Solvency Basis" as at 17 April 2009 (**Effective Time**).

15. Without that measure, certain pension funds will illegally finance the maintenance of Debtors' operations by assuming the difference between the cost of recognized service under the Plans (based on solvency) and the cost on the going concern basis, which is not appropriate in the circumstances.

16. Without that measure, the insufficiency of the Current Service Contributions paid to the Plans maintained in effect will contribute to a deterioration of their

financial situation on the solvency basis, thus increasing accordingly the eventual debt of the Plans with respect to the arrangement plan or liquidation of the Debtors.

17. The Régie has the power to recommend to the minister responsible for the application of the SPP Act that a regulation be made to exempt the Plans from the application of the provisions of the SPP Act with respect to the determination of the Current Service Contributions on the going concern basis and to enact for these Plans the method described in exhibit **RRQ-2.**

18. Under section 2 of the SPP Act, such a regulation may be made retroactive to 17 April 2009 (**Effective Time**).

19. With due respect for the Court and the restructuring process underway, the Régie believes it advisable to come before the Court to obtain the Orders described in this motion, which would have the same effect as a regulation made under the SPP Act.

20. Service of this motion to the lawyers of the interested parties named on the **Serving List** is made by e-mail.

21. This motion is well founded in fact and in law.

MAY IT PLEASE THE COURT TO:

Grant the present motion;

ORDER the Debtors, the plan administrators and pension committees of the Debtors' Plans, namely, those Plans registered with the Régie under the numbers, respectively, 22112, 22322, 23058, 24239, 27066, 30014, 30064, 31806, 31990, 32022, 101793, 5839, 30670, 31383, 31384 and 32052, to cause the Plans' actuary to determine, as at 17 April 2009 (**Effective Time**), the Current Service Contribution of each of the Plans on the solvency basis as described in the document entitled "Calculation Method to Determine the Current Service Contribution on the Solvency Basis" produced as exhibit **RRQ-2**;

ORDER the Debtors, the administrators and pension committees of the aforementioned Plans to submit to the Régie des rentes du Québec the actuarial reports and other documents used to determine the new Current Service Contribution of each of the Plans on the aforementioned solvency basis;

AUTHORIZE the Régie des rentes du Québec to validate the determination of the new Current Service Contribution on the solvency basis of each of the aforementioned Plans;

ORDER the Debtors to pay the new Current Service Contributions determined as at the effective date of the initial Order, namely, 17 April 2009.

THE WHOLE WITHOUT COSTS.

Québec, 12 June 2009

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ARAV, ROBILLARD & LANIEL
Counsel for the Régie des rentes du Québec