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 6.9(1)

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

NOTICE OF FILING OF CCAA PLAN SUPPLEMENT 6.9(1)

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 6.9(1)**") 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 6.9(1) 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 6.9(1) shall have the meanings ascribed to them in the Circular.

PLEASE TAKE FURTHER NOTICE that this CCAA Plan Supplement 6.9(1) supplements Section 6.9(1) of the CCAA Plan with (i) a list of the Applicants' existing pension plans, welfare benefit plans, severance policies and other employee-related plans and programs, including the Applicants' Canadian registered defined benefit and defined contribution plans, which will remain in effect, as amended, following the Implementation Date, and (i) a list of the plans and programs, including all of the Applicants' existing non-qualified and non-registered plans, which will be terminated or repudiated under this CCAA Plan and the U.S. Plan and, to the extent applicable, deemed rejected pursuant to Section 365 of the Bankruptcy Code, respectively attached hereto as Exhibit I and Exhibit II.

PLEASE TAKE FURTHER NOTICE that you are advised and encouraged to read this CCAA Plan Supplement 6.9(1) and its Exhibits I and II 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 6.9(1) is attached hereto.

PLEASE TAKE FURTHER NOTICE that copies of the CCAA Plan Supplement 6.9(1) as well as the CCAA Plan and the Circular may be obtained from the Monitor's website at www.ey.com/ca/abitibibowater.

<u>EXHIBIT I</u>

CONTINUED EMPLOYEE COMPENSATION AND BENEFIT PROGRAMS

I. Pension Plans

Upon the occurrence of the Implementation Date, Bowater Incorporated, and Abitibi-Consolidated Sales Corporation (collectively, the "**U.S. Plan Sponsors**" and as reorganized under the U.S. Plan, the "**Reorganized U.S. Plan Sponsors**") shall continue the U.S. Pension Plans, including meeting the minimum funding standards under ERISA and the Internal Revenue Code, paying all PBGC insurance premiums, and administering and operating the U.S. Pension Plans in accordance with their terms and ERISA. Nothing in the U.S. Plan or CCAA Plan shall be deemed to discharge, release, or relieve the U.S. Debtors, the Applicants, the Reorganized Debtors[1], any member of the U.S. Debtors' controlled groups (as defined in 29 U.S.C. § 1301(a)(14)) or any other party, in any capacity, from any current or future liability with respect to the U.S. Pension Plans, and PBGC and the U.S. Pension Plans shall not be enjoined or precluded from enforcing such liability as a result of the U.S. Plan and the CCAA Plan's provisions or confirmation of the U.S. Plan or the CCAA Plan. After the Implementation Date, the Reorganized U.S. Plan Sponsors shall have the authority to terminate, amend or freeze the U.S. Pension Plans in accordance with the terms of the U.S. Pension Plans, ERISA and the Internal Revenue Code. The U.S. Pension Plans are:

- AbitibiBowater Inc. Pension Plan
- AbitibiBowater Inc. Retirement Plan
- Abitibi Consolidated US Pension Plan for Certain Hourly-Paid Employees
- Abitibi Consolidated U.S. Retirement Plan.

In addition, as of the Implementation Date, the Reorganized Debtors shall honor, assume and reinstate, in the ordinary course of business, all of the Company's existing U.S. qualified defined contribution plans and Canadian registered defined benefit and defined contribution plans.

II. Other Continued Employee-related Plans and Programs

Unless otherwise set forth in the U.S. Plan, the CCAA Plan, in CCAA Plan Supplements 6.8(a), 6.8(b), 6.8(d), 6.9(1) or 6.9(2) or in U.S. Plan Supplements 6A, 6B, 7A or 7B, as of the Implementation Date, the Reorganized Debtors shall honor, in the ordinary course of business, the U.S. Debtors and the Applicants' existing employee benefit programs, each as may be amended from time to time in the Reorganized Debtors' sole discretion, including but not limited to, the U.S Debtors and the Applicants' existing health and welfare benefits, ordinary course perquisites, vacation policies, education reimbursement policies and fitness programs. A summary of the U.S. Debtors ant the Applicants' U.S. and Canadian continued severance policies for non-senior executive employees is attached as <u>Schedules 1 and 2</u> hereto. As of the Implementation Date, the Reorganized Debtors will continue to honor, assume and reinstate, in

[1] "**Reorganized Debtors**" shall have the meaning ascribed to such term in each of the CCAA Plan and the U.S. Plan.

the ordinary course of business, any incentive and recognition plan entered into or established post-petition, and will continue to honor, assume and reinstate, in the ordinary course of business, any employment agreements entered into post-petition, as well as the temporary work assignment terms and conditions for Robert Cook, Darryl Lambert and Sylvain-Yves Longval.

<u>SCHEDULE 1</u>

Summary of U.S. Severance Policy
(Job Grade 32 and Below)

SEVERANCE GUIDELINES (U.S.A.) FACT SHEET

Job Grade 32 and below

abitibi bowater

Purpose

Provide financial support to employees in case of employment termination initiated by the Company.

Eligibility

All U.S. active regular, full-time salaried employees of a participating employer whose employment is involuntarily terminated by the Company for lack of work, restructuring of work or reduction in workforce.

Implementation

October 14, 2010 or on emergence date.

Administrative Guidelines

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

Payout

The Program pays base severance pay on account of a covered termination of employment. You may also be eligible for supplemental severance pay under the Program. Subject to the minimums and maximums below, the severance package will be based on the following criteria:

Base Severance Pay – Two weeks of pay.

Supplemental Severance Pay – Upon providing the Company with a signed Waiver and Release Agreement, you will also be eligible to receive supplemental severance pay and supplemental severance benefits.

The supplemental severance pay is additional weeks of pay, computed at one week for each completed year of service plus one week for each year of completed service greater than 15, with a minimum of one week and a maximum of 52 weeks. The supplemental severance pay would be in addition to the base severance pay.

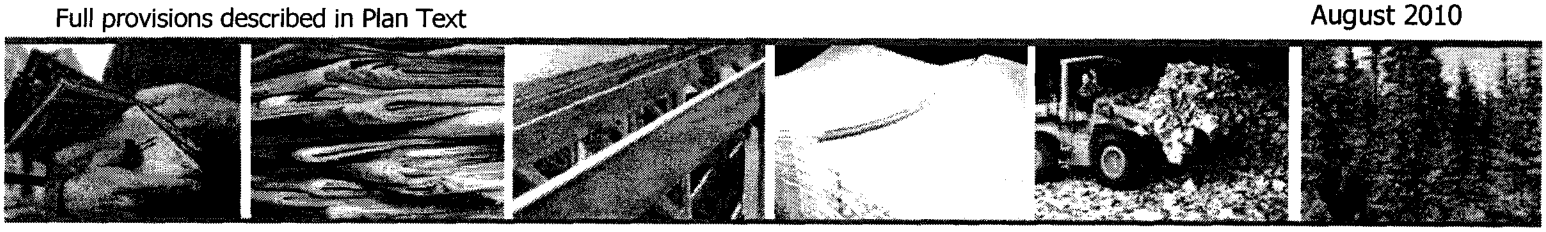
Eligible pay for severance purposes is defined as annual base pay.

Other

Payment of Severance upon signed waiver and release agreement – Subject to Company approval, the severance package will be paid as a lump-sum cash amount only, per U.S. tax rules, less any applicable statutory or Company deductions.

Benefit Coverage – Upon termination of employment, an employee's benefits will be terminated as of the last day of the calendar month in which the termination occurs (the "Benefit Termination Date"). After the Benefit Termination Date, the employee is entitled to continue his or her medical and dental coverage as required by law under the Consolidated Omnibus Budget Reconciliation Act (COBRA). To continue medical and dental coverage after the Benefit Termination Date, the employee will be required to make an election to continue medical and dental coverage and pay the applicable premiums. Employees who continue COBRA coverage will be obligated to pay the full cost of the coverage, plus a two percent (2%) administrative charge.

Career Transition Counseling will be available.



SCHEDULE 2

Summary of Canadian Severance Policy
(Job Grade 32 and Below)

SEVERANCE GUIDELINES (CANADA) FACT SHEET

Job Grade 32 and below

Purpose

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

Eligibility

All non-unionized, regular, full-time Canadian employees of the Company in Job Grades 32 and below, and all non-union hourly-paid employees, are eligible for severance packages.

Effective Date

These severance guidelines take effect on October 14, 2010, or on the date of emergence.

Payout

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

Hourly-paid non-union positions and positions in job grade 20 and below – A fixed component of 4 weeks, plus a variable component of 2 weeks of base pay per year of continuous service, with proportional allowance for completed months, up to a combined maximum of 52 weeks. For short service employees, a minimum of 8 weeks will be offered.

Job grades 21 to 27 inclusive – 3 weeks of base pay per year of continuous service, with proportional allowance for completed months, up to a maximum of 65 weeks. For short service employees, a minimum of 17 weeks will be offered.

Job grades 28 to 32 inclusive – 4 weeks of base pay per year of continuous service, with proportional allowance for completed months, up to a maximum of 78 weeks. For short service employees, a minimum of 26 weeks will be offered.

Eligible pay – For severance purposes, eligible pay is defined as annual base pay.

Other

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.

Possible extension of salary continuance – 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 – 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.

Full provisions described in Plan Text

Next page ▸

SEVERANCE GUIDELINES (CANADA) FACT SHEET

Job Grade 32 and below

Other

Benefit Coverage – Upon election of a lump-sum severance payment, participation in all benefits and pension plans ends 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 will continue. 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 during salary continuance period, the date the employee becomes eligible for 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

EXHIBIT II

TERMINATED PLANS RETIREMENT PLANS AND TERMINATED EMPLOYEE PLANS

I. Terminated Retirement Plans

The Terminated Retirement Plans include the following:

Plans sponsored by AbitibiBowater Inc. and/or Bowater Incorporated or a predecessor company thereof (United States)	
Name of Plan	**Plan Sponsor(s)**
Bowater Incorporated Retirement Plan for Outside Directors ("**Bowater Directors**")	Bowater Incorporated
Supplemental Benefit Plan for Designated Employees of Bowater Incorporated and Affiliated Companies ("**Bowater SERP**")	Bowater Incorporated
Bowater Incorporated Benefits Equalization Plan ("**Bowater Equalization**")	Bowater Incorporated
Abitibi Consolidated US Supplemental Executive Retirement Plan (SERP) ("**Abitibi SERP**")	AbitibiBowater Inc. and its Affiliates
Abitibi Building Products Group	Abitibi Consolidated Sales Corporation
AbitibiBowater Inc. Supplemental Retirement Savings Plan ("**DC SERP**")	The employer of each participant
Bowater Incorporated Compensatory Benefits Plan	AbitibiBowater Inc. and Bowater Incorporated
AbitibiBowater Inc. Outside Directors Deferred Compensation Plan	AbitibiBowater Inc.

Plans sponsored by Bowater Incorporated or a predecessor company (Cross-Border Debtors)	
Name of Plan	**Plan Sponsor(s)**
Senior Executive Retirement Plan (SERP) of Bowater Canadian Forest Products Inc. ("**BCFPI Senior SERP**")	Bowater Canadian Forest Products Inc.
Supplemental Retirement Benefit Plan for Grade 28 and over Employees of Bowater Canadian Forest Products Inc. ("**BCFPI SERP 28+**")	Bowater Canadian Forest Products Inc.
Supplemental Retirement Benefit Plan for Grade 27 and under Employees of Bowater Canadian Forest Products Inc. ("**BCFPI SERP 27-**")	Bowater Canadian Forest Products Inc.
Régime complémentaire de retraite relatif aux participants du Régime de retraite des salariés non syndiqués (1995) de Bowater Produits forestiers du Canada Inc. (the "**Alliance SERP**")	Bowater Canadian Forest Products Inc.
Supplemental Defined Contribution Benefit Plan (2003) for Employees of Bowater Canadian Forest Products Inc. and Bowater Mersey Paper Company Limited ("**BCFPI DC SERP 2003**")	Bowater Canadian Forest Products Inc.
Unfunded Survivor Income Benefits ("**SIB**")	Bowater Canadian Forest Products Inc.

Plans sponsored by Bowater Incorporated or a predecessor company (Cross-Border Debtors)	
Name of Plan	**Plan Sponsor(s)**
Other unfunded arrangements (union and non union special pensions) ("**Other BCFPI U**" and "**Other BCFPI NU**") (pensions in payment only)	Bowater Canadian Forest Products Inc.
Various letters of engagement of Bowater Canadian Forest Products Inc. regarding payout of excess flexible contributions	Bowater Canadian Forest Products Inc.
Supplemental Defined Benefit Plan (2003) for Employees of Bowater Canadian Forest Products Inc. and Bowater Mersey Company Limited ("**BCFPI SERP 2003**")	Bowater Canadian Forest Products Inc.
Régime de conversion industriel prévu à la convention collective (Donnaconna, CSN Conventions collectives de 1984 à 2005) (ERIP)	Bowater Canadian Forest Products Inc.
Régime de conversion industriel de Domtar (Dolbeau, SCEP Local 85 et 252) (ERIP)	Bowater Canadian Forest Products Inc.
Bridging Supplement (Thunder Bay Woods, Collective Agreement Local 1-2693, September 1, 2005 to November 30, 2009) (ERIP)	Bowater Canadian Forest Products Inc.

Plans sponsored by Abitibi-Consolidated Inc. or a predecessor company (Canada)	
Name of Plan	**Plan Sponsor**
Canadian Supplemental Executive Retirement Plan (SERP) for Executive Employees of Abitibi-Consolidated Inc. (the "**ACI DB SERP**")	Abitibi-Consolidated Inc. and AbitibiBowater Inc.
Canadian Defined Contribution Retirement Program for Executive Employees of AbitibiBowater (the "**ABH DC SERP**")	Abitibi-Consolidated Inc. and AbitibiBowater Inc.
Management Supplementary Benefit Agreements (the "**MSBAs**")	Abitibi-Consolidated Inc.
Senior Management Retirement Plan of Stone-Consolidated (the "**SMRP**")	Abitibi-Consolidated Inc.
Régime supplémentaire de retraite des cadres supérieurs désignés de Donohue Inc. (the "**Donohue SERP**")	Abitibi-Consolidated Inc. and AbitibiBowater Inc.
QUNO Corporation Supplemental Retirement Plan (the "**QUNO SERP**")[2]	Abitibi-Consolidated Inc. and Abitibi Consolidated Company of Canada
Supplemental Plan for Expatriate Employees of Abitibi-Consolidated Inc. (the "**SPEE**")	Abitibi-Consolidated Inc.
Supplemental Retirement Plan for Senior Executives of Finlay Forest Industries Inc. (the "**FF SERP**")	Abitibi-Consolidated Inc.
Other unfunded arrangements (union and non union ad hoc benefits and union and non union special pensions) ("**Other ACI U**" and "**Other ACI NU**") (pensions in payment only)	Abitibi-Consolidated Company of Canada
Early Retirement Incentive Plan (Grand Falls, Memorandum of	Abitibi-Consolidated

[2] This plan was terminated effective December 2009, pursuant to and in accordance with the CCAA.

Plans sponsored by Abitibi-Consolidated Inc. or a predecessor company (Canada)	
Name of Plan	**Plan Sponsor**
Understanding CEP Local 60N- 1999 to 2003) (ERIP)	Company of Canada
Re-organization & Manning of paper loading crews (Grand Falls, Effective as of January 1, 1989) (ERIP)	Abitibi-Consolidated Company of Canada
Retirement Agreements entered into between Abitibi-Consolidated Inc. and J.A. Tory, D. Ward and R. Drouin	Abitibi-Consolidated Inc.
Pension bridging provisions and Trigger Bonus (Mackenzie, Collective Bargaining Agreement and the Codification of Local Agreements SCEP Local 402, 2003 to 2008) (ERIP)	Abitibi-Consolidated Company of Canada
Letter of Understanding between CACC and Local 1-2995 (Iroiquois Falls Woods, USW, December 1, 2009 to November 30, 2012) (ERIP)	Abitibi-Consolidated Company of Canada
Redundancy Measures Program regarding Displaced Employees at IF Division (C.P.U. Locals 90 and 109, Effective June 1, 1982) (ERIP)	Abitibi-Consolidated Company of Canada

II. Terminated Employee Plans (other than Terminated Retirement Plans)

The Terminated Employee Plans include:

Terminated Employee Plans	
1.	Annual Incentive Plan – 2008
2.	Group Incentive Plan – 2008
3.	Sales Incentive Plan - 2008 - Lumber Group
4.	Sales Incentive Plan - 2008 – Recycling
5.	Sales Incentive Plan - 2009 – Recycling
6.	2008 Equity Incentive Plan and all agreements or arrangements granting awards thereunder
7.	Restricted Share Unit Plan and all agreements or arrangements granting awards thereunder
8.	Executive Deferred Share Unit Plan and all agreements or arrangements granting awards thereunder
9.	Ownership Guidelines - March 25, 2008
10.	Deferred Stock Unit Plan - Non-Employee Director and all agreements or arrangements granting awards thereunder
11.	Amended and Restated Bowater Incorporated Benefit Plan Grantor Trust, Effective as of June 6, 2000 with Wachovia Bank, N.A.
12.	Amended and Restated Bowater Incorporated Outside Directors Benefit Plan Grantor Trust, Effective as of June 6, 2000.
13.	Amended and Restated Bowater Incorporated Executive Severance Grantor Trust, Effective as of June 6, 2000
14.	Supplementary Executive Retirement Compensation Arrangement Trust Agreement, dated April 23, 2004, with Fiducie Desjardins Inc.
15.	Trust Agreement dated November 1st, 2005 with Fiducie Desjardins Inc.

Terminated Employee Plans	
16.	Retirement Compensation Arrangement Trust Agreement with Royal Trust Corporation of Canada, dated as of June 1st, 2005.
17.	Retirement Compensation Arrangement Trust Agreement with CIBC Mellon Trust, dated as of March 20, 2009, effective January 2, 2009.
18.	Retirement Compensation Arrangement Trust Agreement with Montreal Trust Company of Canada, dated as of August 16, 1996
19.	Six Ententes particulières de retraite with C.-A. Poissant, M. Desbiens, V. Camiré, L.-G. Gagnon, C. Hélie and Louis-Marie Bouchard[3]

[3] These plans were terminated effective January 2010, pursuant to and in accordance with the CCAA.