AMENDED AND RESTATED RETIREMENT COMPENSATION ARRANGEMENT TRUST AGREEMENT

THIS AGREEMENT made as of the day of , 2010.

AMONG:	**BOWATER CANADIAN FOREST PRODUCTS INC.**, a company duly incorporated under the laws of Canada, and having its principal executive offices at 1155 Metcalfe, Suite 800, Montreal, Quebec, H3B 5H2, represented by its duly authorized representatives; (herein called the "**Company**")
AND:	**THE ROYAL TRUST COMPANY**, a trust company having a place of business at 155 Wellington Street West, 20th Floor, Toronto, Ontario, M5V 3K7, represented by its duly authorized representatives; (herein called the "**Trustee**")

WITNESSETH THAT:

WHEREAS the Company 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, the "**SERPs**");

WHEREAS the Company entered with the Trustee's predecessor into this Retirement Compensation Arrangement Trust Agreement which, together with the SERPs, constitute a Retirement Compensation Arrangement (the "**RCA Plan**") as defined in the *Income Tax Act* (Canada); and

WHEREAS the Trustee acts as the trustee of the trust created pursuant to the RCA Plan (the "**Trust**"), subject to the terms and conditions of this Agreement (the "**Agreement**"); 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 (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 (the "**Committee**", as defined below) shall exercise the authority, powers and duties set out herein should the Company file for or be adjudged bankrupt; and

WHEREAS the Agreement is hereby amended and restated, in order to reflect recent events;

NOW, THEREFORE, in consideration of these premises and mutual covenants hereinafter set forth and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto mutually covenant and agree as follows:

ARTICLE I - THE TRUST

1.01 The Trustee confirms its acceptance of the continuance of the trust constituted by this Agreement.

1.02 The proceeds of the Letter of Credit, together with the earnings, interest and increments thereon and property from time to time substituted therefore, less authorized payments therefrom constitutes the RCA Plan Trust Fund and shall continue to be held by the Trustee in trust and shall be applied by the Trustee as directed by the Company.

1.03 From time to time at the direction of the Company or of an investment manager selected by the Company (the "**Counsel**"), the Trustee shall invest or reinvest the principal and income of the RCA Plan Trust Fund without distinction between principal and income, in such investments (the "**RCA Plan Investments**") as may be directed. The Company or Counsel, as applicable, shall have the sole responsibility for determining that all investments made at its direction, at the time of investment, are not inconsistent with such regulations as may be established by the Minister of National Revenue under the authority of the *Income Tax Act* (Canada) with respect to retirement compensation arrangements and are not inconsistent with the provisions of the SERPs. The Trustee shall assume the responsibility to whatever extent possible for the monitoring of the payment of dividends, interest or other income and any call for redemption, offer of exchange, right of subscription, reorganization, or other proceedings affecting any investments which have been made upon the direction of the Company or Counsel, as applicable. In specific situations as may be determined by the Trustee from time to time, the Company or Counsel, as applicable, shall assume such responsibility and advise the Trustee as required in writing. To the extent the Trustee is investing the funds comprising the RCA Plan Trust Fund in accordance with the instructions of the Company or Counsel, as applicable, the Trustee shall not otherwise be in any way restricted by the provisions of the laws of any jurisdiction purporting to limit the investments that may be made by trustees, or by any statement of investment policies and procedures that the Company may have adopted.

The Trustee shall be protected in acting upon any directions from the Company or Counsel and shall be under no liability for any loss resulting from acting upon any such directions or by reason of the failure of the Company or Counsel to give any such directions.

The Trustee shall be protected in relying and acting upon the direction of the Committee or Counsel, as applicable, in respect of the administration of the RCA Plan Trust Fund or upon the written instructions of the Company with respect to the interpretation of the Trust or the RCA Plan and shall be under no liability for any incorrect investment pursuant to such direction, or when acting upon the written directions of the Company or Counsel, as applicable.

1.04 The fiscal year of the RCA Plan Trust Fund shall end on December 31 of each year.

1.05 The Trustee shall pay out of the RCA Plan Trust Fund assets all taxes and other assessments levied or assessed under existing or future laws against the RCA Plan Trust Fund or any money, property or securities from time to time forming a part thereof, and shall withhold from payments out of the RCA Plan Trust Fund all taxes and other assessments required by any law to be withheld; provided further that the Trustee shall review all tax levies and assessments with a view to determining the applicability and correctness thereof and, in cases where there is any doubt, shall forthwith notify the Company so that, so far as practicable, there will be sufficient time for discussion and, where appropriate, appeal of any questionable levy or assessment.

1.06 Benefits under the RCA Plan, to the extent payable from the RCA Plan Trust Fund, shall be so payable only to the extent that the RCA Plan Trust Fund shall suffice for such purpose. 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. The Company shall provide or cause to be provided to the Trustee any and all information which the Trustee may require in order to pay such benefits.

1.07 On or before June 30 of each year, the Company shall deliver to the Trustee a list of the Beneficiaries.

ARTICLE II- POWERS AND DUTIES OF THE TRUSTEE

2.01 The Trustee acknowledges receipt of a copy of the SERPs which are attached as Schedule A hereto and agrees to be bound by the terms and conditions set out in the SERPs and in this Agreement in acting as Trustee of the Trust.

2.02 The Trustee shall have, and is hereby vested with full legal ownership of all RCA Plan Investments and shall be entitled to exercise all and every power, right and authority necessary or desirable to enable the Trustee to administer the RCA Plan Trust Fund and carry out its obligations and rights under this Agreement, including, without restricting the generality of the foregoing, full power and authority:

A. with any cash at any time held by the Trustee, to purchase or otherwise acquire any securities or other investments of a kind permitted as aforesaid and to hold and retain the same in trust hereunder;

B. to sell for cash or on credit, or partly for cash and partly on credit, convey, exchange for other securities or other investments, convert, transfer, or otherwise dispose of any securities or other investments held in the RCA Plan Trust Fund at any time, by any means considered reasonable by the Trustee, and to receive the consideration or price and grant discharge therefore;

C. to commence, defend, adjust or settle suits or legal proceedings in connection with the RCA Plan Trust Fund and to represent the RCA Plan Trust Fund in any such suits or legal proceedings and to keep the Company and, where appropriate, the Beneficiaries informed; provided, however, that the Trustee shall not be obliged or required to do so unless it has been indemnified to its satisfaction against all expenses and liabilities sustained or anticipated by it by reason thereof;

D. to exercise any conversion privileges, subscription rights, warrants and/or other rights or options available in connection with any investments at any time held by the Trustee, and to make any payments incidental thereto; to consent to, or otherwise participate in or dissent from, the reorganization, consolidation, merger or readjustment of the finances of any corporation, company or association, or to consent to, or otherwise participate in or dissent from, the sale, mortgage, pledge or lease of the property of any corporation, company or association, any of the securities of which may at any time be held by it, and to do any act, including the delegation of discretionary powers, the exercise of options, making of agreements or subscriptions and the payment of expenses, assessments or subscriptions which it may deem necessary or advisable in connection therewith; to hold and retain any securities or other property which it may so acquire and generally to exercise any of the powers of an owner with respect to securities or other property held in the RCA Plan Trust Fund;

E. to vote personally, or by general or by limited proxy, any securities or other property which may be held by the Trustee at any time, and similarly to exercise personally or by general or by limited power of attorney any right appurtenant to securities or other property held by it at any time;

F. to renew or extend or participate in the renewal or extension of any security, upon such terms as the Trustee may deem advisable, and to agree to a reduction in the rate of interest on any security or of any guarantee pertaining thereto, in any manner and to any extent that it may deem advisable, to waive any default whether in the performance of any covenant or condition of any security, or in the performance of any guarantee, or to enforce rights in respect of any such default in such manner and to such extent as it may deem advisable; to exercise and enforce any and all rights of foreclosure, to bid on property on sale or foreclosure, to take a conveyance in lieu of foreclosure with or without paying a consideration therefore and in connection therewith to release the obligation on the covenant secured by such security and to exercise and enforce any action, suit or proceeding at law or in equity as well as any rights or remedies in respect of any such security or guarantee;

G. to register the securities or other property of the RCA Plan Trust Fund in its own name or in the names of nominees or in bearer form, and the Trustee is hereby expressly empowered to keep the same, wholly or partly on deposit with any financial institution that is authorized to act as a custodian of securities and other property of the RCA Plan Trust Fund, to hold securities which are on deposit with The Canadian Depository for Securities Limited or the Depository Trust Company through the facilities of said depositories, all as the Trustee may determine so long as the securities and other property of this Trust at all times are kept distinct from the assets of its nominees or such other authorized financial institution and are kept distinguishable in the registers and other books of account kept by the Trustee from those of any other person and provided that the books and records of the Trustee and, where possible, its nominees and such other authorized financial institutions, shall at all times show that all such securities and other property are part of the RCA Plan Trust Fund;

H. to make, execute, acknowledge and deliver any and all deeds, leases, mortgages, conveyances, contracts, waivers, releases or other documents of transfer and any and all other instruments in writing necessary or proper for the accomplishment of any of the powers herein granted;

I. to hold such portion of the RCA Plan Trust Fund in cash as the Trustee, from time to time, may deem to be in the best interests of the RCA Plan Trust Fund and to retain the cash balances on deposit with any custodian appointed by the Trustee or with a chartered bank or other depository, in such interest-bearing account as the Trustee determines or to invest such cash balances in guaranteed investment certificates;

J. to deposit any property forming part of the RCA Plan Trust Fund, including securities and documents of title held by the Trustee in the RCA Plan Trust Fund, with any bank or other depository approved by the Trustee;

K. subject to prior notice to the Company, to employ such counsel, auditors, advisors, agents or other persons (who may be employed by the Company or any other related corporation) as the Trustee may deem necessary from time to time for the purpose of discharging its duties hereunder and to pay out of the RCA Plan Trust Fund their reasonable expenses and compensation; and

L. to do all such acts, take all such proceedings and exercise all such rights and privileges, although not specifically mentioned herein, as the Trustee may deem necessary to administer the RCA Plan Trust Fund and to carry out the purpose of this Trust in accordance with the terms of this Trust Agreement.

The foregoing powers, other than those referred to in paragraphs C, G, H, K and L, shall be exercised by the Trustee based on the directions of the Company or Counsel, as the case may be, or in the absence of such directions, by the Trustee at its entire discretion.

2.03 However, in the exercise of such power and authority and the discharge of such duties, the Trustee shall have, and is hereby granted, such incidental powers and authority, not in conflict with any of the provisions hereof, as may be necessary, appropriate or desirable to effectuate the purposes of this Agreement and the RCA Plan.

2.04 No bond shall be required of the Trustee and no successor trustee appointed hereunder shall be required to furnish a bond.

2.05 The Trustee acknowledges that it continues to be the "custodian" of the RCA Plan Trust Fund as that term is understood in the definition of Retirement Compensation Arrangement in subsection 248(1) of the *Income Tax Act* (Canada).

2.06 In order to provide a Beneficiary from time to time with the benefits that are due to him under the RCA Plan, the Trustee may borrow an amount equal to the amount of the “refundable tax” as that term is defined in Section 207.5 of the *Income Tax Act* (Canada), for the period until the Trustee actually receives the repayment of such amount from the Canada Revenue Agency.

The Trustee shall not be liable for any loss which may occur by reason of depreciation in the value of any part of the RCA Plan Investments except to the extent that such loss is attributable to fraud, bad faith or gross or intentional fault on the part of the Trustee.

2.07 On or before March 31, so long as any RCA Plan Investments are on deposit with the Trustee, the Trustee shall transmit to the Company, a brief report dated as of the preceding December 31 with respect to the property and funds comprising the RCA Plan Investments as of such date.

2.08 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, the Company shall obtain a report from an actuarial firm appointed by the Company 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 Company shall be paid from the assets of the Trust.

2.09 The Trustee shall have no obligation or liability hereunder to ensure the adequacy of the funding required to provide the benefits to which a Beneficiary is entitled at any time in accordance with the terms of the SERPs.

2.10 The Trustee may elect in a return for a taxation year that the refundable tax at the end of the year be equal to the aggregate of the amounts calculated under section 207.5(2) of the *Income Tax Act* (Canada) or make all other applicable elections, all as directed by the Company.

2.11 On behalf of the Trust, and to the extent necessary, the Trustee shall prepare and file appropriate Canadian income tax returns and any other returns or reports as may be required by applicable law.

ARTICLE III - LETTER OF CREDIT

[DELETED]

ARTICLE IV- ACCEPTANCE OF TRUST

4.01 The Trustee hereby confirms its acceptance of the Trust and its assumptions of the duties hereby created and imposed upon it, subject to the following terms and conditions:

a) The Trustee shall not be liable for any action taken or omitted to be taken by it hereunder or in connection herewith, except for its fraud, bad faith or gross or intentional fault.

b) Subject to prior authorization by the Company for the engagement of all outside advisers, the Trustee may consult with legal counsel, who may be legal counsel for the Company and the oral or written advice of such counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted to be taken by the Trustee hereunder in good faith and in reliance thereon.

c) The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Trustee shall not be responsible for any misconduct or negligence on the part of any such agent or attorney appointed with due care by it hereunder.

d) The Trustee may own stock or other securities (including evidences of indebtedness) of the Company to the same extent and in the same manner as though it were not the Trustee hereunder. The Trustee shall not be disqualified from:

   (i) acting as a registrar, a transfer agent, or a paying agent for;

   (ii) acting in a fiduciary capacity for;

   (iii) engaging in customary business and activities for or with any Beneficiary or the Company.

e) The Trustee may rely conclusively upon any instruction, advice, notice, opinion or other document believed by it to be genuine or to have been signed and presented by the proper party or parties and the truth of the statements and the correctness of the opinions expressed therein, and, subject to subparagraph a) hereof, shall be under no liability with respect to any action taken or omitted to be taken in accordance with such instruction, advice, notice, opinion or other document.

f) The Trustee shall not be required to exercise any of the rights and powers vested in it hereby which would violate any applicable law or which, in its reasonable judgment, would involve it in any expense or liability, including without limitation, the payment of any taxes (other than the Trustee's own personal taxes or the refundable tax as that term is defined in Section 207.5 of the *Income Tax Act* (Canada)), unless it shall have been furnished with reasonable security or indemnity against such expense and liability which might be incurred by it in exercising any such rights or powers. The Company agrees to provide such security and indemnity as may be required.

g) The Trustee undertakes to perform such duties and only such duties as are specifically imposed upon it pursuant to the Trust created by this Agreement and the related RCA Plan, and no implied covenant or obligation shall be read into this Trust against the Trustee. At any time, the Trustee may request written instructions from the Company with respect to the interpretation of the Trust created by this Agreement or the RCA Plan or any action to be taken or suffered or not to be taken hereunder and shall be entitled to withhold action hereunder until it shall have received such written instructions from the Company.

h) The Trustee shall not be bound to make any investigation into the facts or matters stated in any instruction, advice, notice, opinion or other document. The Trustee, at its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit.

i) The Company agrees to reimburse the Trustee for all expenses (including taxes except for any taxes payable with respect to any fee paid to the Trustee) and disbursements, including any proceedings before any governmental agency, reasonably incurred by the Trustee in connection with its duties under the Trust created by this Agreement, but excluding expenses and disbursements paid, incurred or suffered by the Trustee in any suit or litigation in which the Trustee is determined to have acted in bad faith, fraudulently or with gross or intentional default. The Company also agrees to pay the Trustee’s fees as may from time to time be mutually agreed upon in writing by the Company and the Trustee.

j) In the event that the Company becomes bankrupt, 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.

ARTICLE V – INDEMNITY

5.01 The Company agrees to indemnify and hold harmless the Trustee, and each director, officer and agent thereof, against all claims, losses, damages, costs, penalties, fines and expenses (including reasonable expenses of the Trustee's legal counsel) which, without negligence, fraud, bad faith or gross or intentional fault on the part of the Trustee, may be paid, incurred or suffered by the Trustee by reason of or as a result of the Trustee's acceptance or administration of the Trust or by reason of or as a result of its compliance with its duties set forth herein or with any written or oral instructions delivered to the Trustee pursuant hereto. In no case shall the Company be liable under this indemnity with respect to any claim against the Trustee unless the Company shall be notified by the Trustee, by letter or by cable or telex confirmed by letter, of the written assertion of a claim against the Trustee or of any action commenced against the Trustee, promptly after the Trustee shall have received any such written assertion of the claim or shall have been served with a summons or other first legal process giving the Company information as to the nature and basis of the claim. The Company shall be entitled to participate at its own expense in the defence. If the Company so elects at any time after receipt of such notice, it may assume the defence of any suit brought to enforce such claim. If the Company assumes the defence, of any suit, it shall not be liable for the fees and expenses of any additional counsel thereafter retained by the Trustee.

ARTICLE VI - RESIGNATION OF TRUSTEE

6.01 The Trustee, or any trustee hereafter appointed, may resign at any time from the Trust by giving written notice thereof to the Company specifying the date on which its desired resignation shall become effective; provided that such notice shall never be given less than sixty (60) days prior to such desired effective date unless the Company otherwise agrees. Such resignation shall take effect upon the earlier of (a) the stated effective date of such resignation or (b) the date of the appointment of a successor trustee and the acceptance of such appointment by the successor trustee. Upon receiving such notice of resignation, the Company shall promptly appoint a successor trustee by written instrument, in sufficient copies to provide one copy to the resigning Trustee, and one copy to the successor trustee.

6.02 In the event that the Company has not appointed a successor trustee by written instrument within five (5) days of the effective resignation date mentioned in Section 6.01, the Trustee shall, in the name and at the expense of the Company, appoint a successor trustee by written instrument and provide a copy of such appointment to the Company, provided that such successor trustee shall be one of the five largest trust companies in Canada on the basis of assets under administration as certified by the proposed successor trustee.

ARTICLE VII - REMOVAL OF TRUSTEE

7.01 The Trustee, or any trustee hereafter appointed, may be removed at any time from the Trust following at least sixty (60) days' prior notice by written instrument, executed by the Company, in duplicate, one copy of which shall be delivered to the Trustee so removed and one copy to the successor trustee.

7.02 Any successor trustee appointed as provided hereunder shall execute, acknowledge and deliver to the Company and to the predecessor trustee an instrument accepting such appointment hereunder, as trustee of the Trust and thereupon, the resignation or removal of the predecessor trustee shall become effective and such successor trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, duties and obligations of its predecessor hereunder with like effect as if originally named as the Trustee herein, provided that such successor trustee shall be one of the five largest trust companies in Canada on the basis of assets under administration as certified by the proposed successor trustee. However, on the written request of the Company or of the successor trustee, the predecessor trustee ceasing to act shall, upon payment of any amounts then due to it pursuant to the provisions of this Trust, execute and deliver an instrument transferring to such successor trustee all the rights and powers of the Trustee so ceasing to act. Upon the request of any such successor trustee, the Company and such predecessor trustee shall execute any and all instruments in writing to fully vest in and confirm to such successor trustee all such rights and powers.

7.03 Upon acceptance of the appointment of the successor trustee as provided herein, the Company shall cause to be mailed to each Beneficiary, a notice of the succession of such trustee hereunder. Such notice must be submitted to the Trustee for its comments and approved by the Trustee prior to forwarding such notice to the Beneficiaries. If the Company shall fail to cause such notice to be mailed within ten (10) days after acceptance the Trustee shall cause such notice to be mailed at the expense of the Company.

7.04 The Trustee resigning or being removed shall forthwith convey any and all records, books, documents, money and other property and assets in his possession forming part of the RCA Plan Trust Fund or incidental to his duties as Trustee under this Agreement and relating to the administration of the RCA Plan Trust Fund, to the successor trustee.

ARTICLE VIII – COMMITTEE

8.01 Should the Company become bankrupt, its authority, powers and duties hereunder shall be assumed and exercised by a committee (the "**Committee**") which shall be governed by the following rules. From inception of the Committee, all provisions in this Agreement that refer to the Company shall hereinafter be read as referring to the Committee except that sections 2.06 and 5.01 shall not apply, section 2.08 shall be replaced with section 8.07 below, and any security or indemnity to be provided to the Trustee by the Company shall be provided by the Committee from the assets of the RCA Plan Trust Fund or, where the Committee has breached the Standard of Care set out in section 8.04 below and the need for the security or indemnity results from such breach, by the Committee members.

8.02 The Committee shall be composed of three (3) and who shall all be Beneficiaries. The initial members of the Committee shall be comprised or Marc Régnier, David Steuart and Anthony Iasenza. If any such Beneficiary is then deceased or incapacitated, or if any such member dies or becomes incapacitated, the replacement member shall be such Beneficiary as is elected by a majority of the Beneficiaries within sixty (60) days of the time at which the vacancy occurs and failing that will be the Beneficiary who the Committee determines has at such time the greatest present value of benefits payable hereunder. Each member of the Committee shall remain in such capacity while capacitated unless he resigns or is replaced by a majority in section 8.03. The remaining members of the Committee shall promptly advise the Trustee in writing of all cases of incapacity, death, resignation or replacement.

8.03 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.

8.04 The Committee, in exercising its powers and authority under this Agreement, 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. Each member of the Committee shall use all relevant knowledge or skill that he possesses or, by reason of his profession or business, ought to possess and 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 and shall exercise his powers in the common interest, considering his own interest to be the same as that of the other Beneficiaries.

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

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

8.07 On or before June 30 of every three years, 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.

8.08 The expenses and disbursements of the members of the Committee, including the fees and expenses of the actuarial firm appointed by the Committee pursuant to section 8.07, shall be paid from the assets of the Trust. Prior to paying such fees, expenses or disbursements, the Trustee shall be entitled to request written evidence of the fees, expenses and disbursements. The members of the Committee shall not be entitled to any remuneration.

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

8.10 The Trustee shall not be obliged nor shall it seek to ensure that the Committee complies with section 8.04.

ARTICLE IX - TERMINATION OF THE TRUST

9.01 The Trust created herein shall continue until the earlier of:

(i) the moment as of which all the obligations of the Company to the Beneficiaries pursuant to the RCA Plan have been discharged in full;

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

ARTICLE X- MISCELLANEOUS

10.01 The Trustee's services to the Company are not exclusive and, subject to the limitations otherwise provided in this Agreement on the power and authorities of the Trustee, the Trustee may for any purpose, and is hereby expressly authorized from time to time in its discretion to, appoint, employ, invest in, contract or deal with any individual, firm, partnership, association, trust or body corporate, including without limitation, itself and any partnership, trust or body corporate with which it may directly or indirectly be affiliated or in which it may be directly or indirectly interested, whether on its own account or for the account of another (in a fiduciary capacity or otherwise), and to profit therefrom, without being liable to account therefor and without being in breach of this Agreement.

Without limiting the generality of the foregoing, the Company hereby authorizes the Trustee to act hereunder notwithstanding that the Trustee or any of its divisions, branches or affiliates may have a material interest in the transaction or that circumstances are such that the Trustee may have a potential conflict of duty or interest including the fact that the Trustee or any of its affiliates may:

(i) purchase, hold, sell, invest in or otherwise deal with securities or other property of the same class and nature as may be held in the RCA Plan Trust Fund, whether on its own account or for the account of another (in a fiduciary capacity or otherwise);

(ii) act as a market maker in the securities that form part of the RCA Plan Trust Fund to which directions relate;

(iii) act as financial adviser to the issuer of such securities;

(iv) provide brokerage services to other clients;

(v) act in the same transaction as agent for more than one client;

(vi) have a material interest in the issue of securities that form part of the RCA Plan Trust Fund;

(vii) use in other capacities knowledge, procedures, systems, processes or other expertise gained in its capacity as Trustee hereunder;

(viii) invest the assets of the RCA Plan Trust Fund in the securities or other assets of any of its affiliates; and

earn profits from any of the activities listed herein without being liable to account therefor and without being in breach of this Trust Agreement.

10.02 The Company acknowledges that the Trustee is and in the future may be subject to legislation, including but not limited to anti-money laundering legislation and privacy legislation, that requires that the Trustee collect information or obtain undertakings, agreements, documents or the like from the Company or its directors, officers and employees, and shall cooperate with the Trustee including delivery of information, agreements or documents or providing signatures or executing documents and to take all reasonable steps to cause its directors, officers and employees to do same, all to the maximum extent required to ensure that the Trustee satisfied applicable legislative requirements.

10.03 The Company and the Trustee will exchange information about their businesses, products and personal and/or financial information of the Beneficiaries ("**Confidential Information**"), but only such information as is required in order for the parties to fulfill their duties under this Agreement.

The parties agree to use the Confidential Information solely for performing their duties under this Trust Agreement. The parties will hold the Confidential Information in confidence and will not disclose the Confidential Information to any third party, provided, however, that the parties may disclose any such Confidential Information to their directors, officers, employees, agents, service providers, advisors, internal and external auditors or regulatory authorities as well as those of their affiliates (collectively, "**Representatives**") with a need to know such Confidential Information and who agree to be bound by these confidentiality obligations, or as required or permitted by law.

The parties acknowledge that the Confidential Information may include personal information about identifiable individuals. Both parties agree to act in accordance with the Personal Information Protection and Electronic Documents Act ("**PIPEDA**") and applicable provincial private sector privacy legislation which has by Order been declared as substantially similar to PIPEDA with respect to collection, use, disclosure, retention of and access to personal information.

10.04 The article and section headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of the Trust created hereby.

10.05 If any provision of the Trust created hereby is held to be invalid or unenforceable by any judgment or order of a court or tribunal of competent jurisdiction, the remainder of such Trust shall not be affected by such judgment, and such Trust shall be carried out as nearly as possible in accordance with its original terms and conditions.

10.06 The Trust created hereby shall be binding upon and enure to the benefit of the Company, the Trustee and the Beneficiaries and their respective heirs, executors, successors and assigns as the case may be. Except as specifically set forth herein, nothing in the Trust created hereby is intended to confer upon any other person any rights or remedies under or by reason of such Trust.

10.07 Trust Provisions

Notwithstanding the references herein to this Agreement as a "Trust Agreement" or to The Royal Trust Company (or its successor hereunder, if any) as a "Trustee" or to it acting as Trustee, and except for any trust which may be created or constituted in Quebec for the purposes of Sections 1.01, 1.02, 1.03, 2.02 or 2.03 of this Agreement (and only to the extent contemplated by such Sections), no trust within the meaning of Chapter II of Title Six of Book Four of the Civil Code is intended to be or is created or constituted hereby. In addition, for greater certainty and subject as hereinafter in this Section provided in the case of any trust created or constituted in Quebec for the purposes of Sections 1.01, 1.02, 1.03, 2.02 or 2.03 of this Agreement, the provisions of Title Seven of Book Four of the Civil Code shall not apply to any administration by the Trustee hereunder.

Except as otherwise expressly provided or unless the context otherwise requires, references in this Agreement to "trust" or "in trust", and other similar wording shall only refer to any trust created or constituted for the purposes of Sections 1.01, 1.02, 1.03, 2.02 or 2.03 of this Agreement, as the case may be, which trust may be created or constituted in Quebec or in any other appropriate jurisdiction and, if created or constituted in Quebec, shall be subject to the provisions of the Civil Code applicable to trusts and, if created or constituted in another appropriate jurisdiction, shall be subject to the trust laws of such jurisdiction. The administration of any such trust shall be governed by and in accordance with the provisions hereof which, to the extent permitted by applicable law, shall supersede any provisions relating to the administration of property of others or other similar provisions of any applicable law.

10.08 Acceptance of Trust

The Trustee hereby confirms its acceptance of any and all trusts created or constituted for the purposes of Sections 1.01, 1.02, 1.03, 2.02 or 2.03 of this Agreement, its agreement to perform the same upon the terms and conditions herein set forth and, to the extent any such terms and conditions conflict with any provisions of applicable law, such terms and conditions shall prevail to the extent that such provisions do not constitute provisions of public order.

10.09 Beneficiaries

To the extent necessary and for greater certainty (but without in any way detracting from custom and usage applicable with regard to the relationship among the Company, the Trustee and the Beneficiaries) and subject to any applicable law of public order, it is hereby agreed as follows:

Notwithstanding any other provision hereof and except as may be otherwise set forth in a direction of any of the Beneficiaries pursuant to this Agreement, relating thereto or except as may be directed by a Beneficiary in his capacity as a member of the Committee, no Beneficiary shall be liable to third parties for acts performed by the Trustee (or any other person appointed by the Trustee to perform all or any of its rights, powers, trusts or duties hereunder) during the exercise of its rights, powers and trusts and the performance of its duties under this Agreement or for injury caused to such parties by the fault of the Trustee (or any such person), or for contracts entered into in favour of such parties, during such performance and the Trustee (or any such person) alone shall be so liable subject to any rights or recourses which the Trustee (or any such person) may have hereunder or under any applicable law against the Company or any other person (other than a Beneficiary) in connection with any such liability.

Except as otherwise expressly provided herein or in a request or direction of any of the Beneficiaries pursuant to this Agreement, the Trustee shall not be entitled to receive from the Beneficiary any remuneration or compensation for any services rendered by the Trustee hereunder or reimbursement of any costs, expenses, liabilities, disbursements or advances incurred or made by the Trustee in accordance with any provision of this Agreement.

Except as otherwise expressly provided herein or in a direction of any of the Beneficiaries pursuant to this Agreement, relating thereto, no Beneficiary shall be liable to compensate the Trustee for any injury suffered by it by reason of the performance of its rights, powers, trust or duties hereunder subject to any rights or recourses which the Trustee may have hereunder or under any applicable law against the Company or any other person (other than a Beneficiary) in connection with such injury.

The bankruptcy of the Trustee shall not terminate its rights, powers, trusts and duties hereunder provided that such rights, powers, trusts and duties are assumed by a successor Trustee appointed in accordance with the provisions of Article VII of this Agreement.

Except as otherwise expressly provided herein or in a request or direction of any of the Beneficiaries pursuant to this Agreement, the Trustee shall not be obliged to render any account to the Beneficiaries, nor return to the Beneficiaries any amounts which it has received in the performance of its duties hereunder (including amounts withheld from the RCA Plan Trust Fund in accordance with this Agreement), nor pay any interest to the Beneficiaries on such amounts.

10.10 All notices, requests, demands or other communications hereunder shall be given or made in writing and shall be delivered personally or sent by registered first-class mail, postage prepaid, to the other party or parties to whom they are directed at the address set forth below, (in the case of the Company, the Committee and the Trustee) or to such other person or at such other address as any party may designate in writing to the other.

To: Bowater Canadian Forest Products Inc.
1155 Metcalfe, Suite 800
Montréal, Québec
H3B 5H2

Attention: Legal Department

To the Trustee: Royal Trust Company
155 Wellington Street West,
20th Floor
Toronto, Ontario
M5V 3K7

Attention: Assistant Vice-President
Pension and Investment Fund
Services

To the Committee: To the addresses provided by the members of the Committee under Section 8.09

Notices shall be deemed to have been given and received upon the earlier of actual delivery thereof or five (5) calendar days after the date of the postmark. The Company or the Committee, as applicable, shall from time to time in the form set out in Schedule E provide the Trustee with the names, title and specimen signatures of the persons which are from time to time so designated by it.

10.11 Words importing the singular shall include the plural and vice versa and words importing the masculine gender shall extend to and include the feminine gender and/or body corporate unless the context in which a particular word is used clearly requires otherwise.

10.12 This Agreement shall be construed and enforced in accordance with the laws of the Province of Quebec and the federal laws of Canada applicable therein.

10.13 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 Company or Committee, as applicable, 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.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

BOWATER CANADIAN FOREST PRODUCTS INC.	**THE ROYAL TRUST COMPANY**
______________________________	______________________________
●	●
●	●
______________________________	______________________________
●	●
●	●

SCHEDULE A-1

SENIOR EXECUTIVE RETIREMENT PLAN (SERP)

SCHEDULE A-2

SUPPLEMENTAL RETIREMENT BENEFIT PLAN FOR
<u>GRADE 28 AND OVER EMPLOYEES OF BOWATER CANADIAN FOREST PRODUCTS INC.</u>

SCHEDULE A-3

SUPPLEMENTAL RETIREMENT BENEFIT PLAN FOR
GRADE 27 AND UNDER EMPLOYEES OF BOWATER CANADIAN FOREST PRODUCTS INC.

SCHEDULE B

SAMPLE LETTER OF GUARANTEE

[DELETED]

SCHEDULE C

EXPIRY OF LETTER OF GUARANTEE NOTICE - NOTICE TO COMPANY

[DELETED]

SCHEDULE D

EXPIRY OF LETTER OF GUARANTEE NOTICE - <u>NOTICE TO PARTICIPANTS</u>

[DELETED]

SCHEDULE E

CERTIFICATE OF AUTHORIZED SIGNING OFFICERS

The following are specimen signatures of persons, duly authorized to give all communications, notices and corrections to the Trustee pursuant to the amended and restated Trust Agreement.

The Company or the Committee, as applicable, assumes responsibility for amending this list from time to time.

Signature: ______________________________
Name: ______________________________
Title: ______________________________

Signature: ______________________________
Name: ______________________________
Title: ______________________________

Signature: ______________________________
Name: ______________________________
Title: ______________________________