

SUPERIOR COURT

**CANADA
PROVINCE OF QUEBEC
DISTRICT OF MONTRÉAL**

No: 500-11-036133-094

DATE: _____, 2011

PRESENT: THE HONOURABLE JUSTICE CLÉMENT GASCON, J.S.C.

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 PETITIONERS LISTED ON SCHEDULES “A”, “B” and “C”

Petitioners

and

ERNST & YOUNG INC.

Monitor

**SETTLEMENT APPROVAL ORDER IN RESPECT OF THE ABITIBI
US SERP SETTLEMENT AGREEMENTS**

- [1] **CONSIDERING** the Monitor’s Motion for an Order Approving the Abitibi US SERP Settlement Agreements dated October 17, 2011 (the “**Motion**”);
- [2] **CONSIDERING** the Seventy-Seventh Report of the Monitor dated October 17, 2011 (the “**Seventy-Seventh Report**”) and the recommendations of the Monitor contained therein;

[3] **CONSIDERING** the representations of the parties and the absence of any contestation by any other parties;

[4] **GIVEN** the provisions of the Companies' Creditors Arrangement Act ("**CCAA**");

FOR THESE REASONS, THE COURT:

[1] **GRANTS** the Motion;

[2] **ORDERS AND DECLARES** that the thirteen (13) Settlement Agreements, copies of which are attached hereto, en liasse, as Schedule D (the "**Settlement Agreements**") by and between the Petitioners (other than Bowater Canada Finance Corporation) (hereinafter collectively the "**Applicants**"), AbitibiBowater Inc., Bowater Inc., certain of their direct and indirect U.S. and Canadian subsidiaries (including Bowater Canadian Holdings Incorporated and Bowater Canadian Forest Products) (hereinafter collectively the "**U.S. Debtors**"), the Monitor, Avidity LLC (the post-effective date claims agent in the proceedings in the United States under Chapter 11 of the United States Bankruptcy Code (the "**U.S. Claims Agent**") and certain participants of the Abitibi U.S. SERP (as more fully described in the Seventy-Seventh Report) are hereby approved;

[3] **ORDERS AND DECLARES** that the execution and delivery by the Applicants and the Monitor of the Settlement Agreements, as well as all related documents and instruments executed or to be executed and delivered in connection therewith, are hereby ratified, authorized and approved, with such alterations, changes, amendments, deletions or additions thereto as may be agreed to by the Applicants and the Monitor;

[4] **ORDERS AND DECLARES** that this Order shall constitute the only authorization required by the Applicants and the Monitor, other than the corresponding approval of the Settlement Agreements by the United States Bankruptcy Court, to proceed with the settlement of the Abitibi U.S. SERP claims;

[5] **REQUESTS** the aid and recognition of any Court or administrative body in any Province of Canada and any Canadian Federal Court or administrative body and other nations and states to give effect to this Order and to assist the Parties and their respective agents in carrying out the terms of this Order and any other Order in these proceedings. All courts or administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Parties and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Parties in any foreign

proceedings and to assist the Parties and their respective agents in carrying out the terms of this Order and any other Order in these proceedings;

- [6] **ORDERS AND DECLARES** that the Parties shall be at liberty to apply for such further and other directions as may be necessary to carry out the terms of this Order;

THE WHOLE WITHOUT COSTS.

CLÉMENT GASCON, J.S.C.

THORNTONGROUTFINNIGAN LLP

FISHMAN FLANZ MELAND PAQUIN LLP
Attorneys for the Monitor