

CANADA

PROVINCE OF QUEBEC
DISTRICT OF MONTRÉAL

No. : 500-11-036133-094

SUPERIOR COURT

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

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

ABITIBIBOWATER INC.,

and

ABITIBI-CONSOLIDATED INC.,

and

BOWATER CANADIAN HOLDINGS INC.,

and

the other Applicants listed herein

Petitioners

and

ERNST & YOUNG INC.,

Monitor

MOTION FOR AN ORDER ESTABLISHING A PROCEDURE FOR THE FILING,
REVIEW AND DETERMINATION OF CLAIMS SECURED BY CCAA CHARGES
(Sections 9, 10 and 11 of the *Companies' Creditors Arrangement Act* ("CCAA"))

TO JUSTICE GASCON OR ONE OF THE HONOURABLE JUDGES OF THE
SUPERIOR COURT, SITTING IN COMMERCIAL DIVISION, IN AND FOR THE
JUDICIAL DISTRICT OF MONTRÉAL, THE PETITIONERS RESPECTFULLY
SUBMIT THE FOLLOWING:

A. PREAMBLE

1. On April 17, 2009, this Honourable Court (the "**Court**") issued an order (as subsequently restated and amended from time to time the "**Initial Order**") pursuant to the *Companies' Creditors Arrangement Act* (the "**CCAA**" and the "**CCAA Proceedings**") in respect of (i) Abitibi-Consolidated Inc. and subsidiaries thereof¹ (the "**Abitibi Petitioners**") (ii) Bowater Canadian Holdings Inc. and subsidiaries and affiliates thereof² (the "**Bowater Petitioners**") and (iii) certain partnerships³ (the "**Partnerships**").
2. The Abitibi Petitioners and Bowater Petitioners are referred together in this Motion, along with their successor entities where applicable, as the "**Petitioners**" and, without Bowater Canada Finance Corporation ("**BCFC**"), as the "**Applicants**".
3. Pursuant to the Initial Order, Ernst & Young Inc. was appointed as monitor of the Petitioners (the "**Monitor**").
4. On April 16, 2009, AbitibiBowater Inc. ("**ABH**"), Bowater Inc. and certain of their U.S. and Canadian subsidiaries⁴ (the "**U.S. Debtors**") filed voluntary petitions for relief under Chapter 11 of the *U.S. Bankruptcy Code* (the "**Chapter 11 Cases**") before the United States Bankruptcy Court for the District of Delaware (the "**U.S. Bankruptcy Court**").

¹ These subsidiaries are Abitibi-Consolidated Company of Canada, 3224112 Nova Scotia Limited, Marketing Donohue Inc., Abitibi-Consolidated Canadian Office Products Holdings Inc., 3834328 Canada Inc., 6169678 Canada Incorporated., 4042140 Canada Inc., Donohue Recycling Inc., 1508756 Ontario Inc., 3217925 Nova Scotia Company, La Tuque Forest Products Inc., Abitibi-Consolidated Nova Scotia Incorporated, Saguenay Forest Products Inc., Terra Nova Explorations Ltd., The Jonquière Pulp Company, The International Bridge and Terminal Company, Scramble Mining Ltd. and 9150-3383 Québec Inc. Abitibi-Consolidated (U.K.) Inc. was added as a CCAA Petitioner on November 10, 2009.

² These subsidiaries and affiliates are Bowater Canada Finance Corporation, Bowater Canadian Limited, 3231378 Nova Scotia Company, AbitibiBowater Canada Inc., Bowater Canada Treasury Corporation, Bowater Canadian Forest Products Inc., Bowater Shelburne Corporation, Bowater LaHave Corporation, St. Maurice River Drive Company Limited, Bowater Treated Wood Inc., Canexel Hardboard Inc., 9068-9050 Québec Inc., Alliance Forest Products (2001) Inc., Bowater Belledune Sawmill Inc., Bowater Maritimes Inc., Bowater Mitis Inc., Bowater Guérette Inc. and Bowater Couturier Inc.

³ These partnerships are Bowater Canada Finance Limited Partnership, Bowater Pulp and Paper Canada Holdings Limited Partnership and Abitibi-Consolidated Finance LP.

⁴ These subsidiaries are AbitibiBowater US Holding 1 Corp., AbitibiBowater US Holding LLC, AbitibiBowater Canada Inc., Abitibi-Consolidated Alabama Corporation, Abitibi-Consolidated Corporation, Abitibi-Consolidated Finance LP, Abitibi Consolidated Sales Corporation, Alabama River Newsprint Company, Augusta Woodlands, LLC, Bowater Alabama LLC, Bowater America Inc., Bowater Canada Finance Corporation, Bowater Canadian Forest Products Inc., Bowater Canadian Holdings Incorporated, Bowater Canadian Limited, Bowater Finance Company Inc., Bowater Finance II LLC, Bowater LaHave Corporation, Bowater Maritimes Inc., Bowater Newsprint South LLC, Bowater Newsprint South Operations LLC, Bowater Nuway Inc., Bowater Nuway Mid-States Inc., Bowater South American Holdings Incorporated, Bowater Ventures Inc., Catawba Property Holdings, LLC, Coosa Pines Golf Club Holdings LLC, Donohue Corp., Lake Superior Forest Products Inc. and Tenex Data Inc. On December 21, 2009, ABH LLC 1 and ABH Holding Company LLC (together, the "**SPV Debtors**") also commenced Chapter 11 cases, which are jointly administered with the Chapter 11 Proceedings.

B. BACKGROUND

5. All otherwise undefined capitalized terms used herein shall have the meaning attributed to them in the Initial Order or in the Claims Procedure Orders (as defined below).
6. The Initial Order included the creation of the CCAA Charges to secure certain obligations of the Bowater Petitioners, including BCFC. These CCAA Charges include, *inter alia*:
 - (i) the Bowater D&O Charge as security interests in the property of the Bowater Petitioners for the latter's obligation to indemnify the Bowater Respondent Directors; and
 - (ii) the Bowater Administration Charge as security interest in the property of the Bowater Petitioners for the latter's obligation to honour the payment of professional fees and disbursements incurred before and after the making of the Initial Order.
7. As one of the Bowater Petitioners, BCFC has granted the CCAA Charges (the "**BCFC CCAA Charges**").
8. On August 26, 2009, January 18, February 23 and July 21, 2010, this Court issued orders (the "**Claims Procedure Orders**") setting out the procedures for the filing, review and determination of Claims against the Petitioners, the Partnerships and the Cross-Border Petitioners, the whole as appears from the Court record.
9. Among the Claims which remained excluded by the Claims Procedure Orders were, *inter alia*, any Claim secured by the CCAA Charges, including the BCFC CCAA Charges.
10. On July 9, 2010, this Court issued a creditors' meeting order pursuant to which a meeting of all classes of creditors of the Petitioners was to be held and convened. On September 14, 2010, in accordance with the creditors' meeting order, a meeting of creditors was duly held and convened in Montréal.
11. At the creditors' meeting, the resolution approving the *Plan of Reorganization and Compromise* (as amended and restated, the "**CCAA Plan**") was overwhelmingly approved by the Affected Unsecured Creditors of the Petitioners, save and except for the Affected Unsecured Creditor of BCFC.
12. As a result of the BCFC Affected Unsecured Creditors Class not approving the CCAA Plan, the BCFC Affected Unsecured Creditors were treated as Unaffected Creditors under the CCAA Plan.
13. On September 23, 2010, this Court issued an order approving the CCAA Plan (the "**Sanction Order**") in respect of the Applicants, a group that excludes BCFC.

14. In the meantime, the U.S. Debtors had 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**"). The joint implementation of the CCAA Plan and the U.S. Plan was conditional upon the CCAA Plan and the U.S. Plan having been sanctioned by the CCAA Court and the U.S. Bankruptcy Court respectively.
15. On November 23, 2010, the U.S. Bankruptcy Court entered a confirmation order approving the U.S. Plan.
16. On December 9, 2010 (the "**Implementation Date**"), the Petitioners and the U.S. Debtors emerged from the CCAA Proceedings and the Chapter 11 Cases respectively, as appears from the Monitor's Certificate filed in the Court record.
17. In accordance with the terms of the Sanction Order, upon the Implementation Date, all CCAA Charges against the Applicants and Partnerships or their property created by the Initial Order or any subsequent orders were determined, discharged or released. It should be noted however that in light of BCFC's current status, the BCFC CCAA Charges remain outstanding and undischarged.
18. A stay of proceedings had been issued in the Initial Order until May 14, 2009 (the "**Stay Period**"). The Stay Period was extended on seven occasions by orders of this Court dated respectively May 14, September 4, December 11, 2009, March 12, June 9, July 9, and September 1, 2010 (the latter being the "**Seventh Stay Extension Order**"), as appears from the Court record. The Stay Period was further extended in the Sanction Order in respect of the Applicants until the Implementation Date, however the Stay Period in respect of BCFC, as extended by the Seventh Stay Extension Order, effectively expired on September 30, 2010.
19. On December 17, 2010, the sole shareholder of BCFC (AbiBow US Inc., formerly Bowater Incorporated) passed a resolution in which, *inter alia*, it authorized BCFC to make an assignment in bankruptcy under the provisions of the *Bankruptcy and Insolvency Act* and appointed Green Hunt Wedlake Inc. (the "**Trustee**") as trustee to the bankruptcy of BCFC, as appears from a copy of said resolution communicated as **Exhibit 1**.
20. AbiBow US Inc. has been informed that BCFC's directors have resigned or will do so within a few days from the service of this Motion. In addition, it has also been advised that the Trustee is currently in the process of filing BCFC's assignment in bankruptcy which has been executed.

C. ORDER SOUGHT

21. The present Motion seeks an order from this Court (the "**BCFC Claims Procedure Order**") establishing a claims process regarding any claims in connection with the BCFC CCAA Charges, more particularly:
 - (i) establishing a claims bar date for the filing of proofs of claim with the Monitor in respect of the claims of any person against a beneficiary of the

BCFC CCAA Charges in respect of any obligations which are, or may be, secured by the BCFC CCAA Charges (each such claim, singularly or collectively as the context requires, a "BCFC Claim" or "BCFC Claims");

- (ii) approving the forms and manner of notice of the BCFC Claims Procedure Order and the procedure for the filing of BCFC Claims; and
- (iii) approving a general procedure for the determination of BCFC Claims and for the discharge of the BCFC CCAA Charges.

the whole as set forth in the conclusions to this Motion.

D. PROPOSED BCFC CLAIMS PROCEDURE

22. The proposed BCFC Claims Procedure Order sets out the manner of notice and filing procedure as well as the procedure for the determination of BCFC Claims and the ultimate discharge of the BCFC CCAA Charges.

(i) Notice and Filing of BCFC Claims

23. Pursuant to the BCFC Claims Procedure Order the Monitor shall, within 7 business days from the issuance of said order, cause a BCFC Claims document package to be posted on the Monitor's website and sent to the Service List and to all creditors of BCFC who, according to the records of the Monitor, filed a proof of claim against BCFC in the CCAA process.

24. The BCFC Claims Procedure Order further establishes a claims bar date of February 15, 2011, at 4:00 p.m. Eastern Time (the "BCFC Claims Bar Date") for the filing of any BCFC Claims with the Monitor.

25. All creditors asserting BCFC Claims shall be required to file their proofs of claims with the Monitor prior to the BCFC Claims Bar Date, failing which all BCFC Claims shall be forever barred.

(ii) Determination of BCFC Claims and Release of BCFC CCAA Charges

26. Under the BCFC Claims Procedure Order, the Monitor shall circulate to the Service List and file in the Court record, no later than February 22, 2011, a report outlining the number and nature of BCFC Claims received by the BCFC Claims Bar Date. If no BCFC Claims are received by the BCFC Claims Bar Date, all BCFC CCAA Charges shall be deemed to have been finally determined, discharged and released.

27. The BCFC Claims Procedure Order provides for the determination and review of all BCFC Claims filed the Monitor in accordance with the procedure set out in paragraphs [7] to [13] of the order of this Court entitled *Claims Procedure Order (Review and Determination of Claims)* dated January 18, 2010. Incorporated therein by reference are the following steps:

- (i) a determination of any BCFC Claim by the Monitor which will lead to the Monitor's acceptance of the BCFC Claim or to the issuance of a Notice of Revision or Disallowance in connection therewith;
- (ii) a creditor's right to appeal any Notice of Revision or Disallowance issued in respect of a BCFC Claim by sending by registered mail or courier, within 10 business days, a Notice of Dispute to the Monitor setting out the basis for the dispute;
- (iii) failing consensual resolution of the BCFC Claim, the Monitor's referral of the BCFC Claim to a Claims Officer for adjudication, or alternatively, the referral of the BCFC Claim directly to this Court;
- (iv) the right for any party to appeal in this Court a Claims Officer's determination in respect of a BCFC Claim within 10 business days of notification of the Claims Officer's determination of said claim.

28. The BCFC Claims Procedure Order provides that upon the resolution of all BCFC Claims in accordance with the above-described procedure, the Monitor shall report to this Court and seek further directions in connection with the discharge of any potential BCFC CCAA Charges.

E. GROUND'S FOR THIS MOTION

- 29. In order to adequately determine, discharge and release any BCFC CCAA Charges created by the Initial Order, the Applicants submit that it is appropriate and necessary for the nature, extent and scope of any potential BCFC Claims to be ascertained.
- 30. The establishment of the BCFC Claims Bar Date is necessary in order to facilitate and accelerate the identification and valuation of any potential BCFC Claims.
- 31. It is respectfully submitted that this Motion should be granted in accordance with its conclusions.
- 32. The present Motion is well founded in fact and in law.

WHEREFORE, MAY THIS COURT:

- [1] **GRANT** this Motion for an Order Establishing a Procedure for the Filing, Review and Determination of Claims Secured by CCAA Charges (the "**Motion**").
- [2] **EXEMPT**, if applicable, the Applicants from having to serve this Motion and from any notice or delay of presentation.
- [3] **ISSUE** this Order divided under the following headings:
 - (a) Definitions

- (b) Form of Notice and Filing of BCFC Claims
- (c) Determination of BCFC Claims
- (d) Release of BCFC CCAA Charges
- (e) Notices and Communications
- (f) General Provisions

(a) **Definitions**

[4] **ORDERS** that, for purposes of this Order, the following terms shall have the following meanings:

- (a) "**Applicants**" means the Abitibi Petitioners and Bowater Petitioners listed on **Schedule "A"** and **Schedule "B"** to this order, respectively, which said Schedules are understood to exclude, for greater certainty, BCFC;
- (b) "**BCFC**" means Bowater Canada Financial Corporation;
- (c) "**BCFC CCAA Charges**" means any CCAA Charges granted by BCFC, including the Bowater D&O Charge and the Bowater Administration Charge (all capitalized terms as defined in the Initial Order);
- (d) "**BCFC Claim**" any claim by any Person against a beneficiary of the BCFC CCAA Charges in respect of any obligations which are, or may be, secured by the BCFC CCAA Charges;
- (e) "**BCFC Claims Bar Date**" means 4:00 p.m. (Eastern Standard Time) on February 15, 2011.
- (f) "**BCFC Claims Package**" means the document package which shall include the Notice to BCFC Creditors and the BCFC Proof of Claim Form and such other materials as the Monitor or Applicants consider necessary or appropriate;
- (g) "**BCFC Proof of Claim Form**" means the form to be completed and filed by a creditor setting forth its purported BCFC Claim, which proof of claim shall be substantially in the form attached hereto as **Schedule "C"**.
- (h) "**Business Day**" means a day, other than a Saturday or a Sunday, on which banks are generally open for business in Montréal, Quebec;
- (i) "**CCAA**" means the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended;
- (j) "**CCAA Service List**" means the CCAA distribution list posted on the Monitor's website, as may be updated from time to time;

- (k) "**Claims Procedure Order**" means the order of this Court entitled *Claims Procedure Order (Review and Determination of Claims)* dated January 18, 2010;
- (l) "**Claims Officer**" means any individual appointed as Claims Officer in the present proceedings pursuant to the order issued by this Court on March 23, 2010;
- (m) "**Court**" means the Superior Court of Quebec;
- (n) "**Initial Order**" means the order issued by this Court on April 17, 2009, as subsequently restated and amended from time to time;
- (o) "**Monitor**" means Ernst & Young Inc., in its capacity as the Court-appointed Monitor of the Canadian Petitioners and Partnerships;
- (p) "**Notice to BCFC Creditors**" means the notice substantially in the form attached hereto as **Schedule "D"**;
- (q) "**Person**" means any individual, partnership, firm, joint venture, trust, entity, corporation, body corporate, unincorporated association or organization, trade union, employee or other association, governmental agency, or similar entity, howsoever designated or constituted and any individual or other entity owned or controlled by or which is the agent of any of the foregoing;

(b) Form of Notice and Filing of BCFC Claims

- [5] **ORDER** that the Monitor shall, no later than seven (7) days from the date of issuance of this Order, cause a BCFC Claims Package to be sent to the CCAA Service List and to all creditors of BCFC who, according to the records of the Monitor, filed a proof of claim against BCFC in the CCAA claims process.
- [6] **ORDER** that the Monitor shall, no later than seven (7) days from the date of issuance of this Order, cause a BCFC Claims Package to be posted on the Monitor's English website (at www.ey.com/ca/abitibibowater).
- [7] **ORDER** that the Monitor shall, no later than seven (7) days from the date of the request, cause a copy of the BCFC Claims Package to be sent to any Person requesting such material.
- [8] **ORDER** that any Person seeking to assert a BCFC Claim shall set out its aggregate claim in a BCFC Proof of Claim and deliver that BCFC Proof of Claim to the Monitor so that it is actually received by the Monitor by no later than the BCFC Claims Bar Date.

(c) Determination of BCFC Claims

- [9] **DIRECTS** the Monitor to file in the Court record and circulate to the Service List, no later than February 22, 2011, a report outlining the number and nature of BCFC Claims received by the Monitor as of the BCFC Claims Bar Date.
- [10] **ORDER** that the applicable procedures for the review and determination of BCFC Claims filed with the Monitor shall be as set forth in paragraphs [7] to [13] of the Claims Procedure Order in respect of Claims, Subsequent Claims and Former Employee Grievances and that the procedure set forth in the Claims Procedure Order shall apply *mutatis mutandi* to determine any BCFC Claims and that the Monitor shall, pursuant to paragraph [8](f)(ii) of the Claims Procedure Order, be enabled to refer any BCFC Claim directly to this Court for resolution.
- [11] **ORDER** that, for the purposes of this Order, all BCFC Claims denominated in a foreign currency shall be filed in the currency in which they are incurred but, for purposes of determination of the value of such claims, shall be converted by the Monitor to Canadian dollars at the Bank of Canada noon spot rate of exchange for exchanging currency to Canadian dollars on April 17, 2009 (U.S. dollar claims are to be converted at the rate of US\$1 = CDN\$1.2146).

(d) Release of BCFC CCAA Charges

- [12] **ORDER** that, unless otherwise ordered by this Court, any creditor who does not deliver a BCFC Proof of Claim in respect of a BCFC Claim in accordance with paragraph [8] shall be forever barred from asserting such BCFC Claim and such BCFC Claim shall be forever extinguished.
- [13] **ORDERS** that save and except for the BCFC Claims filed with the Monitor on or before the BCFC Claims Bar Date, all Persons shall be deemed to have released and shall be forever barred from asserting any claim against any holder of the BCFC CCAA Charges in any way arising out of any matter or obligation in respect of which such holder would have been entitled to seek contribution or indemnity, in whole or in part, pursuant to the BCFC CCAA Charges.
- [14] **DIRECTS** the Monitor, following the determination of any and all BCFC Claim(s) in accordance with paragraph [9] and following of this Order, to apply to this Court for directions in connection with the discharge of the BCFC CCAA Charges related to said claim(s).

(e) Notices and Communications

- [15] **ORDER** that any notice or communication to be given under this Order by a creditor to the Monitor or the Applicants shall be in writing and, where applicable, in substantially the form provided for in this Order and will be

sufficiently given only if delivered by electronic mail, facsimile, courier or registered mail addressed to:

Ernst & Young Inc., Monitor of Abitibi-Consolidated Inc.,
Bowater Canadian Forest Products Inc. et al.

800 Rene-Levesque Blvd. West

Suite 2000

Montréal, QC H3B 1X9

Telephone: 1-866-246-7889

Fax: 514-879-3992

Email: abitibibowater@ca.ey.com

Attention: Ms. Donna Comerford

Any such notice or other communication by a creditor shall be deemed received only upon actual receipt thereof during normal business hours on a Business Day.

- [16] **ORDER** that any notice or other communication to be given in connection with this Order by the Applicants or the Monitor to a creditor shall be in writing. Such notice or other communication will be sufficiently given to a creditor if given by prepaid ordinary mail, by courier, by delivery or by facsimile transmission or electronic mail to the creditor to such address, facsimile number or e-mail address appearing in the books and records of the Applicants or in any BCFC Proof of Claim filed by the Creditor. Any such notice or other communication (a) if given by prepaid ordinary mail, shall be deemed received on the third (3rd) Business Day after mailing within Quebec, the fifth (5th) Business Day after mailing elsewhere within Canada or to the United States and the tenth (10th) Business Day after mailing internationally; (b) if given by courier or delivery, shall be deemed received on the next Business Day following dispatch; (c) if given by facsimile transmission or electronic mail before 5:00 p.m. on a Business Day, shall be deemed received on such Business Day; and (d) if given by facsimile transmission or electronic mail after 5:00 p.m. on a Business Day, shall be deemed received on the following Business Day.

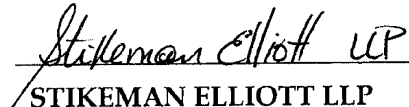
- [17] **ORDER** that, in the event that the day on which any notice or communication required to be delivered pursuant to this Order is not a Business Day, then such notice or communication shall be required to be delivered on the next Business Day.

(f) General Provisions

- [18] **REQUEST** the aid and recognition of any court or any judicial, regulatory or administrative body in any province or territory of Canada and the Federal Court of Canada and any judicial, regulatory or administrative tribunal or other court constituted pursuant to the Parliament of Canada or the legislature of any province and any court or any judicial, regulatory or administrative body of the United States and the states or other subdivisions of the United States and of any other nation or state, including the U.S. Court, to assist the Canadian Petitioners and Partnerships and the Monitor and their respective agents in carrying out the terms of this Order, to make such orders and to provide such assistance to the Applicants and the Monitor, as an officer of the Court, as may be necessary or desirable to give effect to this Order and to grant representative status to the Applicants and the Monitor in any foreign proceeding.
- [19] **ORDER** that the Monitor shall use reasonable discretion as to the adequacy of completion and execution of any document completed and executed pursuant to this Order and, where the Monitor is satisfied that any matter to be proven under this Order has been adequately proven, the Monitor may waive strict compliance with the requirements of this Order as to the completion and execution of documents.
- [20] **ORDERS** that the Monitor may apply to this Court for advice and direction in connection with the discharge or variation of its powers and duties under this Order.
- [21] **ORDERS** the provisional execution of this Order notwithstanding appeal.

WITHOUT COSTS, save and except in case of contestation.

MONTREAL, December 21, 2010

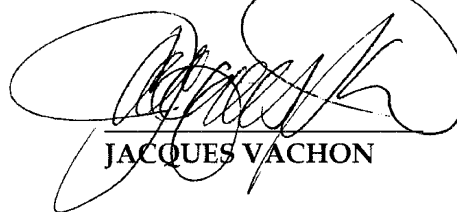

STIKEMAN ELLIOTT LLP
Attorneys for the Applicants

AFFIDAVIT

I, the undersigned, Jacques Vachon, having my principal place of business at Suite 800, 1155 Metcalfe Street, Montréal, Quebec, H3B 5H2 solemnly declare the following:

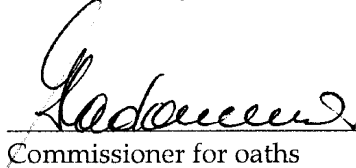
1. I am Senior Vice-President Corporate Affairs and Chief Legal Officer of AbitibiBowater Inc.
2. All the facts alleged in the *Motion for an Order Establishing a Procedure for the Filing, Review and Determination of Claims Secured by CCAA Charges* are true.

AND I HAVE SIGNED



JACQUES VACHON

Solemnly declared before me at Montréal,
on the 22nd day of December, 2010



Commissioner for oaths



NOTICE OF PRESENTATION

TO: SERVICE LIST

TAKE NOTICE that the *Motion for an Order Establishing a Procedure for the Filing, Review and Determination of Claims Secured by CCAA Charges* will be presented for adjudication before the Honourable Judge Clément Gascon of the Superior Court, sitting in practice in and for the District of Montréal, in the **Montréal Court House, 1 Notre-Dame St. East**, at a date, time and in a Room to be announced to the Service List.

DO GOVERN YOURSELVES ACCORDINGLY.

MONTRÉAL, December 21, 2010


STIKEMAN ELLIOTT LLP
Attorneys for Applicants

(Sitting as a court designated pursuant to the Companies
Creditors Arrangement Act)

CANADA
PROVINCE OF QUEBEC
DISTRICT OF MONTRÉAL

ABTIBIBOWATER INC. & *al.*

ERNST & YOUNG INC.
Monitor

ny/dos.: 041053-1170

**MOTION FOR AN ORDER ESTABLISHING A PROCEDURE FOR THE
FILING, REVIEW AND DETERMINATION OF CLAIMS
SECURED BY CCAA CHARGES
(Section 9, 10 and 11 of the Companies' Creditors
Arrangement Act "CCAA")**

Me Guy P. Martel (514) 397-3163
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STIKEMAN ELLIOTT
Stikeman Elliott S.E.N.C.R.L., s.r.l. **AVOCATS**
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1155, boul. René-Lévesque Ouest
Montréal, Québec H3B 3V2

EXHIBIT R-1

**RESOLUTION OF THE SOLE SHAREHOLDER OF
BOWATER CANADA FINANCE CORPORATION
("BCFC")**

WHEREAS BCFC is a party to proceedings under the *Companies' Creditors Arrangement Act* (the "CCAA") pending before the Superior Court of Quebec pursuant to which certain CCAA Charges were created as described in the Initial Order of the Quebec Superior Court in said CCAA proceedings dated April 17, 2009;

AND WHEREAS the creditors of BCFC did not approve the Plan of Compromise and Arrangement proposed to them in the CCAA Proceedings;

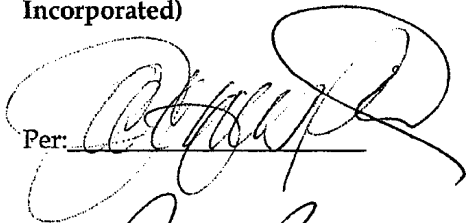
AND WHEREAS it is desirable to provide for the termination of the CCAA proceeding by determining what claims, if any, may be made under the CCAA Charges and to provide for the appointment of Green Hunt Wedlake Inc. as Trustee in Bankruptcy of BCFC;

RESOLVED THAT:

1. BCFC hereby authorizes the filing of a motion before the Quebec Superior Court to commence a claims process to determine the claims, if any, which may be made pursuant to the CCAA Charges as soon as reasonably practicable, such motion to be for the benefit of the beneficiaries of the CCAA Charges;
2. BCFC is hereby authorized to make an assignment in bankruptcy under the provisions of the *Bankruptcy and Insolvency Act* (Canada) (the "BIA") appointing Green Hunt Wedlake Inc. as trustee; and
3. Jacques Vachon is hereby authorized on behalf of BCFC to execute such documents as are necessary or desirable to give effect to this resolution including, without limiting the generality of the foregoing:
 - a. an Assignment for the General Benefit of Creditors pursuant to the provisions of the BIA;
 - b. a Preliminary Statement of Affairs pursuant to the provisions of the BIA;
 - c. a Motion for the Approval of a Claims Process, which motion, once filed, may be carried on and continued by counsel for the Petitioners in the CCAA proceedings on behalf of all beneficiaries of the CCAA Charges as provided in the Initial Order; and
 - d. Such further and other documents as he may deem reasonably necessary to give effect to the foregoing.

The foregoing resolution is hereby approved, pursuant to the *Companies Act* (Nova Scotia) and the Articles of Association of BCFC, by the signature of the sole shareholder of BCFC effective as of the 17 day of December, 2010.

**AbiBow US Inc. (formerly Bowater
Incorporated)**

Per: 

Per: Liane Rougeau

SUPERIOR COURT
Commercial Division
(Sitting as a court designated pursuant to the *Companies'*
Creditors Arrangement Act)

N° 500-11-036133-094

CANADA
PROVINCE OF QUEBEC
DISTRICT OF MONTRÉAL

IN THE MATTER OF PLAN OF COMPROMISE OR
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ABITIBIBOWATER INC. & *al.*
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- and -

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BS0350 n/dos.: 041053-1170

EXHIBIT R-1

COPY

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