

Final Version\_ Signing Copy- 07 Jul 09

### PLANT CLOSING AGREEMENT

This Agreement is made and entered by Quebecor World Memphis Corp., a wholly owned subsidiary of Quebecor World (USA) Inc ("Company"), and by Local 777M Graphic Communications Conference/ International Brotherhood of Teamsters.

1. **Employees.** The Union represents four units of employees ("Employees" or "Employee") at the Company's Memphis, Tennessee rotogravure production facility ("Memphis Plant"). Employees in each unit are covered by a separate collective bargaining agreement which is currently in effect ("CBA" or "CBAs").
2. **Plant Closing.** On March 03, 2009, the Company notified the Union representing the Press, Paper-handling/Material Handling/ Building Maintenance, Maintenance Mechanic/Electrician and Photoengraving departments of its decision to close the Memphis, Tennessee plant. On that date, notices pursuant to the Worker Adjustment and Retraining Notification Act were issued to the Union notifying it that the Memphis, Tennessee plant is closing, and that Employees would be separated by May 03, 2009, or within fourteen (14) days thereafter. On March 31, 2009, reasons for the closing of the Memphis plant were discussed with representatives of the Union and agreement was reached that this plant closure was not subject to the requirements of decisional bargaining. The Company and Union have met in coordinated bargaining over the effects of the closing of the Memphis plant on Employees, and such bargaining has resulted in this Agreement.
3. **Shutdown Schedule.** The Company has notified the Union of its schedule for shutting down operations of the Memphis plant and shall notify the Union of any revisions to that schedule.
4. **WARN Act Pay.** All Employees in an active employment status on March 03, 2009 shall be paid for each normal or regular workday (Monday through Friday or such other normal workweek that may be applicable) for a period of sixty (60) days from March 03, 2009 for the applicable groups or their last day worked after March 03, 2009. Employees on a leave of absence on March 03, 2009, shall be paid for each normal or regular workday (Monday through Friday or such other normal workweek that may be applicable) for a period of sixty (60) days from March 03, 2009. Such pay shall be at the rate of pay the employee would receive under normal operations.
5. **Employment Termination.** The employment termination date of Employees ("Termination Date") shall be:
  - a. **March 03, 2009** in the case of an Employee who on that date is on a approved leave of absence (including STD, LTD or Workers Compensation

Leave), on layoff with recall rights, or on paid inactive employment status;

b. The final date worked for the Company in the case of an Employee who remains employed beyond March 03, 2009, or

c. The final date worked for the Company in the case of an Employee who voluntarily terminates with the Company's approval.

6. In the event of a resumption of production in the Memphis plant, in whole or in part, of the operations terminated on March 03, 2009, or the introduction of new equipment or operations, employees laid off shall be recalled to employment with the Company in accordance with the seniority provisions of each applicable collective bargaining agreement. The period for recall rights shall be twenty-four (24) months from March 03, 2009. The Employees recalled to employment shall retain their prior seniority dates uninterrupted by this layoff during the period of recall. An employee so recalled shall not be required to repay any of the Severance Pay or other pay or benefits received as a result of this Agreement.

7. **Severance Pay.** Payment of severance as provided for in Article 29 of the CBA covering the Press Department; Article 33 of the CBA covering the Photoengraving Department and Article XX of the CBA covering the Maintenance Mechanic/Electrician Department; and Section 21 of the CBA covering the Paper-handling/Material Handling/Building Maintenance department. ("Severance Pay") shall be on a weekly basis consistent with the weekly payroll period until the payroll week ending May 10, 2009 at which time any remaining severance shall be paid out as a lump sum payment. The Employee's original hire date shall be used to determine full years of service. If there is a break in service, the most recent hire date shall be used to determine full years of service. An Employee shall not be eligible for Severance Pay if he/she (a) is discharged for cause, or (b) voluntarily terminates employment without the Company's approval or (c) accepts another position within the Company prior to the commencement of severance payments or, if employment is accepted during the period of time in which severance payments are being made, those payments shall cease. The Company shall not unreasonably refuse to approve the voluntary termination of an Employee who obtains other employment.

---

#### **Severance Previously Paid**

Any Employee who was paid severance pay as a result of the prior partial plant closure and was thereafter recalled to active employment and who did not repay the severance payment would not receive severance payment under this Agreement. The only exception to this would be if: 1) the Employee crossed a service level that would entitle them to additional severance pay than that originally paid in which case the Employee would receive the difference between the severance payment amount currently applicable and the severance pay previously paid to them or 2) if the employee received only a portion of their severance pay before being recalled to active employment in which case the employee will be entitled to the difference between their current severance pay eligibility amount and the severance pay already received.

**Additional Severance**

Employees having their ten (10) year anniversary date falling between May 4, 2009 and December 31, 2009 will receive an additional two (2) weeks' severance pay calculated in the same manner as that provided for under the collective bargaining agreements.

8. **Payroll Withholding.** The Company shall withhold from all payments to an Employee on termination of employment, including vacation and Severance Pay, all legally required deductions. Withholding shall not be made for flexible spending accounts, 401(k) Plan, 401(k) Plan loan repayment health, vision, dental, and uniforms provided the Employee has returned the uniforms on or before the Employee's Termination Date.

9. **Vacation Pay.** Employees shall receive payment for (a) unused vacation credits earned during calendar year 2008, and (b) vacation credits earned during calendar year 2009 through their Termination Date, as determined under the applicable CBA. Such vacation pay less payroll withholding shall be made as soon as possible but not later than twenty-one days of the Employee's Termination Date.

An employee who is subsequently recalled to work, if previously paid out for vacation, shall not be eligible for any vacation pay during the remainder of 2009, unless such employee elects to repay the vacation pay received. The recalled employee may take vacation time to which he/she would be entitled on an unpaid basis.

10. **Holiday Pay.** Employees eligible for Severance Pay (and Employees who would otherwise be eligible if they had at least two full years of service on their Termination Date) who did not take all floating holidays in calendar year 2008 and 2009 provided for in their CBA shall be paid for such remaining floating holidays.

An employee who is subsequently recalled to work, if previously paid out for floating holidays, shall not be eligible for any floating holiday during the remainder of 2009, unless such employee elects to repay the floating holiday pay received.

11. **Health Care Coverage.** Employees and dependents of Employees enrolled as of the Employees Termination Date, who on their Termination Date are covered by the Quebecor World Signature Benefits Plan ("Plan") will have their active employee health coverage (to include prescription drug coverage, dental and vision) continued from the Termination Date through July 31, 2009. This health care coverage will be offered at no cost to the Employee as the Company will waive payment of the normal health care employee premium payment beginning with the payroll concluding on April 19, 2009 to be paid on April 24, 2009. This health care coverage is contingent on their being no production slowdown that results in missing customer schedules, no theft of Company equipment and no sabotage of Company equipment. The provision above shall not be extended to an employee found to having engaged in such misconduct.

As of August 1, 2009 the Employee may elect COBRA continuation for up to eighteen (18) months or, under certain qualifying circumstances, dependents may be able to elect COBRA for up to thirty-six (36) months. At the end of the health care coverage continuation period the Company will send to the Employee's last address on record with the Plan a notification of COBRA coverage eligibility. An employee who desires to elect COBRA coverage will submit the COBRA enrollment form to the Company's designated COBRA Administrator. It shall be the Employee's responsibility to pay the Company's designated COBRA administrator the appropriate COBRA cost on a monthly basis. Payment to the Company's designated COBRA administrator will be due by the 15<sup>th</sup> day each month prior to the month for which the Employee desires COBRA coverage. If the Employee does not make the required COBRA payment to the Company's designated COBRA administrator by the 15<sup>th</sup> day, the COBRA coverage will be terminated with respect to that Employee or dependent.

All COBRA coverage will be offered and, if elected, maintained in compliance with the Economic Stimulus Plan. This shall include those rules and regulations addressing the percentage of COBRA premium payments that the employee must pay.

12. **LTD, STD and Life Insurance.** Employees who on their Termination Date are receiving long-term or short-term disability benefits shall continue to receive such benefits for as long as they remain eligible under the terms of the applicable disability program. Employees who on their Termination Date are covered under the Company's Life Insurance can be converted to self-pay coverage in accordance with the terms of the Life Insurance Plan.

13. **Flexible Spending Accounts.** The following paragraphs 13.a. and 13.b. describe the treatment of health care and dependent care spending accounts in the event of a termination of employment. These descriptions are taken from the Summary Plan Descriptions for Spending Accounts. If there is a conflict between these paragraphs 13.a. and 13.b. and the Summary Plan Description or Plan Documents and Contracts for Spending Accounts, the Summary Plan Description or Plan Documents and Contracts will be controlling.

- a. **Health Care Spending Account.** After an Employee's Termination Date, no further pre-tax deposits are made to an Employee's health care spending account. If there is a remaining balance in the Employee's account, the Employee can submit claims for reimbursement for expenses incurred while the Employee was making contributions to the account. The Employee can choose to contribute on a post-tax basis through COBRA. In this case the Employee can submit claims up to the amount of the Employee's annual election.
- b. **Dependent Care Spending Account.** After an Employee's Termination Date, no further deposits are made to an Employee's dependent care spending account. If there is a remaining balance in the Employee's account, the Employee can submit claims for reimbursement for expenses incurred while the Employee was contributing to the account. Contributions to a dependent care spending account

cannot be made through COBRA.

**14. Retirement Savings Education.** The Company will arrange for representatives of the administrators of the 401(k) plans to make presentations to Employees about their options under the plans. Attendance at such meetings shall be voluntary and scheduled at times to minimize disruption in operations

**15. Access to Personnel Files.** Employee who wishes to review their personnel files shall be permitted the opportunity to do so and to select records from their files for photocopying by the Human Resources Department at no cost to the Employees. The Company may schedule such opportunities so as not to disrupt the work of the Human Resources staff. Terminated employees shall have until **June 30, 2009** to review their personnel file under this provision.

**16. Letters of Reference.** Upon request of an Employee or prospective employer of an Employee, the Company shall provide a letter of reference (see Exhibit A) listing the Employee's most recent date of hire and position at the time of termination, and stating that the Employee was terminated because the Company effected a plant closure of its Memphis plant.

**17. Unemployment Compensation, Training and Relocation.** The Company shall not contest any unemployment compensation claim by an Employee for any period of actual unemployment caused by termination as a result of the Memphis plant closing or the rejection of a transfer opportunity to the any of the Company's other Divisions. The Company will not designate any Severance Pay or vacation or holiday payments, or payments under Paragraph 11 above, made to such Employee to any week after the Employee's Termination Date. However, the Company retains the right to contest unemployment compensation claim of any Employee who was discharged for cause or who is otherwise ineligible for unemployment compensation. The Company has scheduled times for Employees to meet with State and County representatives who described training and job relocation services available under the State and County programs for dislocated workers. The Company shall also cooperate with the Unions with respect to applications for unemployment compensation and other benefits under NAFTA or any TIA Trade Adjustment programs that may be applicable.

**18. Contact Person.** The Company will designate a contact person for Employees and Unions to contact with respect to any post-closing questions or issues related to employment at the Memphis plant. **Until July 31, 2009, employees may contact a representative at the Memphis plant location. Afterwards, employees may contact Sandra Snyder at the Dickson, Tennessee plant at the following phone number-(615) 441-9211.**

**19. Dispute Resolution.** Grievances timely filed over grievable disputes arising from the application or administration of this Agreement shall be processed in accordance with the grievance and arbitration procedure set forth in the applicable CBA. If processed to arbitration, each such grievance shall be arbitrated as expeditiously as is reasonably

possible before an arbitrator selected from an FMCS arbitrator panel.

**20. Outplacement.** The Company has provided outplacement and career counseling services through an outside consultant to Employees who have not voluntarily terminated their employment, retired or been discharged for cause. Such services shall be provided at no cost to the Employees.

**21. Transfers.** The Company also shall make available to Employees the opportunity to apply for transfer to job openings that may exist at other Quebecor World facilities. The decision to offer transfers is solely at the discretion of Quebecor World and the individual facility. An Employee who accepts transfer to another facility shall retain his/her most recent date of hire at the Memphis plant for benefit eligibility purposes only (e.g. number of weeks of vacation) in accordance with the policies and procedures in effect at the facility. There will be no insurance benefit waiting period for an Employee who transfers to another facility within ninety (90) days of his/her Termination Date. An Employee's acceptance or rejection of transfer shall not make the Employee ineligible for Severance Pay.

Relocation assistance may be offered to Employees transferring to another Quebecor World facility. The form and amount of such assistance is solely at the discretion of Quebecor World and the individual facility, and may vary by location.

**22. Retiree Health Insurance.** Former Employees currently receiving retiree health insurance benefits will continue to receive such benefits in accordance with the terms of the plan. Employees may elect to receive retiree health benefits provided such election is made (a) at a time when the Employee is in active employment status, or (b) during the Employee's health insurance continuation period described in paragraph 11 of this Agreement

**23. Scholarships.** The Company shall pay the balance of current scholarships awards, if any that were awarded under an Memphis plant sponsored program, directly to the recipients in a lump sum. Scholarships awarded under the Quebecor World scholarship program will be administered in accordance with the rules governing that program.

**24. Service Awards.** The Company will offer to Employees who would have become eligible for a years-of-service award in 2009 the opportunity to select and receive their award.

**25. Release and Waiver.** Except as otherwise provided in this Paragraph 19, the payments and other consideration described in this Agreement are in full settlement of all rights and benefits arising under the CBA's as a result of the Memphis plant closing, and termination of the employment relationship between the Company and Employees.

With respect to such matters, each of the Unions, for itself and on behalf of the Employees it represents: (a) releases the Company, its current and former officers, directors, employees, stockholders, agents, representatives, subsidiaries, employee

benefit plans and trusts, and the trustees, sponsors, administrators, participants and beneficiaries of such plans and trusts, all of their successors and assigns, and each of them (collectively "Released Party") from any and all claims, grievances, unfair labor practices charges or suits at law or in equity ("Claims") it and/or they have, had, or may have against Released Party as of the date of this Agreement is executed, and (b) waives any and all rights to hereafter raise any such Claims against Released Party, except only to enforce the terms of this Agreement and of the CBAs; provided, however, that this Agreement will not be deemed to limit, modify or otherwise affect the rights or claims of any Employee under any federal or state statute other than the National Labor Relations Act.

**26. Continuation of Employment-** Any employee retained in an active employment status beyond May 03, 2009 shall be eligible for all benefits and considerations provided in this Agreement upon the termination of their employment.

QUEBECOR WORLD MEMPHIS CORP,  
A WHOLLY OWNED  
SUBSIDIARY OF QUEBECOR WORLD  
(USA) INC

By:

David McCarthy  
Group Vice President, Human Resources  
Dated: April \_\_, 2009

LOCAL 777M  
GRAPHIC COMMUNICATIONS  
CONFERENCE/ INTERNATIONAL  
BROTHERHOOD OF TEAMSTERS

By: \_\_\_\_\_  
President  
Dated: April \_\_, 2009

By:

\_\_\_\_\_  
Vice-President  
Dated: April \_\_, 2009

By: \_\_\_\_\_  
Vice-President  
Dated: April \_\_, 2009



**EXHIBIT A**

**FORM LETTER OF REFERENCE**

**[COMPANY LETTERHEAD]**

[Date]

To Whom It May Concern:

This letter will confirm that [insert Employee's full name] was employed by Quebecor World at its Memphis, Tennessee plant since [insert hire date]. Mr./Mrs. [insert Employee's last name] was last employed as [insert job title], and was terminated as a result of a closure of the Memphis plant.

Very truly yours,

[Title]