

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

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In re )  
          ) Chapter 11  
QUEBECOR WORLD (USA) , et al., )  
  ) Debtors. ) Case No. 08-10152 (JMP)  
  ) Jointly Administered  
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**SUPPLEMENTAL DECLARATION OF  
ROBERT CLAIR IN CONNECTION WITH THE RETENTION  
OF KPMG LLP (US) AS TAX COMPLIANCE AND TAX  
CONSULTING ADVISORS TO THE DEBTORS AND DEBTORS IN POSSESSION**

I, Robert Clair, being duly sworn, declare that the following is true and correct to the best of my knowledge, information and belief:

1. I am a Managing Director of KPMG LLP (US) (“KPMG US”), a professional services firm. I submit this declaration to supplement: (i) the Declaration of Michael Lawler dated April 7, 2008 (the “Initial Declaration”)<sup>1</sup> submitted in support of the Debtors’ Application to Employ KPMG LLP (US) Nunc Pro Tunc to April 7, 2008 as Tax Compliance and Tax Consulting Advisors Pursuant to Sections 327(a) and 328(a) of the Bankruptcy Code (the “Application”), filed by the above-captioned debtors and debtors-in-possession (collectively, the “Debtors”); and (ii) the Supplemental Declaration of Alvin D. Knott dated June 27, 2008 submitted in support of the Supplemental Application for Order Authorizing the Debtors to Enter into Additional Engagement Letters with KPMG LP (US) as Contemplated

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<sup>1</sup> All capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Initial Declaration.

by the Debtors' Initial Application to Retain KPMG LLP (US) as Tax Compliance and Tax Consulting Advisors to the Debtors (the "First Supplemental Application"). The Application was approved by Order of this Court dated April 17, 2008 (the "Initial Retention Order") and the First Supplemental Application was approved by Order of this Court dated September 5, 2008 (collectively, with the Initial Retention Order, the "Retention Orders").

2. The engagement letter ("First EL") annexed to the Application and Initial Declaration contemplated and provided for the performance of additional tax compliance and/or consulting services agreed to between the Debtors and KPMG US. Initial Declaration ¶ 5(e) (referring to the scope of services to be provided: "Performance of such other tax compliance/tax consulting services as agreed to. . ."), First EL pp. 4-5 ("If such matters exceed the scope of this engagement letter, we will issue separate engagement letters. . ."). In addition, the Application as well as the Initial Declaration set forth that any new engagements would be filed with the Court. Id., Application, fn. 3.

3. KPMG US recently entered into an additional engagement letter with the Debtors (the "Engagement Letter"), which is attached hereto as Exhibit 1. In addition to the tax compliance and consulting services approved by the Retention Orders, KPMG US will provide the following tax consulting services, including, but not limited to, a 2007 transfer pricing documentation update study to satisfy compliance with Section 482 of the Internal Revenue Code with respect to determining whether the transfer prices of the transactions between the Debtors, a third-party insurer and Quebecor World, Inc. meet the arms' length standard.<sup>2</sup>

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<sup>2</sup> In accordance with internal KPMG procedures, the parties may enter into additional engagement letters for work related to the services set forth in the Engagement Letter. Such engagement letters will be filed for

4. The discounted hourly rates for tax services to be rendered by KPMG US applicable herein are as follows:

Tax Managing Director	\$660
Senior Manager	\$600
Manager	\$480
Senior Associate	\$320
Associate	\$240

These rates are consistent with the rates charged in other matters of this type by KPMG professionals assigned to this engagement. As set forth in the Application, in the normal course of KPMG US's business, the hourly rates are subject to periodic increase. To the extent such hourly rates are increased, KPMG requests that, with respect to the work to be performed after such increase, the rates below be amended to reflect such increase.

5. As set forth in the Application and Initial Declaration, from time to time, KPMG US intended to use certain tax professionals from KPMG LLP (Canada) in connection with its engagement by the Debtors, which professionals either previously have worked for the Debtors or who have a particular expertise respecting the engagement. The use of such professionals allows KPMG US to maximize resources and minimize costs to the Debtors' estates. KPMG US intends to use KPMG Canada in connection with the services to be provided in the Engagement Letter. KPMG US will not make a profit from the use of such professionals and KPMG US will pay KPMG Canada for the use of its tax professionals through a KPMG inter-member firm agreement.

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notices purposes with the Bankruptcy Court. Unless required by the Court, the Debtors and KPMG do not intend to seek Bankruptcy Court approval thereof.

6. The discounted hourly rates for tax services to be rendered by KPMG

Canada applicable herein are as follows:

Practice Leader	\$512
Senior Manager	\$420-\$440
Manager	\$276
Senior Associate	\$180-\$192
Associate	\$240

To the extent such hourly rates are increased, KPMG US requests that, with respect to the work to be performed after such increase, the rates above be amended to reflect such increase.

7. As set forth in the Initial Declaration, KPMG US is engaged by Quebecor World Inc. (“QWI”), the Canadian parent company of the Debtors. KPMG US continues to be engaged by QWI and anticipates entering into additional engagement letters with QWI or through one or more inter-member firm agreements with KPMG LLP (Canada). KPMG US does not anticipate that the Debtors will be party to any such engagement letters. Further, KPMG US does not anticipate receiving payments in respect of such engagement nor have any arrangements been made to receive payments directly from the Debtors respecting the same.

8. It remains that neither KPMG US nor any employee thereof, insofar as I have been able to ascertain, represents any interest adverse to the Debtors or their estates. Except as may be stated above or in the Initial Declaration, KPMG US remains a “disinterested person” as that term is defined in 11 U.S.C. § 101(14).

I declare under penalty of perjury that the foregoing is true and correct

Executed this 8th day of September, 2008.

*Robert T. Clair*

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Robert Clair