

SUPERIOR COURT

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

No. : 500-11-036133-094

DATE: November 19, 2010

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

IN THE MATTER OF 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

and

THE ROYAL TRUST COMPANY

Mise en cause

**ORDER APPROVING THE MOTION TO DECLARE THE TERMINATION
OF A TRUST AND TO ORDER THE LIQUIDATION OF THE TRUST
PROPERTY AND THE DISTRIBUTION OF THE PROCEEDS (# 825)**

- [1] **CONSIDERING** *Petitioners' Motion to Declare the Termination of a Trust and to Order the Liquidation of the Trust Property and the Distribution of the Proceeds (the "Motion")*.
- [2] **CONSIDERING** the representations of the parties;

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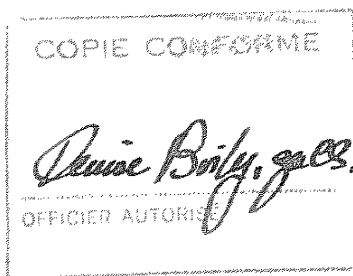
[3] **GIVEN** the provisions of the *Companies' Creditors Arrangement Act* ("CCAA");

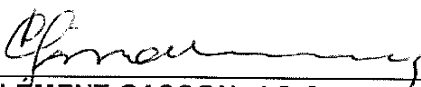
FOR THESE REASONS, THE COURT:

- [1] **GRANTS** this *Motion to Declare the Termination of a Trust and to Order the Liquidation of the Trust Property and the Distribution of the Proceeds* (the "**Motion**").
- [2] **DECLARES** that the service of the Motion by registered mail or mail to the members of the SERPs who are not represented by attorneys is valid.
- [3] **EXEMPTS**, if applicable, the Petitioners from any further service of the Motion and from any further notice or delay of presentation.
- [4] **DECLARES** that the judgment to be rendered by this Court is binding on all members of the SERPs.
- [4.1] **ORDERS** that the full version of the Mercer report of October 7, 2010 (Exhibit R-5), including page 9 thereof, be kept confidential and under seal in the Court record (the "**Mercer Report**").
- [5] **ORDERS** that, with respect to the Petitioners and for the purpose of the Plan, the Trust Agreement will be terminated effective on the Implementation Date and that, thereafter, the Petitioners will have no obligations, duties and liabilities in respect of the trust created by the Trust Agreement and the Trust Agreement.
- [6] **ORDERS** that, with respect to the members of the SERPs, the trust created by the Trust Agreement will only be terminated effective on the later of the Implementation Date or the date that all trust assets, including the refundable tax, have been distributed to the members of the SERPs in accordance with the Mercer Report.
- [7] **ORDERS** Royal Trust to cease making monthly payments to the members of the SERPs in accordance with the Interim Judgment after the December 1, 2010 payment.
- [8] **ORDERS** Royal Trust to liquidate the trust funds that it holds and to proceed to obtain, in accordance with the relevant provisions of the ITA, the reimbursement of the refundable tax from the Canada Revenue Agency.
- [9] **ORDERS** Royal Trust to distribute to the members of the SERPs the trust funds that it holds forthwith and the trust funds that are subsequently received from the Canada Revenue Agency forthwith after receipt in accordance with the percentages set out in the Mercer Report.
- [10] **AUTHORIZES** Royal Trust to pay its fees and the disbursements it has incurred including the fees of its attorneys, from the trust funds that it holds or that it receives from the Canada Revenue Agency prior to any distribution and to keep a reasonable reserve prior to the final distribution for its fees and the disbursements to be incurred.

DB

- [11] **ORDERS** Royal Trust to provide to the members of the SERPs a summary of the total value of the assets of the trust funds, of the accumulated interest and of the expenses deducted from the trust funds, such summary to be sent along with the tax forms which Royal Trust will send to the members of the SERPs following the receipt of the refundable tax from the Canada Revenue Agency.
- [12] **ORDERS** BCFPI to provide Royal Trust all information and instructions that Royal Trust may require in order to liquidate the trust and distribute the trust funds in accordance with the Mercer Report, until all trust assets, including the refundable tax, have been distributed to the members of the SERPs.
- [13] **THE WHOLE, WITHOUT COSTS.**




CLEMENT GASCON, J.S.C. J.S.C.

SCHEDULE "A"
ABITIBI PETITIONERS

1. ABITIBI-CONSOLIDATED INC.
2. ABITIBI-CONSOLIDATED COMPANY OF CANADA
3. 3224112 NOVA SCOTIA LIMITED
4. MARKETING DONOHUE INC.
5. ABITIBI-CONSOLIDATED CANADIAN OFFICE PRODUCTS HOLDINGS 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 JONQUIERE PULP COMPANY
17. THE INTERNATIONAL BRIDGE AND TERMINAL COMPANY,
18. SCRAMBLE MINING LTD.
19. 9150-3383 QUÉBEC INC.
20. ABITIBI-CONSOLIDATED (U.K.) INC.

SCHEDULE "B"
BOWATER PETITIONERS

1. BOWATER CANADIAN HOLDINGS INC.
2. BOWATER CANADA FINANCE CORPORATION
3. BOWATER CANADIAN LIMITED
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. CANEXEL HARDBOARD INC.
13. 9068-9050 QUÉBEC INC.
14. ALLIANCE FOREST PRODUCTS (2001) INC.
15. BOWATER BELLEDUNE SAWMILL INC.
16. BOWATER MARITIMES INC.
17. BOWATER MITIS INC.
18. BOWATER GUÉRETTE INC.
19. BOWATER COUTURIER INC.

SCHEDULE "C"
18.6 CCAA PETITIONERS

1. ABITIBIBOWATER INC.
2. ABITIBIBOWATER US HOLDING 1 CORP.
3. BOWATER VENTURES INC.
4. BOWATER INCORPORATED
5. BOWATER NUWAY INC.
6. BOWATER NUWAY MID-STATES INC.
7. CATAWBA PROPERTY HOLDINGS LLC
8. BOWATER FINANCE COMPANY INC.
9. BOWATER SOUTH AMERICAN HOLDINGS INCORPORATED
10. BOWATER AMERICA INC.
11. LAKE SUPERIOR FOREST PRODUCTS INC.
12. BOWATER NEWSPRINT SOUTH LLC
13. BOWATER NEWSPRINT SOUTH OPERATIONS LLC
14. BOWATER FINANCE II, LLC
15. BOWATER ALABAMA LLC
16. COOSA PINES GOLF CLUB HOLDINGS LLC