

**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 AUTHORIZING THE IMPLEMENTATION AND  
CONTINUATION OF EMPLOYEE INCENTIVE  
COMPENSATION PLANS**

Upon the motion (the “Motion”)<sup>1</sup> of the above-captioned debtors (collectively, the “Debtors”) for entry of an Order granting the Debtors request that they be authorized to implement and continue certain employee incentive plans and that certain reports be filed under seal; it appearing that the relief requested is in the best interest of the Debtors’ estates, their creditors and other parties in interest; it appearing that the 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 and this Motion in this District is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and notice of this Motion and the opportunity for a hearing on this Motion was appropriate under the particular circumstances and that no other or further notice need be given; and after due deliberation and sufficient cause appearing therefor, it is hereby ORDERED:

1. The Motion is GRANTED as set forth herein.

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<sup>1</sup> Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Motion.

2. The Debtors are authorized to implement and continue the Incentive Plans as set forth in the Motion; provided, however, that the MICP shall be modified as follows:

- (i). With respect to the payment of 50% of the enhanced portion of the MICP for 2008 otherwise payable upon meeting the criteria provided therein to the participants in Group 1, as provided for in the Towers Perrin Report, such amount shall only be payable to such participants in the event that QWI files its Annual Information Form in respect of its fiscal year ending December 31, 2008, with the Canadian Securities Regulatory Authorities on or before March 31, 2009;
- (ii). The 2009 EBITDA targets to be used to determine a participant's award under the 2009 MICP shall remain subject to the review and approval of the Creditors' Committee on or before July 31, 2008; provided, however, that in the event the Creditors' Committee fails to approve the 2009 EBITDA targets on or before July 31, 2008, such targets shall be determined by this Court upon subsequent notice and hearing as requested by the Debtors; and
- (iii). With respect to the payment of the enhanced portion of the MICP for 2009 payable to the participants in Group 1, as provided for in the Towers Perrin Report, such payment shall be made upon the later of (x) September 30, 2009, and (y) the filing of a plan(s) of reorganization for the Debtors that is acceptable to the Creditors' Committee.

3. The submission of the Towers Perrin Report and the PBIP Report under seal is hereby approved and such documents shall not be filed in the public record.

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

5. The ten day stay set forth in Bankruptcy Rule 6004(h) is hereby deemed abrogated and terms and conditions of this Order shall be immediately effective and enforceable upon entry.

6. 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 Motion or otherwise waived.

7. The Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Order.

Dated: New York, New York  
July 2, 2008

*s/ James M. Peck*  
United States Bankruptcy Judge