

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

BETWEEN:

QUEBECOR WORLD INC.

Plaintiff (Defendant by Counterclaim)

- and -

CRC INFORMATION SYSTEMS, INC.

Defendant (Plaintiff by Counterclaim)

**MINUTES OF SETTLEMENT**

THE PARTIES HERETO agree to settle all claims and counterclaim in the above noted action (the "**Ontario Action**") and also in the action brought in the United States District Court, District of Arizona by CRC against QWUSA, Case No. CIV 03-0591-PHX-JWS (the "**Arizona Action**") (collectively, the "**Actions**") on the following terms:

1. Quebecor World Inc. ("**QWI**") will, in accordance with the payment schedule set forth in Schedule "A" hereto, cause to be paid to CRC Information Systems, Inc. ("**CRC**") the total sum of ONE MILLION SIX HUNDRED THOUSAND U.S. DOLLARS (\$1,600,000 (U.S.D.)) (the "**Sum**"), in full settlement of all claims raised or which could have been raised in the Actions by CRC (including any claim for interest and costs) or otherwise relating to past use of CRC software (the "**Software**") by QWI, Quebecor World (U.S.A.) Inc. ("**QWUSA**"), Grafikom Limited Partnership or Grafikom General Partners Inc. or any of their respective subsidiaries, affiliates or other person or entity directly or indirectly related thereto, and further in consideration for such rights and privileges granted to them under these Minutes of Settlement. The payment of the Sum and the entering into of these Minutes of Settlement shall not be deemed to be and is not an admission of liability on the part of QWI, QWUSA or any other person or entity and any and all liability is denied.

2. Upon execution of these Minutes of Settlement, QWI and CRC shall use their best efforts to obtain from the Ontario Superior Court of Justice an order striking the Ontario Action from the current trial list. CRC acknowledges and agrees that it shall not seek or otherwise support a lifting of the stay of the Arizona Action on the basis of the adjournment of the trial of the Ontario Action and it being struck from the trial list, and CRC is hereby estopped from doing so.
3. QWI, QWUSA and CRC shall execute releases in the form attached as Schedules "B" and "C" hereto (the "Releases"). QWI, QWUSA and CRC acknowledge and agree that, subject to paragraph 6 hereto, the Releases are not intended to release any unknown future claim that a releasor thereunder may have against a released party. The executed Releases shall be provided to counsel for the respective Releasees to be held in escrow until the final instalment of the Sum is paid to CRC by QWI, upon which original executed copies of the Releases shall be released from escrow and delivered forthwith to each of QWI, QWUSA and CRC.
4. Upon payment of the final instalment of the Sum and delivery by QWI and QWUSA to CRC of an executed copy of the release provided for under paragraph 3 hereto in the form attached as Schedule "C", the Arizona Action shall be dismissed by stipulation, with prejudice and with each party to that proceeding bearing its own costs and fees. The parties to the Arizona Action shall take all necessary steps to file a stipulation and obtain an order of dismissal from the United States District Court, District of Arizona in relation to the Arizona Action issued and entered to that effect.
5. Upon an order being issued and entered by the United States District Court, District of Arizona dismissing the Arizona Action and upon delivery by CRC to QWI and QWUSA of an executed copy of the release provided for under paragraph 3 hereto in the form attached as Schedule "B", the parties to the Ontario Action shall take all necessary steps forthwith to obtain an order from the Ontario Superior Court of Justice issued and entered discontinuing, on consent and without costs, QWI's claim for declaratory relief in the Ontario Action and dismissing with prejudice, on consent and without costs, CRC's counterclaim in the Ontario Action.

6. CRC hereby acknowledges and agrees that QW Entities are hereby granted a non-exclusive, perpetual and enterprise-wide license to possess, access and use collectively three (3) copies of the CRC software (including any and all modifications thereto now in the possession of QWI) (the "Software") that is the subject matter of the Actions and an End-User License Agreement between CRC and QWI's corporate predecessor, BCE PubliTech Inc., dated April 18, 1986 attached hereto as Schedule "D" (the "License Agreement") for their own internal operations, including for production, testing and back-up purposes, at no further cost or fee, installed on any system: (i) owned or leased by any one QW Entity or (ii) of an unrelated third party entity hosting the Software for use by QW Entities only. For purposes of these Minutes of Settlement, **QW Entities** are defined to mean:

- (a) QWI;
- (b) QWUSA;
- (c) the corporate successors or assigns of QWI or QWUSA; and
- (d) any subsidiary or affiliated corporations of QWI or QWUSA, now existing or hereafter created, as those terms are defined in ss. 1(2) and 1(4) of the *Business Corporations Act*, R.S.O. 1990, c.B.16, or current or future direct or indirect related companies of QWI, QWUSA and their respective subsidiaries and affiliated corporations, including (without limitation of this subparagraph (d)) each of the entities set forth in Schedule "E" hereto, and the corporate successors or assigns that are directly or indirectly related to QWI or QWUSA of any and all of such entities set forth in this subparagraph (d). QWI and QWUSA hereby represent and warrant that all of the entities listed in Schedule "E" hereto meet the definition of QW Entities that is set out in this paragraph irrespective of their inclusion in Schedule "E".

7. If, and to the extent, not already provided for under the License Agreement, upon payment of the final instalment of the Sum and delivery by QWI and QWUSA to CRC of an executed copy of the release provided for under paragraph 3 hereto in the form attached as

Schedule "C", CRC hereby agrees that all past usage by QW Entities shall be deemed to have been in full compliance with the License Agreement and any and all necessary or additional authorization that may be required is hereby granted by CRC effective as of the date of the use.

8. In the event that, in connection with the sale, divestiture, or transfer of any QW Entity falling under the description set out in paragraph 6(d) hereto or any assets, division or part of a QW Entity to a third party, should the QW Entity desire that a third party that is not a QW Entity be licensed to, in any way, possess, access or use the Software (other than as already provided for under paragraph 6(ii) hereto), the QW Entity shall cause notice to be provided to CRC of the identity of the third party and to cause to be paid to CRC a license fee of SIXTY TWO THOUSAND FIVE HUNDRED U.S. DOLLARS (\$62,500 (U.S.D.)) (the "**Third Party License Fee**"). Upon receipt of the Third Party License Fee, CRC shall grant to such third party an additional, perpetual, non-exclusive license to use the Software and to possess and access an additional copy of the Software for use on the system of such third party or the system of another entity hosting the Software for such third party's use only, and further authorizes a QW Entity or other entity hosting the Software for use by QW Entities to possess, access and use the Software already installed in accordance with paragraph 6 hereto for the purpose of providing transitional services on the terms provided under the License Agreement, as may be modified by these Minutes of Settlement which should prevail in the event of any conflict with the License Agreement. Notice to CRC shall be deemed given if in writing and delivered by facsimile or by registered or certified mail to the following address:

CRC Information Systems, Inc.  
16100 North Greenway-Hayden Loop  
Scottsdale, Arizona 85260

Attention: Michael C. Bihlmeier  
Fax: (480) 443-3656

9. The future use of the Software by QW Entities shall continue to be governed by the terms of the License Agreement except insofar as the terms of the License Agreement conflict with the express provisions in these Minutes of Settlement, in which case these Minutes of

Settlement shall prevail and are deemed by the parties to the License Agreement to have amended the License Agreement as may be required in accordance with any and all requirements therein to effect such an amendment.

10. The terms of these Minutes of Settlement and the Releases provided for herein shall be kept confidential by the parties hereto and their legal and financial advisors and shall not be disclosed by any one of them to any third party, without the written permission of the parties hereto, except: (i) as may be required to effect any of the terms of these Minutes of Settlement or Releases; (ii) as may be necessary in connection with any sale, divestiture or transfer of any QW Entity or any assets, division or part of a QW Entity; or (iii) as may be required by law.

11. The parties have jointly drafted these Minutes of Settlement and schedules thereto and are entering into them freely, without coercion, and not in reliance upon representations or promises made by each to the other except for the representations and promises contained herein. Each party has been represented by counsel.

12. No supplement, modification or amendment to the Minutes of Settlement shall be valid or binding unless it is made in writing and signed by all the parties hereto.

13. The parties hereto agree to execute any and all other documentation necessary to effectuate the terms of these Minutes of Settlement including, but not limited to, any documents that may be required by the United States District Court, District of Arizona or the Ontario Superior Court of Justice to carry out paragraphs 2, 4 and 5 of these Minutes of Settlement.

IN WITNESS WHEREOF, the parties hereto have set their respective hands and seals as witnessed, where required, by the hands of their officers duly authorized in that regard, as of the 12<sup>th</sup> day of November, 2007.

**QUEBECOR WORLD INC., on its own  
behalf and as agent on behalf of the entities  
set forth in Schedule E hereto**

} Per: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
\_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

We have the authority to bind the corporation

} **QUEBECOR WORLD (U.S.A.) INC.**  
Per: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
I have the authority to bind the corporation

} **CRC INFORMATION SYSTEMS, INC.**  
Per: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
I have the authority to bind the corporation

SCHEDULE "A"

<i>Payment by cheque from Quebecor World Inc. to CRC Information Systems, Inc. (U.S.D.)</i>	<i>Payable on and to be delivered to Affleck Greene Orr LLP</i>
\$400,000	Upon delivery to Ogilvy Renault LLP of fully executed Minutes of Settlement and Releases
\$400,000	December 15, 2007
\$800,000	January 31, 2008

**SCHEDULE "B"**

**FULL AND FINAL RELEASE**

**IN CONSIDERATION** of the payment of TEN U.S. DOLLARS (\$10 U.S.D.) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, **CRC INFORMATION SYSTEMS, INC.** for and on behalf of itself and its affiliates, subsidiaries, predecessors, successors, assigns, related corporations (whether direct or indirect), officers, members, directors, employees, agents, servants, insurers, attorneys, heirs, executors, trustees, personal representatives, and all other representatives or persons claiming by, through or under them (hereinafter referred to as the "**Releasor**"), hereby fully, unconditionally, and forever releases, acquits, exonerates, and discharges **QUEBECOR WORLD INC., QUEBECOR WORLD (U.S.A.), INC., QUEBECOR PRINTING ST. PAUL INC., QUEBECOR WORLD RAI, INC., QUEBECOR PRINTING ST. CLOUD INC., QUEBECOR PRINTING PROVIDENCE INC., QUEBECOR PRINTING RICHMOND INC., THE EUSEY PRESS, INC., QUEBECOR PRINTING MT. MORRIS INC., QUEBECOR PRINTING ATGLEN INC., QUEBECOR PRINTING DICKSON INC., FEDERATED LITHOGRAPHERS-PRINTERS, INC., SEMLINE, INC., QUEBECOR PRINTING MEMPHIS INC., BOOK PRESS, INC., QUEBECOR PRINTING SAN JOSE INC., QUEBECOR PRINTING BUFFALO INC., QUEBECOR PRINTING ATLANTA INC., QUEBECOR PRINTING OLIVE BRANCH INC., QUEBECOR PRINTING LINCOLN INC., QUEBECOR PRINTING NEVADA INC., QUEBECOR PRINTING DALLAS INC., QUEBECOR WORLD GRAPHICA INC., QUEBECOR MERRILL CANADA INC., QUEBECOR WORLD HAZLETON INC., QUEBECOR WORLD LOVELAND INC., GRAFIKOM LIMITED PARTNERSHIP and GRAFIKOM GENERAL PARTNER INC.,** and their affiliates, subsidiaries or related corporations (whether direct or indirect), predecessors, successors, assigns, heirs, executors, trustees, attorneys, representatives, insurers and past, present and future shareholders, directors, officers, employees, servants and agents (hereinafter referred to collectively and individually as the "**Releasees**") of and from any and all claims, debts, liabilities, liens, charges, losses, demands, obligations, promises, profits, accountings, acts, agreements, representations, costs, expenses (including, without limitation, lawyers' fees and court costs),



damages, suits, actions, and causes of action (in law, equity or otherwise) whatsoever (collectively, "Cause of Action") which the Releasor ever had, now has or hereafter can or may have by reason of, arising from or related to:

(1) any matter, cause or thing whatsoever existing to the date hereof, know or unknown, including (without limitation of the foregoing):

(i) matters raised or which could have been raised in any of the following three actions:

(a) Ontario Superior Court of Justice at Toronto commenced on January 20, 2003 by Quebecor World Inc. against CRC Information Systems, Inc. bearing Court File Number 03-CV-242466CM3, including the counterclaim thereto;

(b) United States District Court, District of Arizona commenced on March 27, 2003 by CRC Information Systems, Inc. against Quebecor World (U.S.A.), Inc. bearing Case No. CIV 03-0591-PHX-JWS; and

(c) United States District Court, Central District of California commenced on October 4, 2002 by CRC Information Systems, Inc. against Quebecor World, Inc. bearing Case No. 02 7763 RSWL;

(ii) past usage of any of the software forming the subject matter of the above actions (the "Software"); or

(2) future usage of the Software by any of the Releasees in accordance with the terms of the End-User License Agreement between CRC Information Systems Inc. and QWI's corporate predecessor, BCE Publitech Inc. dated April 18, 1986 (the "License Agreement"), as modified by the Minutes of Settlement entered into between CRC Information Systems Inc. and Quebecor World Inc. and Quebecor

World USA Inc. dated as of October 30, 2007 (collectively and individually, the "Claims").

**THE PARTIES** acknowledge and agree that this release is not otherwise intended to release: (a) any unknown future Cause of Action that the Releasor may have against the Releasees; (b) any Cause of Action whatsoever the Releasor may have for the enforcement of court orders, settlements or releases in respect of or arising from the above noted actions; or (c) any rights or obligations under the Minutes of Settlement entered into between CRC Information Systems Inc. and Quebecor World Inc. and Quebecor World USA Inc. dated as of October 30, 2007.

**THE RELEASOR** hereby represents and warrants to each of the Releasees that it has not assigned any of the Claims herein to any other person or corporation and the Claims will not be assigned unless the assignee agrees to the terms of this Full and Final Release.

**THE RELEASOR** hereby further represents and warrants to each of the Releasees that it is the sole owner of the Software and that it has full and sole authority to license and to release any and all claims in respect of such Software.

**AND FOR THE SAID CONSIDERATION**, the Releasor hereby covenants and agrees not to make any claim or demand or to commence or continue any action or proceeding in connection with the matters released hereby against any person or corporation who or which might claim contribution, indemnity, declaratory relief, or any other relief whatsoever, statutory, contractual or otherwise, against the Releasees or any of them in relation to or arising from the Releasor's claim, demand, action or proceeding.

**IT IS AGREED AND UNDERSTOOD** that payment of the said consideration is no admission of liability on the part of the Releasees or any of them.

**THE PROVISIONS HEREOF** shall enure to the benefit of and be binding upon the respective successors and assigns of the Releasor and any and all of the Releasees.

IN WITNESS WHEREOF the Releasor has executed this Release this \_\_\_\_\_ day  
of November, 2007.

**CRC INFORMATION SYSTEMS, INC.**

Per: \_\_\_\_\_

Name:

Title:

I have the authority to bind the corporation

**SCHEDULE "C"**

**FULL AND FINAL RELEASE**

**IN CONSIDERATION** of the payment of TEN U.S. DOLLARS (\$10.00 U.S.D.) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, **QUEBECOR WORLD INC.** and **QUEBECOR WORLD (U.S.A.), INC.**, for and on behalf of themselves and their respective affiliates, subsidiaries, predecessors, successors, assigns, related corporations (whether direct or indirect and including Quebecor Printing St. Paul Inc., Quebecor World RAI, Inc., Quebecor Printing St. Cloud Inc., Quebecor Printing Providence Inc., Quebecor Printing Richmond Inc., The Eusey Press, Inc., Quebecor Printing Mt. Morris Inc., Quebecor Printing Atglen Inc., Quebecor Printing Dickson Inc., Federated Lithographers-Printers, Inc., Semline, Inc., Quebecor Printing Memphis Inc., Book Press, Inc., Quebecor Printing San Jose Inc., Quebecor Printing Buffalo Inc., Quebecor Printing Atlanta Inc., Quebecor Printing Olive Branch Inc., Quebecor Printing Lincoln Inc., Quebecor Printing Nevada Inc., Quebecor Printing Dallas Inc., Quebecor World Graphica Inc., Quebecor Merrill Canada Inc., Quebecor World Hazleton Inc., and Quebecor World Loveland Inc.), officers, members, directors, employees, agents, servants, insurers, attorneys, heirs, executors, trustees, personal representatives, and all other representatives or persons claiming by, through or under them (hereinafter referred to as the "**Releasor**"), hereby fully, unconditionally, and forever releases, acquits, exonerates, and discharges **CRC INFORMATION SYSTEMS, INC.** and its affiliate, subsidiaries or related corporations (whether direct or indirect), predecessors, successors, assigns, heirs, executors, trustees, attorneys, representatives, insurers and past, present and future shareholders, directors, officers, employees, servants and agents (hereinafter referred to collectively and individually as the "**Releasee**") of and from any and all claims, debts, liabilities, liens, charges, losses, demands, obligations, promises, profits, accountings, acts, agreements, representations, costs, expenses (including, without limitation, lawyers' fees and court costs), damages, suits, actions, and causes of action (in law, equity or otherwise) whatsoever (collectively, "Cause of Action") which the Releasor ever had, now has or hereafter can or may have by reason of, arising from or related to:

(1) any matter, cause or thing whatsoever existing to the date hereof, know or unknown, including (without limitation of the foregoing):

(i) matters raised or which could have been raised in any of the following three actions:

(a) Ontario Superior Court of Justice at Toronto commenced on January 20, 2003 by Quebecor World Inc. against CRC Information Systems, Inc. bearing Court File Number 03-CV-242466CM3, including the counterclaim thereto;

(b) United States District Court, District of Arizona commenced on March 27, 2003 by CRC Information Systems, Inc. against Quebecor World (U.S.A.), Inc. bearing Case No. CIV 03-0591-PHX-JWS; and

(c) United States District Court, Central District of California commenced on October 4, 2002 by CRC Information Systems, Inc. against Quebecor World, Inc. bearing Case No. 02 7763 RSWL;

(ii) past performance of any of the software forming the subject matter of the above actions (the "Software");

**THE RELEASEE** acknowledges and agrees that this release is not intended to release: (i) any unknown future Cause of Action that the Releasor may have against any of the Releasees; (ii) any and all past rights granted to the Releasor under Articles 2 and 6 and Section 12.5 of the End-User License Agreement made as of April 18, 1986 between CRC Information Systems, Inc. and BCE Publitech Inc. (the "License Agreement"); (iii) CRC Information Systems, Inc.'s warranty under Section 8.1 and defence and indemnification obligations under Section 8.2 of the License Agreement; (iv) any or any Cause of Action whatsoever the Releasor may have for the enforcement of court orders, settlements or releases in respect of or arising from the above noted actions; or (v) any rights or obligations

under the Minutes of Settlement entered into between CRC Information Systems Inc. and Quebecor World Inc. and Quebecor World (U.S.A.) Inc. dated as of October 30, 2007.

**THE RELEASOR** hereby represents and warrants to the Releasee that it has not assigned any claims released herein to any other person or corporation and that such claims will not be assigned unless the assignee agrees to the terms of this Full and Final Release.

**AND FOR THE SAID CONSIDERATION**, the Releasor hereby covenants and agrees not to make any claim or demand or to commence or continue any action or proceeding in connection with the matters released hereby against any person or corporation who or which might claim contribution, indemnity, declaratory relief, or any other relief whatsoever, statutory, contractual or otherwise, against the Releasees or any of them in relation to or arising from the Releasor's claim, demand, action or proceeding.

**IT IS AGREED AND UNDERSTOOD** that payment of the said consideration is no admission of liability on the part of the Releasee.

**THE PROVISIONS HEREOF** shall enure to the benefit of and be binding upon the respective successors and assigns of the Releasor and any and all of the Releasees.

**IN WITNESS WHEREOF** the Releasor has executed this Release this \_\_\_\_\_ day of November, 2007.

**QUEBECOR WORLD INC.**

Per: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

\_\_\_\_\_  
Name:

Title:

We have the authority to bind the corporation

**QUEBECOR WORLD (U.S.A.) INC.**

Per: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

I have the authority to bind the corporation

**SCHEDULE "D"**



END - USER LICENSE AGREEMENT

ARTICLE 1. PARTIES AND DEFINITIONS

Section 1.1 Parties to the Agreement

AGREEMENT, made as of this day of this 11  
day of April, 1982, between  
CRC Information Systems, Incorporated  
("CRC"), a U.S. corporation, with offices  
at 6167 28th Street SE; Grand Rapids,  
MI, 49506, and BCE PubliTech Inc., a  
Canadian corporation (hereinafter  
referred to as "BCEP"), with offices  
at 150 St. West, Suite 805, Toronto,  
Ontario, Canada M5S 2X9.

NOW, intending to be legally bound hereby, the parties mutually  
agree as follows:

Section 1.2

For purposes of this Agreement, following are defined terms:

1. The term "Licensed Program" shall mean a licensed information processing program or programs consisting of a series of instructions or statements which are machine readable.
2. The term "Licensed Materials" shall mean any materials related to the Licensed Program, including but not limited to documentation and including both object and source codes, and any CRC utilities which enable or facilitate the conversion of data, and provided for use in connection with the Licensed Program.
3. The term "Licensed Program and Materials" shall mean both the Licensed Program and Licensed Materials as defined above.
4. The term "enhancement" shall mean any program, any part thereof, or any materials not included in the Licensed Program and Materials at the time of execution of this Agreement that is related to the Licensed Program and Materials.
5. The term "use" shall include copying any portion of the Licensed Program or Materials into a computer for processing of the instructions or statements contained in the Licensed Program or Materials.

## ARTICLE 2. LICENSE GRANT

### Section 2.1 Grant of Licensed Programs and Materials

CRC hereby grants to BCEP, and BCEP hereby accepts, subject to the terms and conditions provided in this Agreement, a perpetual, non-exclusive and non-transferrable license to use the Licensed Programs and Materials described in Exhibit "A" annexed hereto. BCEP shall have the option of choosing whatever version of the Licensed Programs and Materials which BCEP, in its sole discretion, determines best fits its requirements.

### Section 2.2 Program Use

BCEP shall have the right to use the Licensed Program and Materials solely for its own internal operation. The Licensed Programs and Materials may be used on any one CPU controlled and used by BCEP in its business, may be adapted at no additional cost to a different make or model CPU, and may be used in communication with computers of BCEP's suppliers and contractors for the use and benefit of BCEP, all of which shall constitute the internal operations of BCEP. The installation on BCEP premises of software which is designated in writing by BCEP for use for system development and support purposes shall be permitted at no additional cost to BCEP and shall not be considered as a use of the Licensed Program and Materials.

### Section 2.3 Assignment of Use

BCEP's license to use the Licensed Program and Materials may be assigned or transferred to any purchaser of any division or any now existing or hereafter created subsidiary, or to any corporate successor of BCEP; provided, however, that no portion of the Licensed Program and Materials may be used on computer systems of unrelated corporations or entities except upon payment of the fees as hereinafter provided. In the event that in connection with the sale or divestiture of any division (or subsidiary) of BCEP, BCEP desires that more than one entity be licensed to use one or more programs, files, or modules being licensed hereunder, CRC hereby agrees to grant an additional, perpetual, non-exclusive license to use such program, file or modules on the computer system of such separate unrelated corporations on the same terms and conditions as herein provided and at a price not exceeding 50% of the original charge for such programs, files or modules.

## ARTICLE 3. LICENSE FEE

### Section 3.1 License Fee

The license fee for the Licensed Program and Materials constituting modules shall be \$343,750.00 (the "License Fee") which is broken into components ("Component Price") for each package identified in Exhibit A annexed hereto.

CRC agrees and understands that program modifications are necessary for the Licensed Program and Materials to meet the software requirements of BCEP ("System Design").

CRC agrees to modify its software in accordance with written specifications provided by BCEP's M.I.S. department.

Estimating customization, including packaging estimating, which enables CRC to enter new market segments in the printing software market, will be provided to BCEP at no charge.

Non-estimating customization is billable at \$45.00 per hour. CRC will quote a not-to-exceed price and time frame on all written customization requests. CRC will be charged 1% per day on the not-to-exceed price quoted by CRC for each day the software customization exceeds CRC's quoted completion date. CRC warrants that such hourly rate will not increase more than the annual increase in the Consumer Price Index from the date hereof.

Notwithstanding the foregoing, any new module developed by CRC pursuant to this section 3.1 shall be performed at no cost to BCEP if (i) CRC decides to include such new module in its standard software package and (ii) BCEP agrees to allow CRC to include the new module in its standard package. If BCEP has paid for such new module, the cost thereof shall be refunded to BCEP by CRC at such time as the new module becomes part of CRC's standard software package.

## ARTICLE 4. ACCEPTANCE AND DELIVER

### Section 4.1 System Review

BCEP or its agents shall review the Licensed Program and Materials to determine if the Licensed Program and Materials meet the specifications of the System Design. As part of the review, BCEP may conduct such tests at a location of its choice and implement such procedures as it shall, in its sole discretion, believe reasonably necessary to verify that the Licensed Programs and Materials comply with the System Design. When BCEP is satisfied that the Licensed Program and Materials comply with the System Design, it shall notify CRC ("System Compliance Notification").

#### Section 4.2 Delivery

Within seven (7) days of System Compliance Notification, CRC shall deliver the Licensed Program and Materials to BCEP.

In the event the modified Licensed Program and Materials are not delivered to BCEP within such seven (7) days, CRC will be charged \$100.00 per day until such compliance is met. If the Licensed Program and Materials are not delivered within thirty (30) days of System Compliance Notification, BCEP shall have the option of terminating this Agreement and all monies paid by it hereunder shall be returned forthwith to it.

In the event the Licensed Program and Materials do not, in BCEP's reasonable judgement, comply with the system design within thirty (30) days following delivery, BCEP may exercise the rights granted to it pursuant to Section 9.2 hereof.

#### Section 4.3 Risk of Loss

The risk of loss or damage to a current copy of the Licensed Program and Materials shall be borne by CRC, even though partial payments hereunder may have already been made to CRC, until delivery to BCEP of the Licensed Program and Materials following system compliance notification, after which the risk of loss or damage to the Licensed Program and Materials shall pass to BCEP.

#### Section 4.4 Training

Upon completion of the software module installation, CRC shall train at no cost to BCEP and using qualified instructors, knowledgeable with the Licensed Program and Materials those BCEP employees who will be using the Licensed Program and Materials (the "System Users") in the use of the Licensed Program and Materials so that the System Users may perform the tasks indicated in the System Design. Such training shall include, but is not limited to, training on how to use CRC's Data Base Management System, Low Level Re-entrant Calls and System Management Utility software.

Such training shall be conducted at BCEP's offices and include an amount of training time sufficient to enable the System Users to become proficient in the use of the Computer System, not to exceed 330 man hours of CRC's employees' time as more particularly set out in Exhibit A hereto annexed. CRC shall make its employees available for such additional training period that BCEP requests, which time shall be billed at \$150.00 per day. During the training period, CRC's employees shall instruct and assist the System Users in transferring BCEP existing operating data to the Computer System. The training and assistance required herein shall be done at such time as BCEP shall reasonably request. If BCEP so requests, all training and

assistance shall be done by two or more CRC employees at any time.

## ARTICLE 5. PAYMENT

### Section 5.1 Payment

In consideration of the License granted by CRC to BCEP hereunder, BCEP will pay CRC the Licence Fee as follows:

- a) 25% of the Component Price shall be paid to CRC upon issuance of each purchase order by BCEP;
- b) 50% of the license fee shall be paid to CRC on installation and successful test demonstration of the Licensed Program and Materials; and
- c) the balance of the license fee shall be paid to CRC 30 days after the date of the successful test demonstration referred to in paragraph (b) hereof.

Upon execution of this Agreement by both parties hereto, BCEP shall pay the sum of \$75,000 to CRC as a deposit against payment of the License Fee, and to be applied to the amounts owing pursuant to paragraphs (a) and (b) above as those amounts become due. All pricing is in U.S. dollars.

### Section 5.2 Applicable Taxes

Prices are exclusive of all sales, use and like taxes. Any tax CRC may be required to collect or pay upon the sale, use or delivery of the products shall be paid by BCEP and such sums shall be due and payable to CRC upon delivery. Any personal property taxes levied after delivery shall be paid by BCEP. It shall be solely BCEP's obligation, after payment to CRC, to challenge the applicability of any tax by negotiation with, or action against, the taxing authority. CRC agrees to refund any tax collected which is subsequently determined not to be proper and for which a refund has been paid to CRC by the taxing authority.

## ARTICLE 6 ADDITIONAL WORK/ENHANCEMENTS/PURCHASES

### Section 6.1 Additional Work

Any enhancements to the System Design or extra work or additional changes following module acceptance may only be authorized in writing by BCEP's Director of M.I.S. or such other person(s) he may delegate in a separate instrument to CRC. All progress payments for any such extra work prior to full acceptance shall allow for a 15% retention, with the balance to be paid upon

written acceptance by BCEP of such extra work.

#### Section 6.2 Enhancements by CRC

Subject to Section 3.1, when a Maintenance Contract is not in effect, any improvements by CRC to the Licensed Program and Materials following module acceptance shall be extended to BCEP on the following basis:

- A. If the improvement merely causes the programs to meet contractual expectations, free of charge;
- B. If the improvements become available within one year after acceptance of the system, free of charge; or
- C. In all other instances, at CRC's then current rate for custom programming, which shall be \$45.00 per hour, plus out-of-pocket expenses. CRC warrants that the hourly rate shall not increase more than the annual increase in the Consumer Price Index from the date hereof.

#### Section 6.3 Enhancements by BCEP

Any modifications or enhancements created by BCEP or its employees or agents or any new modules developed by CRC pursuant to Section 3.1 hereof, shall be the sole and exclusive property of BCEP. If BCEP at any time desires to market any enhanced version or versions of the Licensed Program and Materials, which BCEP is not required to (and probably will not) do, BCEP shall be permitted to do so upon the conditions that (i) CRC shall receive from the proceeds of any such sale an amount equal to its prevailing price for the Licensed Program and Materials at the time of the sale, (ii) BCEP notify CRC of such sale, and (iii) the purchaser is not in the business of selling or remarketing computer software. CRC will cooperate with BCEP in any such endeavor.

### ARTICLE 7. WARRANTY

#### Section 7.1 Warranty

CRC warrants for a period of twelve (12) months from the date of acceptance of each Licensed Program Module as provided in Section 4.2 that such Licensed Program Modules will function in accordance with its specifications as set forth in the Licensed Materials and System Design. During the warranty period, CRC will verify and correct technical errors or defects in the Licensed Program Module, of which BCEP will notify CRC so that the Licensed Module will function as described in the Licensed Materials.

Moreover, CRC warrants for 6 months from the date of acceptance of the Licensed Program Modules that the Interfaces between such Licensed Program Modules will function in accordance with the specification of such Interfaces. During the warranty period, CRC will verify and correct technical errors or defects in such Interfaces, of which BCEP notifies CRC, so that the Interfaces will function as described in the specification of such Interfaces.

Warranty service will be rendered without charge to BCEP except for the costs incurred by CRC for software delivery, storage media, reasonable travel and per diem costs, telephone charges, and other directly incurred expenses which costs shall be supported by receipts and invoices therefor.

In the event CRC determines after investigation that the Licensed Program Module is functioning as described in the Licensed Materials and System Design, and that the reported error or defect was the result of computer hardware failure, operating system defects, misuse of Licensed Program Module, unauthorized modification of Licensed Program Module by BCEP or a third party, or other factors beyond CRC's control, BCEP shall reimburse CRC for time expended at its then current professional rate, as described in Section 6.2 hereof, and for direct expenses incurred.

## ARTICLE 8. PROPERTY RIGHTS

### Section 8.1 Warranty of Right to Grant License

CRC warrants that it has the right to grant a license to the Licensed Program and Materials.

Unless specifically noted to the contrary, in addendum form, CRC warrants that it is the sole owner of the Licensed Program and Materials, free and clear of any liens and encumbrances.

### Section 8.2 Copyright/Patent Indemnity

CRC will defend BCEP against all claims that the Licensed Program or Materials infringes any Patent or Copyright, and CRC will pay all resulting costs, damages, and attorney's fees finally awarded, provided that BCEP promptly notifies CRC in writing of any such claim of which it is aware and CRC has sole control of the defense and all related settlement negotiations.

### Section 8.3 Copyright Notice

BCEP shall maintain CRC's copyright notice on the Licensed Program and Materials and shall reproduce such notice on any copies in whole or in part of the Licensed Program and

Materials.

Section 8.4 Acknowledgement of No Program Rights

BCEP acknowledges that the Licensed Program and Materials are the property of CRC, and that CRC intends that BCEP will use the Licensed Program and Materials only under the terms and conditions of this Agreement.

Section 8.5 Acknowledgement of No Enhancement Rights

In the event CRC provides services to develop any enhancement of the Licensed Program at BCEP's expense, such enhancement shall be subject to Section 6.3, not create a new program or create ownership rights by the BCEP in the Licensed Program nor shall such enhancement relieve BCEP of any of the terms and conditions of this Agreement.

Section 8.6 Nondisclosure

CRC agrees not to divulge, disclose, communicate, transfer, use or utilize any trade secrets, competitive information, client information, proprietary information, unique processes, applications or special equipment, special production techniques or the contents of any BCEP materials being published, not in the public domain.

ARTICLE 9. DEFAULT

Section 9.1 Insolvency

Upon the institution of proceedings by or against CRC under federal or state bankruptcy laws, or an assignment or receivership for the benefit of creditors, this Agreement shall immediately terminate and BCEP shall have an unrestricted right to use the Licensed Program and Materials.

Section 9.2 Breach of Contract

Subject to Section 11.2, if CRC breaches or fails to comply with any term of this Agreement and if CRC has not commenced to cure such default within thirty (30) days after receipt of notice, BCEP shall be entitled, in addition to any other right it may have under this Agreement or otherwise under law, to terminate this Agreement by giving notice to take effect immediately.

The right of BCEP to terminate this Agreement hereunder shall not be affected in any way by its waiver or failure to take action with respect to any previous default.



Upon the termination of this Agreement, BCEP shall return the Licensed Program and Materials and any copies thereof to CRC and shall deliver a certification by a duly authorized officer of BCEP stating to CRC that it no longer has any rights to use the Licensed Program and Materials and that the original and all copies of the Licensed Program and Materials have been returned to CRC, in exchange for CRC fully refunding to BCEP the license fee paid pursuant to Section 3.1 hereof, failing which BCEP shall not be required to return the Licensed Program and Materials and shall have an unrestricted right to use the same.

## ARTICLE 10. ADDITIONAL FEATURES

### Section 10.1 French Language

If BCEP translates the Licensed Program and Materials into the French language, CRC shall forthwith incorporate the french version into the Licensed Program and Materials as part of the license fee paid pursuant to Section 3.1 hereof.

### Section 10.2 Canadian Payroll

CRC agrees to provide to BCEP the Canadian version of the payroll module based on written specifications to be provided by BCEP, within six (6) months of receiving such specifications the cost of which shall be subject to the customization charges referred to in Section 3.1.

### Section 10.3 Executive Reporting Module

CRC agrees to provide the Executive Reporting Module which is now under development to BCEP at no extra charge as soon as such module becomes available.

## ARTICLE 11. MAINTENANCE CONTRACT

If BCEP elects so to do, CRC and BCEP shall enter into a maintenance contract which shall come into effect upon expiry of the warranty period referred to in Section 7 hereof, which shall provide for maintenance charges set out in Exhibit B hereof and otherwise shall be on terms to be agreed upon by the parties hereto.

## ARTICLE 12. GENERAL PROVISIONS

### Section 12.1 Validity

If any of the provisions of this Agreement are declared to be

invalid, such provisions shall be severed from this Agreement and the other provisions hereof shall remain in full force and effect.

#### Section 12.2 Force Majeure

Neither party shall be responsible for delay or failure in performance resulting from acts beyond its control. Such acts shall include, but not be limited to: an act of God; an act of war; riot; an epidemic, fire, flood, or other disaster; an act of government; or a strike or lockout.

In the event that CRC is delayed in the delivery of the Licensed Program and Materials, or the installation thereof, for reasons beyond its control, delivery or installation shall take place as soon thereafter as is reasonably feasible.

#### Section 12.3 Governing Law and Venue

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario, Canada.

#### Section 12.4 Entire Agreement/Amendments

This Agreement contains the entire understanding of the parties with respect to the matters contained herein. There are no promises, covenants or undertakings other than those expressly set forth herein. This Agreement may not be modified or amended except by writing signed or executed by authorized representative(s) of CRC and BCEP.

#### Section 12.5 Construction

A term or condition of this Agreement can be waived only by written consent of both parties. Forebearance or indulgence by either party in any regard shall not constitute a waiver of the term or condition to be performed and, until performance of the term or condition is complete, the other party may invoke any remedy available under the Agreement or by law, despite such forbearance or indulgence.

Title and paragraph headings contained in this Agreement are provided for convenient reference.

This Agreement shall be binding upon and inure to the benefit of the parties to this Agreement and their respective successors and assigns.

Section 12.6 Service of Notice

Any notice required or permitted to be sent under this Agreement shall be delivered by hand or mailed by registered mail, return receipt requested, to the addresses of the parties first set forth in this Agreement. Notices so sent will be deemed effective when received.

ACCEPTED AND AGREED TO FOR:

Witness for BCEP:

BY:

Sharon Donaldson

DATE:

April 18/1986

Witness for CRC:

BY:

Jeff Haybs

DATE:

April 21, 1986

BCE PubliTech Inc.

BY:

Frank M. Ralph

DATE:

April 18/1986

CRC Information Systems, Inc.

BY:

[Signature]

DATE:

April 21, 1986

PACKAGE A - Base System  
- Customer  
- Vendor  
- Employee  
- Salesman  
- Buyer

PACKAGE B - Production System  
- Job Quotations  
- Job Estimating  
- Job Costing  
- Job Inventory  
- Job Inquiry  
- Job Trailing  
- Job Scheduling  
- Job Spoilage  
- Budgetted Hourly Rates  
- Roll-in Inventory  
- Absorption Costing  
- Production Estimating  
- Finished Goods Inventory  
- Production Scheduling

PACKAGE C - Financial Accounting System

- Accounts Receivable
- Accounts Payable
- General Ledger
- Purchasing
- G/L Budgetting
- Commission Accounting
- Fixed Asset Accounting
- Payable

PACKAGE D - Sales System

- Sales Reporting
- Sales Inquiry
- Marketing Analysis
- Sales Budgetting
- Report Generation
- Leads
- Mailing

9 + SITE

	1ST SITE		2ND SITE		3RD-7TH SITE		TRAINING HOURS	as per contract rate
	\$	TRAINING HOURS	\$	TRAINING HOURS	\$	TRAINING HOURS		
PACKAGE A - Base System	10,700	10.0	5,350	5.0	2,675	2.5	0	0

PACKAGE B - Production System	68,924	66.0	34,462	33.0	17,231	15.5	0	0
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	1ST SITE		2ND SITE		3RD-7TH SITE		8 + SITE	
	\$	TRAINING HOURS	\$	TRAINING HOURS	\$	TRAINING HOURS	\$	TRAINING HOURS
PACKAGE C - Financial Accounting System	22,542	26	13,271	13.0	6636	6.5	0	as per contract

PACKAGE D - Sales System

	18,834	18	9,417	9.0	4708	4.5	0	as per contract
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Maximum value of contract assuming 7 installations:

\$343,750  
Training - 330 Hours

Exhibit "B"

MAINTENANCE CONTRACT  
COSTS

<u>I. CHARGES</u>	<u>PER MONTH</u>
(a) All enhancements to CRC's Data Base Management System, Low Level Re-entrant Calls, System Utilities, Applications software (Exhibit "A") plus Updated Documentation with guaranteed maximum four (4) hour response time between the hours of 8 a.m. and 5 p.m. on each business day	\$ 850.00
(b) Phone support for technical software utilities	\$ 850.00 for each support site
(c) Applications phone support with guaranteed maximum 4 hour response time between hours of 8 a.m. to 5 p.m. on each business day	\$ 850.00 for each support site
<b>TOTAL PER MONTH</b>	<u>\$2 550.00</u>

II. GENERAL TERMS

BCEP shall designate in writing to CRC the support sites chosen by BCEP from time to time in respect of paragraphs (b) and (c) hereof.

The charges pursuant to paragraphs (a), (b) and (c) hereof shall not increase per annum in excess of the annual increases in the Consumer Price Index from the date hereof.



**SCHEDULE "E"**

GRAPHICOR TRANSPORT INC.  
3721663 CANADA GENERAL PARTNERSHIP  
QUEBECOR WORLD CAPITAL ULC  
4369726 CANADA INC.  
WIDE WEB PRINTING LIMITED PARTNERSHIP  
QUEBECOR WORLD GRAPHICA INC.  
QUEBECOR MERRILL CANADA INC.  
QUEBECOR WORLD CAPITAL II GP  
QUEBECOR WORLD CAPITAL LLC.  
QUEBECOR WORLD LEASE GP  
QUEBECOR WORLD LEASE LLC  
QUEBECOR PRINTING AVIATION INC.  
QUEBECOR WORLD CAPITAL CORPORATION  
QUEBECOR WORLD ARCATA CORP.  
QUEBECOR WORLD FAIRFIELD INC.  
QUEBECOR WORLD HALLIDAY INC.  
QUEBECOR WORLD KINGSPORT INC.  
QW KARL M. HARROP COMPANY II INC.  
QW HOLYOKE LITHOGRAPH CO., INC.  
QUEBECOR LIST SERVICES CHICAGO INC.  
QUEBECOR WORLD ATGLEN INC.  
QUEBECOR WORLD ATLANTA INC.  
QUEBECOR WORLD BUFFALO INC.  
QW NEW YORK CORP.  
QUEBECOR WORLD NEVADA INC.  
QUEBECOR WORLD DALLAS II INC.  
QUEBECOR WORLD NEVADA II LLC  
QUEBECOR WORLD DALLAS LP  
THE WEBB COMPANY  
QUEBECOR PRINTING ST. PAUL INC.  
QW MEMPHIS CORP.  
QUEBECOR WORLD MEMPHIS II INC.  
QUEBECOR WORLD MEMPHIS LLC  
QUEBECOR WORLD MEMPHIS INC.  
QUEBECOR WORLD MT. MORRIS II LLC  
QUEBECOR PRINTING HOLDING COMPANY  
QUEBECOR WORLD (USA) INC.  
WCY, LLC  
WCX, LLC  
WCZ, LLC  
QUEBECOR WORLD FINANCE INC.  
QUEBECOR WORLD ACME PRINTING COMPANY INC.  
QUEBECOR WORLD DB ACQUISITION CORP.  
QUEBECOR WORLD DITTLER BROTHERS INC.  
QUEBECOR WORLD ATLANTA II LLC  
QUEBECOR WORLD GREAT WESTERN PUBLISHING INC.  
QUEBECOR WORLD INFINITI GRAPHICS INC.

QUEBECOR WORLD JOHNSON & HARDIN ENTERPRISES INC.  
QUEBECOR WORLD JOHNSON & HARDIN COMPANY  
QUEBECOR WORLD KRUEGER ACQUISITION CORPORATION  
QUEBECOR WORLD RAI INC.  
QUEBECOR WORLD KRI INC.  
QUEBECOR WORLD KRI DRESDEN  
QUEBECOR WORLD MAGNA GRAPHIC INC.  
MAGNA GRAPHICS / MIDWEST INC.  
QUEBECOR WORLD REAL ESTATE INC.  
QUEBECOR WORLD PETTY PRINTING INC.  
NATIONAL MAGAZINE MAILERS. INC.  
QUEBECOR WORLD DIRECT BROOKFIELD INC.  
QUEBECOR WORLD DIRECTORY SALES CORP.  
QUEBECOR WORLD DUBUQUE INC.  
QUEBECOR WORLD EAGLE INC.  
QUEBECOR WORLD EUSEY PRESS INC.  
QUEBECOR WORLD FEDERATED INC.  
QUEBECOR PRINTING FEDERATED INC.  
QUEBECOR WORLD HAZLETON INC  
QUEBECOR WORLD LINCOLN INC.  
QUEBECOR WORLD LOVELAND INC.  
P.A. INVESTMENT CORPORATION  
QUEBECOR WORLD OLIVE BRANCH INC.  
QUEBECOR WORLD PENDELL INC.  
QUEBECOR PRINTING PROVIDENCE INC.  
QUEBECOR WORLD SAN JOSE INC.  
QUEBECOR WORLD SEMLINE INC.  
QUEBECOR WORLD PRINTING (USA) CORP.  
QUEBECOR WORLD DALLAS SALES INC.  
QUEBECOR WORLD SAYERS INC.  
QUEBECOR WORLD VERMONT INC.  
QUEBECOR WORLD WAREHOUSING INC.  
QUEBECOR WORLD DETROIT INC.  
QUEBECOR WORLD LANMAN COMPANIES INC.  
QUEBECOR WORLD ORLANDA, L.C.  
QUEBECOR WORLD LANMAN LITHOTECH INC.  
IMAGE TECHNOLOGIES INC.  
BCK 140 Q PARTNERSHIP  
QUEBECOR WORLD METROWEB LP  
QUEBECOR WORLD NORTHEAST GRAPHICS INC.  
SHEA COMMUNICATIONS COMPANY  
QUEBECOR WORLD TACONIC HOLDINGS INC.  
QUEBECOR WORLD CENTURY GRAPHICS CORPORATION  
EDWIN ROAD PROPERTIES INC.  
LA-GNIAPPE ADVERTISING INC,  
LA-GNIAPPE INSERTS INC.  
LA-GNIAPPE MARKETING GROUP INC,  
QUEBECOR WORLD UP / GRAPHICS INC.  
NIMROD PRESS INC.

QUEBECOR WORLD PAWTUCKET INC.  
WCP-D, INC.  
QUEBECOR WORLD WAUKEE INC.  
QUEBECOR WORLD WESSEL INC.  
QUEBECOR WORLD INVESTMENTS INC.  
QUEBECOR WORLD FINANCE INC.  
QUEBECOR WORLD FOREIGN SALES CORP. (BARBADOS)  
QUEBECOR WORLD LOGISTICS INC.  
QUEBECOR WORLD SERVICES INC.  
QUEBECOR WORLD SYSTEMS INC.  
QUEBECOR WORLD BOOK SERVICES, LLC  
CHEMICAL COLOR PLATE CORPORATION  
PAPER EXPRESS LTD  
QUEBECOR WORLD RETAIL PRINTING CORPORATION  
QUEBECOR WORLD MID-SOUTH PRESS CORPORATION

Quebecor World Inc.  
Plaintiff

CRC Information Systems Inc.  
and  
Defendant

Court File No: 03-CV-242466CM3

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at Toronto

**MINUTES OF SETTLEMENT**

**AFFLECK GREENE ORR LLP**  
Barristers & Solicitors  
365 Bay Street, 2nd Floor  
Toronto, Ontario M5H 2V1

James C. Orr LSUC#: 23180M  
Kenneth A. Dekker LSUC#: 40419P  
Tel: (416) 360-2800  
Fax: (416) 360-5960

Solicitors for the Defendant