

EXHIBIT R-29

AMENDMENT No 1 to the RETIREMENT COMPENSATION ARRANGEMENT TRUST AGREEMENT (the "Agreement") among AVENOR INC. and MONTREAL TRUST COMPANY dated as of the 14th day of August, 1996.

The Agreement is amended as follows as of the date of the final judgment authorizing the amendments:

1- The first paragraph of the preamble is replaced with the following:

"WHEREAS the Company has established the Senior Executive Retirement Plan, the Supplemental Retirement Benefit Plan for Grade 28 and over Employees of Bowater Canadian Forest Products Inc. and the Supplemental Retirement Benefit Plan for Grade 27 and under Employees of Bowater Canadian Forest Products Inc. (collectively referred to as "SERPs") which, together with this Agreement constitute a Retirement Compensation Arrangement (herein referred to as "RCA Plan") as defined in the Income Tax Act (Canada); and

WHEREAS the Company filed for protection from its creditors under *Chapter 11 of the Bankruptcy Code of the United States* on April 16, 2009 and the *Companies' Creditors Arrangement Act* on April 17, 2009 and stopped paying the SERPs benefits shortly thereafter; and

WHEREAS the Trustee called for payment on the letter of credit that it held under the terms of this Agreement to secure the payment of the benefits under the SERPs; and

WHEREAS the Trustee holds the proceeds of the letter of credit in trust for certain members of the SERPs and the Trustee is entitled to receive a refundable tax credit which it will also hold in trust for certain members of the SERPs; and

WHEREAS the Company has made a motion in court record 500-11-036133-094 to determine the members of the SERPs whose benefits under the SERPs are secured by the assets of the Trust held by the Trustee (the "Beneficiaries", as defined below); and

WHEREAS a committee of Beneficiaries (the "Committee", as defined below) shall exercise the rights and obligations set out herein; and"

- 2-** The phrase ", to the extent not paid by the Company" in the fourth line of Section 1.05 is deleted.
- 3-** The second sentence of Section 1.06 is replaced with the following:

"The beneficiaries of the Trust created by this Agreement (the "Beneficiaries") are the members of the SERPs whose benefits under the Bowater SERPs were declared by a final decision of a tribunal of the province of Quebec to be secured by the assets of the Trust held by the Trustee, as well as their beneficiaries."

4- Section 1.07 is added as follows:

"1.07: There shall be a committee of Beneficiaries (the "Committee") which shall be governed by the following rules:

a) The Committee shall be composed of an uneven number of members which shall not be less than three (3). The initial members of the Committee shall be Marc Régnier, David Steuart and Anthony Iasenza.

b) After the end of each fiscal year of the Trust, the Committee shall, by written notice, call each Beneficiary to a meeting held to (1) allow the Beneficiaries to be informed of the financial position of the Trust; (2) enable the Beneficiaries to either confirm or replace the members of the Committee. Such decision shall be made by a majority of the votes cast by the Beneficiaries present in person or by way of proxy at the meeting.

c) The Committee shall exercise the obligations and rights set out in the Agreement. Decisions shall be made by a majority of members.

d) The Committee shall exercise the prudence, diligence and skill that a reasonable person would exercise in similar circumstances; it must also act with honesty and loyalty in the best interest of the Beneficiaries.

The members of the Committee shall use in exercising their powers and obligations granted to the Committee pursuant to Section 10.03 of the Agreement all relevant knowledge or skill that they possess or, by reason of their profession or business, ought to possess.

The Committee is presumed to have acted with prudence where it acted in good faith on the basis of an expert opinion.

e) No member of the Committee may exercise his powers and obligations in his own interest or in the interest of a third person other than all Beneficiaries nor may he place himself in a situation of conflict between his personal interest and the duties of his office.

If the Committee member is himself a Beneficiary, he shall exercise his powers in the common interest, considering his own interest to be the same as that of the other Beneficiaries.

f) The members of the Committee shall be entitled to adopt by-laws to regulate its activities.

g) The expenses and disbursements of the members of the Committee shall be borne by the Trust. The Trustee shall be entitled to request written evidence of such expenses and disbursements. The members of the Committee who are Beneficiaries are not entitled to any remuneration; the members of the Committee who are not Beneficiaries shall be entitled to such remuneration fixed by the other members of the Committee, to be paid from the assets of the Trust.

5- The phrase ", to the extent such amounts are not otherwise paid by the Company." at the end of the first sentence and the entire final sentence in the first paragraph of Section 2.06 are deleted.

6- Section 2.07A is added as follows:

"On or before June 30, 2013, and on or before June 30 of every three years thereafter, so long as any RCA Plan Investments are on deposit with the Trustee, and unless otherwise directed by the Committee, the Trustee shall obtain a report from an actuarial firm appointed by the Committee setting out its analysis of when the funds in the hands of the Trustee as well as any refundable tax credit are likely to be exhausted, and shall distribute that report to the Beneficiaries. The fees and expenses of the actuarial firm appointed by the Committee shall be paid from the assets of the Trust. "

7- Article III is deleted.

8- The final sentence in Section 4.01 f) is deleted.

9- Section 4.01 i) is deleted and Section 4.01 j) is amended to provide as follows:

"As and from April 16, 2009, the Trustee may recover from the RCA Plan Trust Fund all of its fees, expenses and disbursements as set forth in Section 4.01i), and the Company shall have no responsibility for any such fees, expenses and disbursements."

10- Article V is deleted.

11- Section 8.01(ii), Section 8.01(iii) and the final paragraphs of Section 8.01 are replaced with the following:

"(ii) the moment that the funds in the hands of the Trustee as well as any refundable tax credit have been exhausted".

12- Section 9.07 is hereby amended by the addition of the words “, the Committee” after the word "Company" in the first paragraph. Moreover, notices to the Company are to be sent to the Company's Legal Department, and notices to the Committee are to be sent to the addresses provided by the members of the Committee under Section 10.05.

13- Section 9.10 is added as follows:

"9.10 The present Agreement may be amended if (i) the majority of two thirds of the votes cast by the Beneficiaries present in person or by way of proxy at a regular or extraordinary meeting of the Beneficiaries is in favour of such amendment, and (ii) the Trustee, after having received a written confirmation from the Committee that the condition described in (i) has been fulfilled, agrees to the amendment. In the event, however, that the amendment has the effect of reducing or diminishing the rights of one or more, but not all, Beneficiaries, the amendment must receive unanimous approval of the Beneficiaries or must be approved by a competent Court."

14- Article X is added as follows:

"ARTICLE X -- INSOLVENCY OF THE COMPANY

10.01 Throughout the Agreement, Avenor Inc. is replaced by Bowater Canadian Forest Products Inc. ("BCFPI") and the address for BCFPI is 1155 Metcalfe, Suite 800, Montreal, Quebec, H3B 5H2.

10.02 Throughout the Agreement, Montreal Trust Company is replaced by Royal Trust Company ("RTC") and the address for RTC is 77 King Street West, 4th Floor, Toronto, Ontario, M5W 1P9.

10.03 The powers, obligations and rights conferred or granted to the Company under the second paragraph of the preamble, Sections 1.03, 1.05, 2.02C, 2.02K [only the reference in the first line and not the reference in the third line], the final paragraph of Section 2.02, 2.07, 2.09, 4.01b) [only the reference in the first line and not the reference in the third line], 4.01g), 6.01, 6.02, 7.01, 7.02, 7.03 shall henceforth be enforced or exercised by the Committee.

10.04 The members of the Committee shall provide their address to the Trustee."

15- It is understood that the present amendment does not affect or limit the rights of the Beneficiaries or any other person to claim their unsecured SERP benefits against the Company.

SUPERIOR COURT
(Commercial Division)

N° . 500-11-036133-094

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

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

ABITIBOWATER INC. AND AL.

Petitioners

-and-

ERNST & YOUNG INC.

Monitor

-and-

THE ROYAL TRUST COMPANY

Mise en cause

BS0350

Our file: 041053-1170

EXHIBIT R-29

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