Court File No. 500-11-036133-094

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT (*CANADA)

AND IN THE MATTER OF A PLAN OF REORGANIZATION AND COMPROMISE

OF

ABITIBIBOWATER INC.,
AND CERTAIN OF ITS SUBSIDIARIES LISTED IN SCHEDULE "A" TO THE INFORMATION CIRCULAR DATED AUGUST 2, 2010

PLAN SUPPLEMENT 6.8(d)

TO THE PLAN OF REORGANIZATION AND COMPROMISE DATED AUGUST 2, 2010

UNDER THE *COMPANIES' CREDITORS ARRANGEMENT ACT* (CANADA),

SECTION 191 OF THE *CANADA BUSINESS CORPORATIONS ACT*,

AND SUCH OTHER SECTIONS AND LEGISLATION TO BE SET FORTH IN THE RESTRUCTURING TRANSACTIONS NOTICE TO BE DATED SEPTEMBER 3, 2010

September 3, 2010

<u>NOTICE OF FILING OF CCAA PLAN SUPPLEMENT 6.8(d)</u>

PLEASE TAKE NOTICE that, pursuant to the Plan of Reorganization and Compromise jointly filed by the Applicants pursuant to the provisions of the CCAA, Section 191 of the CBCA and such other legislation to be set forth in the Restructuring Transactions Notice (the "**CCAA Plan**") and as set forth in the Information Circular pertaining to a Plan of Reorganization and Compromise under the *Companies' Creditors Arrangement Act* (Canada), the *Canada Business Corporations Act* and such other legislation to be set forth in the Restructuring Transactions Notice involving AbitibiBowater Inc. and certain of its subsidiaries dated August 2, 2010 (the "**Circular**"), this CCAA Plan Supplement (the "**CCAA Plan Supplement 6.8(d)**") is to be posted on the Monitor's Website on or before the CCAA Plan Supplement Filing Date with notice of such posting to be provided to the Service List (as such CCAA Plan Supplement 6.8(d) may be thereafter modified, amended, varied or supplemented in accordance with the CCAA Plan). All capitalized terms not otherwise defined in this CCAA Plan Supplement 6.8(d) shall have the meanings ascribed to them in the Circular.

PLEASE TAKE FURTHER NOTICE that this CCAA Plan Supplement 6.8(d) supplements Section 6.8(d) of the CCAA Plan with the material terms of the executive severance policies for U.S. and Canadian executives assumed, as amended, by Reorganized ABH, attached hereto as Exhibit I.

PLEASE TAKE FURTHER NOTICE that you are advised and encouraged to read this CCAA Plan Supplement 6.8(d) and its Exhibit I in conjunction with the Circular, the CCAA Plan and the Creditors' Meeting Order.

PLEASE TAKE FURTHER NOTICE that a true and complete copy of the CCAA Plan Supplement 6.8(d) is attached hereto.

PLEASE TAKE FURTHER NOTICE that copies of the CCAA Plan Supplement 6.8(d) as well as the CCAA Plan and the Circular may be obtained from the Monitor's website at www.ey.com/ca/abitibibowater.

EXHIBIT I

EXECUTIVE SEVERANCE POLICIES

SEVERANCE POLICY FACT SHEET

Chief Executive Officer and Direct Reports

abitibi bowater

Purpose

Severance packages provide financial support to employees should the Company intiate termination of employment.

Eligibility

Chief Executive Officer and his direct reports (in Job Grades 43 and above).

Effective Date

This policy takes effect on emergence date.

Administrative guidelines

Employees will be informed of this policy in a face-to-face meeting and will be given a standard letter setting out the terms and conditions of the severance package.

Payout

Subject to the minimums and maximums below, the severance package will be based on the following criteria:

Severance – Six weeks of eligible pay per year of continuous service, with proportional allowance for completed months, up to a maximum of 104 weeks. For short service Executives, a minimum of 52 weeks will be offered.

Eligible pay – For severance purposes, eligible pay includes annual base salary and the average of the employee's last 2 paid bonuses (prorated in the case of bonus paid pursuant to the 2010 Short Term Incentive Plan), with a maximum of 125% of bonus target expressed in dollars.

Change in Control "Good Reason" trigger – For a period of 12 months following a Change in Control (acquisition of 50% or more of the Company's shares, appointment by a shareholder or a group of shareholders of 50% or more of the Board of Directors; sale, merger or other dispositions pertaining to assets which value equals 50% or more of the Company's market capitalization, or series of transaction having the same effect), the severance package is available in the event of voluntary termination for "good reason" (material adverse change in compensation or responsibility, required relocation or reduction of the protection offer pursuant to this policy). **The emergence of the Company from creditor protection will not constitute a change in control for the purpose of this policy.**

Other

Non-Compete Clause is included.

Reduction – The Company may not reduce the protection offered pursuant to this policy to the current executive officers for a period of two years.

Payment of severance upon signed waiver and release agreement – Subject to Company approval, the severance package may be paid as a lump-sum cash amount or in periodic payments where agreed, less any applicable statutory or Company deductions. In the case of persons subject to U.S. tax rules, the release agreement must be signed within 45 days of termination and the severance package will be paid in the form of a lump-sum only. Persons subject to U.S. tax rules shall be subject to additional rules in order to comply with the regulations under Section 409A of the Internal Revenue Code.

Full provisions described in Plan Text

Next page ▸

Other

Possible extension of salary continuance – Canadian employees aged between 53 and 55 on their last worked day may be granted a longer salary continuation period, allowing them to retire immediately following their 55th birthday.

Retiring allowance – Canadian employees hired before 1996 may make a tax-deferred transfer of a portion of the severance pay to a Registered Retirement Savings Plan, subject to the maximum defined by Revenue Canada tax rules.

Benefit Coverage – Upon election of a lump sum payment, all benefits and pension cease on the last day worked. Upon election of salary continuance, subject to usual cost-sharing arrangements, participation in group life insurance, medical, dental and pension plans, to the exception of disability plans, will continue to apply. Such coverage will continue until the earliest of:

- the last day of the calendar month during which the salary continuance ends;
- if the former employee is hired by another employer, the date the employee becomes eligible to group insurance coverage under the other employer; or
- the employee's date of retirement.

Short- and long-term disability plans cease on the last day of active employment.

Career Transition Counseling will be available.

August 2010