

SUPERIOR COURT

CANADA
PROVINCE OF QUEBEC
DISTRICT OF MONTREAL

No: 500-11-036133-094

DATE: MARCH 9, 2010

PRESENT: THE HONOURABLE MR. 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"

Debtors

And

ERNST & YOUNG INC.

Monitor

**JUDGMENT ON MOTION AUTHORIZING THE PETITIONERS TO CONSULT
WITH COMMITTEES OF THEIR STAKEHOLDERS (#432)**

[1] **CONSIDERING** the *Motion for an Order Authorizing the Petitioners to Consult with Committees of their Stakeholders* (the "**Motion**"), pursuant to which the Petitioners are seeking to create a framework to permit ad hoc committees of their stakeholders who are unrepresented in the present CCAA proceedings to engage in non-binding

discussions and to generally serve the useful role of sounding board in regard to the restructuring;

[2] **CONSIDERING** the importance for the Petitioners to have counterparts with whom to review proposals and solicit feedback, so as to facilitate a successful emergence from these CCAA proceedings;

[3] **CONSIDERING** the flexibility required in the conduct of any restructuring under the CCAA and the inherent jurisdiction of the Court to deal efficiently with the process, in order to favor a positive outcome for the benefit of all stakeholders;

[4] **CONSIDERING** the representations of the parties, the support of the Monitor and the absence of contestation by anyone;

[5] **CONSIDERING**, however, that even though the Court understands the concerns raised by some prospective members of these committees for their personal liability and potential exposure, it remains that it is exceptional for any judge to either restrict the courts' access or exclude any potential liability in advance;

[6] **CONSIDERING** that, from that standpoint, some wording of the Order sought, notably that of conclusion [8], is too broad and must be reviewed;

[7] **CONSIDERING** the responsibility of the Court to strike a proper balance between, on the one hand, the need to allow the unrepresented stakeholders to have a voice in a process that directly affects them, and on the other hand, the fundamental right of any person to courts' access, which should not be unduly restricted save for exceptional and limited circumstances;

[8] **CONSIDERING** that, as a result, the protections sought in the conclusions of the Motion must be limited solely to the steps to be taken by the committees or their representatives in their advisory and consultative role, nothing more;

[9] **CONSIDERING** that it is appropriate to review the wording of the Order sought so as to put strict limits to the extent of the protections the Court could grant under the circumstances;

FOR THESE REASONS, THE COURT:

[1] **GRANTS** the Motion;

[2] **EXEMPTS**, if applicable, the Petitioners from having to serve this Motion and from any notice or delay of presentation;

[3] **AUTHORIZES** the formation of ad hoc committees of stakeholders (the "**Consultative Committees**") by:

- a) any and all groups of non-unionized employees, former non-unionized employees and pensioners who were non-unionized while employed by the Petitioners;
- b) who are affected by the restructuring efforts undertaken by the Petitioners; and
- c) who remain, on the date of this Order, unrepresented in the present CCAA proceedings (the "**Affected Stakeholders**");

[4] **AUTHORIZES** the Consultative Committees to appoint lead representatives (the "**Lead Representatives**") charged with coordinating the tasks of consulting and representing their committee, as well as participating in discussions with, and formulating non-binding suggestions, to the Petitioners;

[5] **DECLARES** that the members of the Consultative Committees and their Lead Representatives, if any, shall act in an advisory and consultative role only, and that they shall have neither authority to bind any Affected Stakeholder of the Petitioners, nor responsibility to any Affected Stakeholder of the Petitioners, except as may explicitly be agreed upon in writing between such stakeholders of the Petitioners and members of the Consultative Committees, or as may be prospectively authorized by further Order of this Court on a properly constituted motion;

[6] **AUTHORIZES** the Petitioners to consult with the Lead Representatives of the Consultative Committees, it being understood that said committees shall be formed for advisory and consultative purposes only, and that the Petitioners shall incur no further liability or obligation as a result of their formation;

[7] **AUTHORIZES** the Consultative Committees to hire legal counsel if they so choose and to make representations before this Court, it being understood that such representations shall bind no Affected Stakeholder except such members of the Consultative Committee or other Affected Stakeholders of the Petitioners who have expressly agreed in writing to be so bound, and further **DECLARES** that the expenses of such counsel or other experts that may be engaged by the Consultative Committees shall be for the account of only those members who explicitly agree in writing to retain them, unless other arrangements are agreed upon in writing with the Petitioners and approved by the Monitor;

[8] **DECLARES** that the Consultative Committees members, including the Lead Representatives, shall incur no liability or obligation whatsoever as a result of the advisory and consultative role assumed in accordance with the terms of this Order, and further **ORDERS** that no action or other proceedings shall be commenced against any Consultative Committee member relating to:

- a) his/her appointment as Lead Representative; and/or

- b) his/her conduct as Consultative Committee member or Lead Representative in regard to the advisory and consultative role assumed in accordance with the terms of this Order;

except with prior leave of this Court, on at least seven (7) days notice to the Consultative Committee member concerned, the Monitor and the Monitor's counsel;

[9] **WITHOUT COSTS.**


CLÉMENT GASCON, J.S.C. J.S.C.

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Date of hearing: February 23, 2010

APPENDIX "A"

ABITIBI PETITIONERS

1. Abitibi-Consolidated Company of Canada
2. Abitibi-Consolidated Inc.
3. 3224112 Nova Scotia Limited
4. Marketing Donohue Inc.
5. Abitibi-Consolidated Canadian Office Products Holding Inc.
6. 3834328 Canada Inc.
7. 6169678 Canada Inc.
8. 4042140 Canada Inc.
9. Donohue Recycling Inc.
10. 1508756 Ontario Inc.
11. 3217925 Nova Scotia Company
12. La Tuque Forest Products Inc.
13. Abitibi-Consolidated Nova Scotia Incorporated
14. Saguenay Forest Products Inc.
15. Terra Nova Explorations Ltd.
16. The Jonquière Pulp Company
17. The International Bridge and Terminal Company
18. Scramble Mining Ltd.
19. 9150-3383 Québec Inc.
20. Abitibi-Consolidated (U.K.) Inc.

APPENDIX "B"

BOWATER PETITIONERS

1. Bowater Canada Finance Corporation
2. Bowater Canadian Limited
3. Bowater Canadian Holdings. Inc.
4. 3231378 Nova Scotia Company
5. AbitibiBowater Canada Inc.
6. Bowater Canada Treasury Corporation
7. Bowater Canadian Forest Products Inc.
8. Bowater Shelburne Corporation
9. Bowater LaHave Corporation
10. St-Maurice River Drive Company Limited
11. Bowater Treated Wood Inc.
12. Canoxel Hardboard Inc.
13. 9068-9050 Québec Inc.
14. Alliance Forest Products Inc. (2001)
15. Bowater Belledune Sawmill Inc.
16. Bowater Maritimes Inc.
17. Bowater Mitis Inc.
18. Bowater Guérette Inc.
19. Bowater Couturier Inc.

APPENDIX "C"

18.6 PETITIONERS

20. AbitibiBowater US Holding 1 Corp.
21. AbitibiBowater Inc.
22. Bowater Ventures Inc.
23. Bowater Incorporated
24. Bowater Nuway Inc.
25. Bowater Nuway Mid-States Inc.
26. Catawba Property Holdings LLC
27. Bowater Finance Company Inc.
28. Bowater South American Holdings Incorporated
29. Bowater America Inc.
30. Lake Superior Forest Products Inc.
31. Bowater Newsprint South LLC
32. Bowater Newsprint South Operations LLC
33. Bowater Finance II, LLC
34. Bowater Alabama LLC
35. Coosa Pines Golf Club Holdings, LLC
