

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re

Quebecor World (USA) Inc., et al.,

Debtors.

Chapter 11

Case No. 08-10152(JMP)

Jointly Administered

ORDER APPROVING MODIFICATION TO DEBTORS' SEVERANCE PROGRAM

Upon the motion (the "Motion")¹ of the above-captioned debtors (collectively, the "Debtors"), for entry of an order (the "Order) approving a modification to the Severance Program; it appearing that the relief requested is in the best interests of the Debtors' estates, their creditors, and other parties in interest; it appearing that this Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; it appearing that this proceeding is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); it appearing that venue of this proceeding in this District is proper pursuant to 28 U.S.C. §§ 1408 and 1409; it appearing that notice of the Motion and the opportunity for a hearing on the Motion was appropriate and that no other or further notice need be given; and after due deliberation and sufficient cause appearing therefor, it is hereby ORDERED THAT:

1. The Motion is granted as set forth herein.
2. The Debtors are authorized to implement the Modified Severance Program as described in the Motion for the NEG facility, effective immediately upon entry of this Order.

¹Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Motion.

3. The Debtors are authorized to implement the Modified Severance Program as described in the Motion at any other facility which is being shut down, subject to the following limitations: (a) The Debtors shall provide advance notice of the specifics of the program for any such other facility, including the number of employees to be included in the program and the aggregate costs potentially involved, at least ten days prior to the announcement of the program to effected employees, to counsel for the Creditors' Committee, the Ad Hoc Group of Noteholders, and the Administrative Agent for the Debtors' Prepetition Lenders, and to the Office of the United States Trustee (collectively, the "Consent Parties"). The Debtors shall be authorized to proceed with the implementation of the Modified Severance Program relative to the closure of such other facility if (i) none of the Consent Parties notifies the Debtors of an objection to the proposed action after (x) receipt of any additional information reasonably requested by any of the Consent Parties to consider the proposed implementation of the Modified Severance Program and (y) the expiration of ten days; or (ii) such earlier date that the Consent Parties provide the Debtor with written confirmation of their approval of the proposed action. If, however, any of the Consent Parties provides timely, written notification of an objection to the proposed action, the Debtor shall seek approval of the proposed Modified Severance Program from this Court relative to the closure of such other facility. (b) The Debtors' additional authority provided herein to implement the Modified Severance Program at any facilities other than the NEG facility shall be subject to a limitation that the added costs of such program shall not exceed \$500,000 per facility, and shall not exceed \$1,000,000 in the aggregate for all such other facilities (other than the NEG facility). Should the Debtors seek to offer additional severance payments that exceed these thresholds, they shall seek specific Court authority to do so.

4. Any payment to any employee under the Modified Severance Program, or prior Severance Program, approved herein shall be final and not subject to disgorgement.

5. The Debtors shall: (i) prepare and maintain an accounting of all costs and expenses incurred, and all asset transfers effectuated, by each Debtor in connection with each plant closure subject to this Order (including line item detail for each category of such costs and expenses); (ii) deliver such accounting to any of the Administrative Agent for the Debtors' Prepetition Lenders, the Ad Hoc Group of Noteholders and the Creditors' Committee upon such party's reasonable request; and (iii) provide the Administrative Agent for the Debtors' Prepetition Lenders, the Ad Hoc Group of Noteholders and the Creditors' Committee any additional information relating to any such plant closure that any such party may reasonably request. The Court further orders that all rights of the Administrative Agent for the Debtors' Prepetition Lenders, the Ad Hoc Group of Noteholders and the Creditors' Committee are reserved with respect to the allocation of costs and expenses (and any asset transfers) incident to closure of the NEG facility or any future plant closure among the Debtors and/or any non-debtor affiliates, as appropriate, and to any claims by, among or against such entities that may arise as a result thereof.

6. The terms and conditions of this order shall be immediately effective and enforceable upon its entry.

7. The Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Motion.

8. The requirement set forth in rule 9013-1(b) of the local bankruptcy rules for the Southern District of New York that any motion or other request for relief be accompanied by a

memorandum of law is hereby deemed satisfied by the contents of the application or otherwise waived.

9. The court retains jurisdiction with respect to all matters arising from or related to the implementation of this order.

Dated: New York, New York
May 22, 2008

s/ James M. Peck
HONORABLE JAMES M. PECK
UNITED STATES BANKRUPTCY JUDGE