

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF REORGANIZATION AND COMPROMISE
OF
QUEBECOR WORLD INC.

APPLICATION UNDER THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, as amended and

SECTION 191 OF THE *CANADA BUSINESS CORPORATIONS ACT*,
R.S.C. 1985, c. C-44, as amended

AMENDED AND RESTATED PLAN OF REORGANIZATION AND COMPROMISE
OF QUEBECOR WORLD INC.

May 18, 2009

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AMENDED AND RESTATED PLAN OF REORGANIZATION AND COMPROMISE

Amended and Restated Plan of Reorganization and Compromise of Quebecor World Inc. pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, and pursuant to Section 191 of the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended.

ARTICLE 1 –

INTERPRETATION

1.1 *Definitions*

In this Plan (including the Schedules hereto), unless otherwise stated or the context otherwise requires:

“**4.875% Notes due 2008**” means the 4.875% senior notes due in 2008 issued pursuant to an indenture dated as of November 3, 2003 among Quebecor World Capital Corporation, as issuer, QWI, as guarantor, and Wilmington Trust Company (as successor to Citibank, N.A.), as trustee;

“**6.125% Notes due 2013**” means the 6.125% senior notes due in 2013 issued pursuant to an indenture dated as of November 3, 2003 among Quebecor World Capital Corporation, as issuer, QWI, as guarantor, and Wilmington Trust Company (as successor to Citibank, N.A.), as trustee;

“**6.50% Notes due 2027**” means the 6.50% senior notes due in 2027 issued pursuant to an indenture dated as of January 22, 1997 among Quebecor World Capital Corporation (f/k/a Quebecor Printing Capital Corporation), as issuer, QWI (f/k/a Quebecor Printing Inc.), as guarantor, and The Bank of New York (as successor to Chase Manhattan Bank), as trustee;

“**8.75% Notes due 2016**” means the 8.75% senior notes due in 2016 issued pursuant to an indenture dated as of March 6, 2006, and amended by a first supplemental indenture dated as of December 20, 2007, among Quebecor World Capital II GP, as issuer, QWI, QWUSA and Quebecor World Capital II LLC, as guarantors, and Wilmington Trust Company (as successor to Citibank, N.A.), as trustee;

“**9.75% Notes due 2015**” means the 9.75% senior notes due in 2015 issued pursuant to an indenture dated as of December 18, 2006, and amended by a first supplemental indenture dated as of December 20, 2007, among QWI, as issuer, QWUSA, Quebecor World Capital II LLC and Quebecor World Capital II GP, as guarantors, and Wilmington Trust Company, as trustee;

“**18.2 Claims**” has the meaning set out in Section 2.4(1)(d) hereof;

“**Ad Hoc Group of Noteholders**” means the ad hoc committee of holders of Senior Notes;

“**Administration Charge**” has the meaning ascribed to such term in the Initial Order;

“**Administrative Agent**” means Royal Bank of Canada in its capacity as administrative agent under the Syndicate Agreement, or any successor agent thereto;

“**Administrative Agent Fees**” means the agency fees which are due or accruing by QWI to the Administrative Agent;

“**Affected Claims**” means all Claims, other than Excluded Claims;

“**Affected Creditor**” means any Person that is a Holder of an Affected Claim and may, if the context requires, mean an assignee of an Affected Claim or a trustee, interim receiver, receiver manager, or other Person acting on behalf of such Person, if such assignee or other Person has been recognized by the Monitor, QWI or the Disbursing Agent, as the case may be;

“**Affected Soc. Gen. Claims**” means any Claim, whether secured or unsecured, of Soc. Gen. arising under the Equipment Financing Agreement;

“**Affected Syndicate Claims**” means any Claim, whether secured or unsecured, arising under the Syndicate Agreement or any other Loan Document (as defined in the Syndicate Agreement);

“**Affected Syndicate/Soc. Gen. Class**” means the class of creditors grouped in accordance with their Claims for the purposes of considering and voting on this Plan in accordance with the provisions of this Plan and receiving distributions hereunder, such class being comprised of Soc. Gen. as the Holder of the Affected Soc. Gen. Claims and the Holders of the Affected Syndicate Claims;

“**Affected Unsecured Claims**” means all Affected Claims other than Affected Soc. Gen. Claims and Affected Syndicate Claims;

“**Affected Unsecured Creditor Class**” means the class of creditors grouped in accordance with their Claims for the purposes of considering and voting on this Plan in accordance with the provisions of this Plan and receiving distributions hereunder, such class being comprised solely of the Affected Unsecured Creditors;

“**Affected Unsecured Creditor**” means a creditor that is the Holder of an Affected Unsecured Claim;

“**Affected Unsecured Creditor Litigation Trust Recovery**” means 76.75% of any Contributed Claims Recovery obtained by the Litigation Trust;

“**Allowed Insured Claim**” means a Proven Claim in respect of an Insured Claim;

“**Application for Bankruptcy Order**” means the application to the Quebec Superior Court (Court File Number 500-11-032383-081) by Avenue Capital Management II, L.P., Mackay Shields LLC, Oaktree Capital Management, L.P., and Variable Annuity Life Insurance Company, dated January 25, 2008, to have QWI adjudged bankrupt and to have a bankruptcy order made in respect of the property of QWI;

“**Articles of Reorganization**” means the articles of reorganization of QWI giving effect to the QWI Reorganization, a summary of which is attached hereto as Schedule “B”, which shall be in form and substance acceptable to the Creditors’ Committee, the Ad Hoc Group of Noteholders and the Administrative Agent, acting reasonably, and which will be filed with the CBCA Director as contemplated by Section 5.1(i) hereof;

“**Bankruptcy Code**” means the *Bankruptcy Reform Act of 1978*, as amended and codified in Title 11 of the United States Code, 11 U.S.C. §§ 101-1532, as in effect on the Determination Date;

“**Beneficial Senior Noteholder**” means the ultimate beneficial holder of the Senior Note(s) holding such security(ies) in an account with a Nominee and DTC Participant, including, for greater certainty, a Nominee and DTC Participant, but only if and to the extent such Nominee and DTC Participant holds the Senior Note(s) as principal and on its own account;

“**Board**” means the board of directors of QWI, as constituted from time to time;

“**Business Day**” means a day, other than a Saturday, a Sunday, or a non-judicial day (as defined in Article 6 of the *Code of Civil Procedure*, R.S.Q., c. C-25, as amended) on which commercial banks are generally open for business in both Montréal, Quebec, Canada and New York, New York, USA;

“**Cancelled Classes of Shares**” has the meaning ascribed to such term in Schedule “B” hereto;

“**Cash**” means, legal tender of either Canada or the United States, as the context requires;

“**CBCA**” means the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended;

“**CBCA Director**” means the Director appointed pursuant to Section 260 of the CBCA;

“**CCAA**” means the *Companies’ Creditors Arrangement Act* (Canada), R.S.C. 1985, c. C-36, as amended;

“**CCAA Charge**” has the meaning ascribed to such term in the Initial Order;

“**CCAA Proceedings**” means the proceedings in respect of the Petitioners before the Court commenced pursuant to the CCAA;

“**Chair**” means the person designated by the Monitor to preside as chairperson at the Creditors’ Meeting;

“**Chapter 11 Cases**” means the proceedings commenced under Chapter 11 of the Bankruptcy Code by the U.S. Debtors before the U.S. Court (Lead Case No. 08-10152);

“**Chapter 15 Proceeding**” means the ancillary proceeding in respect of QWI which was filed under Chapter 15 of the Bankruptcy Code and which is pending before the U.S. Court (Case No. 08-13814);

“**Chief Restructuring Officer**” means, collectively, Randall Benson and the firm RC Benson Consulting Inc.;

“**Circular**” means the information circular relating to this Plan, including the notice of meeting and exhibits attached thereto and any written amendment, variation or supplement thereto;

“**Claim**” means any right of any Person or Persons against QWI in connection with any indebtedness, liability or obligation of any kind of QWI owed to such Person and any interest accrued thereon or costs payable in respect thereof, whether liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal,

equitable, secured, unsecured, present, future, known or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including the right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which indebtedness, liability or obligation is based in whole or in part on facts existing prior to the Determination Date, or which would have been claims provable in bankruptcy had QWI become bankrupt on the Determination Date, and any Restructuring Claim;

“**Claims Bar Date**” means the applicable bar date or dates for filing Claims for voting purposes or distribution purposes as set out in the Claims Procedure Order;

“**Claims Procedure Order**” means the Order of the Court dated September 29, 2008, establishing, among other things, procedures for proving Claims, including the Claims Protocol, as amended or supplemented from time to time by further Orders of the Court;

“**Claims Protocol**” means that certain “Cross-Border Protocol on the Filing and Determination of Claims” approved by the Court on September 29, 2008 and by the U.S. Court on September 30, 2008;

“**Completion Time**” means the time at which all of the events contemplated by Section 5.1 hereof have occurred or been completed, as applicable;

“**Contributed Avoidance Actions**” means such causes of action as the U.S. Debtors contribute to the Litigation Trust pursuant to the U.S. Plan;

“**Contributed Claims**” means, collectively, (i) the claims of the U.S. Debtors being asserted now or capable of being asserted in the future in the Private Notes Adversary Proceeding, (ii) the Contributed Avoidance Actions, and (iii) all recoveries from the causes of action referenced in clauses (i) and (ii) received by QWI or the U.S. Debtors, as applicable, prior to the Implementation Date;

“**Contributed Claims Recovery**” means any recovery obtained on account of the Contributed Claims net of the costs of administration of the Litigation Trust, including, but not limited to, repayment of the Funding Loan and fees associated with the litigation of the Contributed Claims that are incurred after the Implementation Date;

“**Convenience Claim**” means an Affected Unsecured Claim in respect of which the Holder has delivered an Election Notice in accordance with Section 2.5(b)(i) hereof;

“**Court**” means the Quebec Superior Court, Commercial Division for the District of Montréal;

“**CRA**” means the Canada Revenue Agency;

“**Creditors’ Committee**” means the official committee of unsecured creditors appointed pursuant to Section 1102(a) of the Bankruptcy Code in the Chapter 11 Cases on January 31, 2008, as reconstituted from time to time;

“**Creditors’ Meeting**” means, collectively, or when required by the context, one or any of, the meeting of the Affected Syndicate/Soc. Gen. Class and the meeting of the Affected Unsecured Creditor Class, in each case convened pursuant to the Creditors’ Meeting Order for the purpose of, among other things, considering and, if deemed appropriate, passing the Resolution, and includes any adjournment, postponement or other rescheduling of such meeting;

“**Creditors’ Meeting Date**” means the date fixed for the Creditors’ Meeting under the Creditors’ Meeting Order;

“**Creditors’ Meeting Order**” means the Order of the Court dated May 14, 2009 as it may be amended or supplemented from time to time by any further Orders of the Court which, among other things, sets the Creditors’ Meeting Date and establishes meeting procedures for the Creditors’ Meeting;

“**Determination Date**” means January 21, 2008;

“**DIP Credit Agreement**” means that certain senior secured superpriority debtor-in-possession credit agreement, dated as of January 21, 2008 (as subsequently amended by amendments dated as of January 25, 2008, February 26, 2008, March 27, 2008 and August 5, 2008) among QWI and QWUSA, as borrowers, the guarantors party thereto, Credit Suisse, as administrative agent, initial issuing bank and initial swing line lender, General Electric Capital Corporation and GE Canada Finance Holding Company, as collateral agent, Morgan Stanley Senior Funding, Inc. and Wells Fargo Foothill, LLC, as co-syndication agents, Wachovia Bank N.A., as documentation agent, and the initial lenders and the other lenders party thereto, as amended, supplemented, or otherwise modified from time to time, and all security, guarantee and other documents executed in connection therewith;

“**DIP Lenders**” means, collectively: (i) those entities identified as “Lenders” in the DIP Credit Agreement and their respective permitted successors and assigns (solely in their capacity as “Lenders” under the DIP Credit Agreement); and (ii) any agent bank named therein (solely in its capacity as agent bank under the DIP Credit Agreement);

“**DIP Lenders’ Charge**” has the meaning ascribed to such term in the Initial Order;

“**Disallowed Claim**” means a Disputed Claim, or a portion of a Disputed Claim which has been disallowed and, in respect of which all appeal periods, as set out in the Claims Procedure Order, have expired;

“**Disbursing Agent**” means QWI or any other Person designated by it, in its sole discretion, to serve as a disbursing agent under the Plan and the U.S. Plan;

“**Disputed Claim**” means an Affected Claim or that portion thereof, that is subject to a Notice of Revision or Disallowance, or a Notice of Dispute, and in either case has become neither a Proven Claim nor a Disallowed Claim;

“**D&O Charge**” has the meaning ascribed to such term in the Initial Order;

“**DTC**” means The Depository Trust and Clearing Corporation, the global depository that holds global certificates representing the Senior Notes in the book-entry system as the registered holder of the Senior Notes;

“**Election Deadline**” means the time specified in the Creditors’ Meeting Order as the deadline for filing a Form of Proxy;

“**Election Notice**” means the election notice included in the Form of Proxy, which permits Affected Unsecured Creditors to make an election in accordance with Section 2.5(b) hereof;

“**Employee Plans**” has the meaning ascribed to such term in Section 2.9 hereto;

“**Equipment Financing Agreement**” means the credit agreement entered into between Soc. Gen., as lender, QWI, as borrower, and QWUSA, as guarantor, dated as of January 13, 2006, as amended and as further amended, restated or modified from time to time thereafter, and all security, guarantees and other documents executed in connection therewith;

“**E&Y**” means Ernst & Young Inc. in its capacity as Monitor duly appointed by the Court pursuant to the Initial Order and not in its personal capacity;

“**Excluded Claims**” has the meaning ascribed to such term in Section 2.4(1) hereto;

“**Existing QWI Multiple Voting Shares**” means the multiple voting shares in the capital of QWI issued and outstanding immediately prior to the Implementation Date;

“**Existing QWI Preferred Shares**” means the first preferred shares, issuable in series, in the capital of QWI issued and outstanding immediately prior to the Implementation Date consisting of the Series 3 Cumulative Redeemable First Preferred Shares and the 6.90% Series 5 Cumulative Redeemable First Preferred Shares, as well as the Series 2 Cumulative Redeemable First Preferred Shares and the Series 4 Cumulative Redeemable First Preferred Shares, of which none of the latter two (2) series are issued and outstanding as of the date hereof;

“**Existing QWI Shares**” means the Existing QWI Multiple Voting Shares, the Existing QWI Subordinate Voting Shares and the Existing QWI Preferred Shares;

“**Existing QWI Subordinate Voting Shares**” means the subordinate voting shares in the capital of QWI issued and outstanding immediately prior to the Implementation Date;

“**Exit Loan Facility**” means the new financing arrangements to be entered into by QWI as at the Implementation Date, each of which shall be in form and substance acceptable to the Creditors’ Committee, the Ad Hoc Group of Noteholders and the Administrative Agent, acting reasonably;

“**Face Amount**” means: (i) when used in reference to a Disputed Claim or a Disallowed Claim, the full stated liquidated amount claimed by the Holder of such claim in any proof of claim timely filed in accordance with the Claims Procedure Order; and (ii) when used in reference to a Proven Claim, the amount of such claim as agreed by QWI, or as otherwise finally determined, pursuant to the provisions of the Claims Procedure Order;

“**Final Distribution Date**” means the first Interim Distribution Date occurring after (i) the Monitor certifies to the Court that the last Disputed Claim shall have been finally resolved and (ii) a final order of the U.S. Court has been entered, or other final resolution has been reached with respect to all disputed claims under the U.S. Plan;

“Form of Proxy” means the form of proxy and election notice and instructions to Affected Creditors, substantially in the form as set out in Schedule “D” to the Creditors’ Meeting Order;

“Funding Loan” has the meaning ascribed thereto in Section 6.1(e) hereof;

“Governing Board” has the meaning ascribed thereto in Section 6.1(d) hereof;

“Governmental Entity” means any: (i) multinational, federal, provincial, territorial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau or agency, domestic or foreign; (ii) subdivision, agent, commission, board, or authority of any of the foregoing; or (iii) quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or, for the account of, any of the foregoing;

“Holder(s)” means, when used with reference to the Claims of any Person, the Person who has filed such Claim with the Monitor provided that the Monitor has recognized such Person as the holder of such Claim or the Person who has been assigned a Claim of any Person so recognized, subject to compliance with the provisions of Section 6.3 hereof. For the purposes of this Plan, the Holders of the Affected Syndicate Claims shall be each Syndicate member to the extent of its share of the Affected Syndicate Claims, and the Holder of a Senior Notes Claim in respect of a Senior Note shall be the Beneficial Senior Noteholder and, other than for voting purposes, if the context requires, shall include, without duplication, the Indenture Trustee in respect of such Senior Note;

“Implementation Date” means the Business Day determined by QWI in consultation with the Creditors’ Committee, the Ad Hoc Group of Noteholders and the Administrative Agent, after (i) all conditions to implementation of the Plan have been satisfied or, to the extent legally permissible, waived in accordance with the provisions of this Plan, and (ii) the filing by the Monitor of a certificate with the Court confirming it has been informed to its satisfaction that all such conditions have been satisfied or waived in accordance with the provisions of this Plan;

“Indenture Trustee” means a trustee appointed in respect of any issue or series of any of the Senior Notes;

“Indenture Trustee Fee Claims” means a Claim by the Indenture Trustee pursuant to each of the Senior Notes Indentures relating to any compensation, disbursements, fees and expenses accrued and unpaid through the Implementation Date;

“Initial Distribution Date” means a date chosen by QWI in its discretion, occurring as soon as reasonably practicable after the Implementation Date, but in any event no later than thirty (30) days after the Implementation Date;

“Initial Order” means the Order of the Court dated January 21, 2008, as amended from time to time, pursuant to which, among other things, the Petitioners were granted certain relief under the CCAA;

“Initial Distribution Record Date” means the fifteenth (15th) day prior to the Initial Distribution Date;

“Insurance Contract” means any policy of third party liability insurance under which QWI could have asserted or did assert, or may in the future assert, a right to coverage for any claim, together with any other contracts which pertain or relate to such policy;

“Insured Claim” means that portion of any Claim arising from an incident or occurrence alleged to have occurred prior to the Implementation Date: (i) as to which any Insurer is obligated pursuant to the terms, conditions, limitations, and exclusions of its Insurance Contract(s), to pay any judgment, settlement, or contractual obligation with respect to QWI, or (ii) that any Insurer otherwise agrees to pay as part of a settlement or compromise of a claim made under the applicable Insurance Contract(s);

“Insurer” means any company or other entity that issued, or is responsible for, a policy of third party liability insurance under which QWI could have asserted or did assert, or may in the future assert, a right to coverage for any claim under an Insurance Contract;

“Intercompany Claims” means a Claim against QWI by any Subsidiary;

“Interim Distribution Date” means the first (1st) Business Day occurring ninety (90) days after the Initial Distribution Date, and subsequently, the first (1st) Business Day occurring ninety (90) days after the immediately preceding Interim Distribution Date;

“Interim Distribution Record Date” means, with respect to any Interim Distribution Date, the fifteenth (15th) day prior to such Interim Distribution Date;

“**Joint Claims Oversight Committee**” has the meaning ascribed thereto in Section 4.1 hereof;

“**Laws**” means all statutes, regulations, statutory rules, national and multilateral instruments, orders, judgments, decrees and terms and conditions of any grant of approval, permission, authority, permit or license of any court, Governmental Entity, statutory body or self-regulatory authority;

“**Litigation Trust**” means the litigation trust established pursuant to the U.S. Plan;

“**Litigation Trust Agreement**” means the agreement to be executed as of the Implementation Date establishing the Litigation Trust under the U.S. Plan and which shall be in form and substance acceptable to the Creditors’ Committee, the Ad Hoc Group of Noteholders and the Administrative Agent, acting reasonably;

“**Litigation Trust Beneficiaries**” means Affected Unsecured Creditors with Proven Claims, and such other beneficiaries as designated in the U.S. Plan to receive Litigation Trust Interests;

“**Litigation Trustee**” means the Person and any successor thereto appointed to act as trustee of, and to administer, the Litigation Trust;

“**Litigation Trust Interests**” means the beneficial interests in the Litigation Trust;

“**Monitor**” means E&Y and any successor thereto appointed in accordance with the Initial Order or any further Order of the Court;

“**New Share Provisions**” has the meaning ascribed to such term in Schedule “B” hereto;

“**Nominees and DTC Participants**” means banks, financial institutions, securities dealers or brokers, trust companies or other intermediaries identified as entities through which Beneficial Senior Noteholders hold Senior Notes in an account held therewith and that are participants in DTC;

“**Notice of Dispute**” has the meaning ascribed thereto in the Claims Procedure Order;

“**Notice of Revision or Disallowance**” has the meaning ascribed thereto in the Claims Procedure Order;

“**Order**” means any order of the Court in the CCAA Proceedings;

“**Other Equity Securities**” means, collectively, any and all securities, options (including, for greater certainty, stock options and employee stock options), warrants, entitlements, conversion rights, exchange rights, incentive units, subscription rights, rights of first refusal, pre-emptive rights, or other rights, contractual or otherwise, whether vested or unvested, to acquire or receive any Existing QWI Shares or any other equity, voting, special or preferred share in the capital of QWI, or any other ownership interests in QWI, and any contracts, subscriptions, commitments or agreements pursuant to which a Person was or could have been entitled to receive shares, securities or other ownership interests in QWI;

“**Participating Eligible U.S. Unsecured Claimants**” means all holders of claims under Class 4 of the U.S. Plan in respect of claims in such class other than (i) claims that are Affected Unsecured Claims, or (ii) claims that entitle their holders to a distribution under Class 3 or Class 5 of the U.S. Plan;

“**Paulian Action**” means the adversary proceeding filed in Canada captioned Mackay Shields LLC, Variable Annuity Life Insurance Company, Avenue Capital Management II L.P. and OCM High Yield Limited Partnership v. QWI, Royal Bank of Canada, Société Générale (Canada) and Computershare Trust Company of Canada (Motion to institute a Paulian Action), Province of Quebec, District of Montréal, Superior Court (Commercial Division) No.: 500-11-034379-087;

“**Person**” means any individual, firm, partnership, joint venture, venture capital fund, limited liability company, unlimited liability company, association, foundation, trust, trustee, executor, administrator, legal personal representative, estate, group, body corporate, corporation, unincorporated association or organization, Governmental Entity, syndicate or other entity, whether or not having legal status;

“**Petitioners**” means, collectively, QWI and the additional petitioners listed in Schedule “A” hereto;

“**Plan**” means this amended and restated plan of reorganization and compromise of QWI pursuant to the provisions of the CCAA and Section 191 of the CBCA, as it may be amended, varied or supplemented by QWI from time to time in accordance with its terms, which plan incorporates and consolidates the QWI Reorganization;

“**Post-Filing Claims**” means any right of any Person against QWI in connection with any indebtedness, liability, or obligation of any kind which arose in respect of obligations first incurred on or after the Determination Date (other than Restructuring Claims) and interest thereon, including any obligation of QWI toward creditors who have

supplied or shall supply services, utilities, goods or materials or who have or shall have advanced funds to QWI on or after the Determination Date, but only to the extent of their claims in respect of the supply of such services, utilities, goods, materials or funds on or after the Determination Date, or in respect of any executory contract or unexpired lease which has been deemed ratified pursuant to Section 7 hereof;

“Private Notes Adversary Proceeding” means the adversary proceeding filed in the Chapter 11 Cases captioned Official Committee of Unsecured Creditors of Quebecor World (USA) Inc. *et. al.*, vs. American United Life Insurance Company, AUSA Life Insurance Company, Barclays Bank PLC, Deutsche Bank Securities Inc., Hare & Co., Life Investors Insurance Company of America, Midland National Life Insurance Company Annuity, Modern Woodmen of America, North American Company for Life and Health Insurance/Annuity, North American Company for Life and Health Insurance of New York, Provident Life and Accident Insurance Company, the Northwestern Mutual Life Insurance Company, The Paul Revere Life Insurance Company, Transamerica Life Insurance Company, and John Does 1-50 Adversary Case No. 08-01417 (Bankr. S.D.N.Y. Sept. 19, 2008) and any other avoidance actions related to the Private Notes (as such term is defined in the U.S. Plan) filed or as may be filed against the defendants named therein;

“Proof of Claim” has the meaning ascribed to such term in the Claims Procedure Order;

“Pro Rata” means, at any time, the proportion that the Face Amount of an Affected Claim in a particular class bears to the aggregate Face Amount of all Affected Claims (including Disputed Claims, but excluding Disallowed Claims and Convenience Claims, and in the case of the Affected Unsecured Creditor Class, including the claims of Participating Eligible U.S. Unsecured Claimants) unless the Plan provides otherwise;

“Proven Claim” means, in respect of an Affected Creditor, the amount or any portion of the amount of the Affected Claim of such Affected Creditor as finally determined for distribution purposes in accordance with the provisions of this Plan, the CCAA, the Claims Procedure Order, the Claims Protocol and any other applicable Order;

“QWI” means Quebecor World Inc., a corporation amalgamated under and governed by the CBCA;

“QWI Class A Preferred Shares” means the Class A convertible participating preferred shares in the capital of QWI, to which shall be attached the rights, privileges, restrictions and conditions that will be set forth in the Articles of Reorganization; provided, however, that with the consent of the Administrative Agent, the QWI Class A Preferred Shares may be issued by any of the Reorganized Debtors (as such term is defined in the U.S. Plan) or other U.S. Subsidiary of QWI, with terms and conditions substantially similar to those set forth in the New Share Provisions and which shall be exchangeable for QWI Common Shares rather than into common shares of the issuer thereof;

“QWI Common Shares” means the common shares in the capital of QWI to which shall be attached the rights, privileges, restrictions and conditions that will be set forth in the Articles of Reorganization;

“QWI Reorganization” means the amendments to QWI’s articles to be authorized and approved by the Court in the Sanction Order in accordance with Section 191 of the CBCA and pursuant to which: (i) QWI’s name will be changed to a name that is intended to be publicly announced by QWI before the Creditors’ Meeting and in any event no later than the date of the Sanction Order; (ii) the Redeemable Shares will be created; (iii) the Existing QWI Shares will be changed into 0.000001 of a Redeemable Share; (iv) the Redeemable Shares will be redeemed in accordance with the rights, privileges, restrictions and conditions attaching thereto; (v) the authorized share capital of QWI consisting of the Existing QWI Shares and the Redeemable Shares will be cancelled and deleted, along with the rights, privileges, restrictions and conditions attached to such shares and all rights to accrued dividends in respect of all such classes and series of shares; and (vi) the QWI Shares and the rights, privileges, restrictions and conditions attaching thereto will be created;

“QWI Reserve” means the reserves to be established and maintained jointly under this Plan and the U.S. Plan by the Disbursing Agent, into which QWI and one or more of the U.S. Debtors, as applicable, shall have issued and deposited QWI Common Shares, QWI Class A Preferred Shares, QWI Warrants, New Unsecured Notes (as such term is defined in the U.S. Plan) and Cash that would be distributed to Holders of Disputed Claims under this Plan and disputed claims under the U.S. Plan if such Claims and disputed claims were to become Proven Claims or allowed claims under the U.S. Plan for the entire amount after the Initial Distribution Record Date, pending the proof or disallowance of such Disputed Claims and disputed claims in accordance with Article 4 hereof and the applicable provision under the U.S. Plan;

“QWI Shares” means, collectively, the QWI Common Shares and the QWI Class A Preferred Shares, excluding, for greater certainty, the Existing QWI Shares;

“**QWI Warrants**” means the Series I and Series II Warrants to be created and issued by QWI pursuant to the terms of the Warrant Indenture, certain of the terms of which are summarized in Schedule “C” hereto;

“**QWUSA**” means Quebecor World (USA) Inc., a Delaware corporation;

“**Redeemable Shares**” means the new class of redeemable shares of the capital of QWI to be created, issued and immediately redeemed by QWI pursuant to the Articles of Reorganization;

“**Redemption Price**” has the meaning ascribed thereto in Schedule “B” hereto;

“**Registration Rights Agreement**” means the agreement, to be in form and substance acceptable to the Creditors’ Committee, the Ad Hoc Group of Noteholders and the Administrative Agent, acting reasonably, whereby QWI and, if applicable, such Subsidiary thereof that shall be the issuer of the QWI Class A Preferred Shares, shall be obligated to register certain of the QWI Shares for resale with the United States Securities and Exchange Commission pursuant to the terms and conditions of such agreement;

“**Rejected Employee Agreements**” has the meaning ascribed thereto in Section 2.9 hereof;

“**Released Parties**” has the meaning ascribed thereto in Section 5.3(b) hereof;

“**Required Majority**” means, for each class of Affected Creditors as provided in Section 2.3 hereof, the affirmative vote of a majority in number of the Affected Creditors voting in the class, having Voting Claims and voting on the Resolution (in person or by proxy) at the Creditors’ Meeting for such class and representing not less than 66 $\frac{2}{3}$ % in value of the Voting Claims of the Affected Creditors voting (in person or by proxy) at the Creditors’ Meeting for such class, and “**Required Majorities**” means, collectively, the Required Majority of each class;

“**Resolution**” means, collectively, when required by the context, one or any of, the resolutions, substantially in the form attached as Exhibit “A” to the Circular, providing for the approval of the Plan by the Affected Creditors;

“**Restructuring Claim**” means any right of any Person against QWI in connection with any indebtedness, liability or obligation of any kind owed to such Person arising out of the repudiation, termination or restructuring of any contract, lease, employment agreement, or other agreement, whether written or oral, on or after the Determination Date, including any right of any Person who receives a notice of repudiation or termination from QWI, provided, however, that a “**Restructuring Claim**” shall not include any Excluded Claims;

“**Restructuring Transactions**” means the steps and transactions necessary or desirable to give effect to the transactions contemplated herein, as amended, varied or supplemented from time to time;

“**Restructuring Transactions Notice**” means the notice setting out and detailing substantially all of the Restructuring Transactions, which is intended to be posted on the Monitor’s website on or before June 8, 2009, and as thereafter modified consistent with the Plan and the U.S. Plan and to the extent such modifications are reasonably acceptable to the Creditors’ Committee, the Ad Hoc Group of Noteholders and the Administrative Agent, with a final Restructuring Transaction Notice to be posted on the Monitor’s website on the Implementation Date;

“**Sanction Date**” means the date on which the Sanction Order is made;

“**Sanction Order**” means the Order by the Court sanctioning this Plan pursuant to the CCAA and Section 191 of the CBCA, as such Order may be amended, modified or varied from time to time;

“**Secondary Liability Claim**” means a Claim that arises from QWI being liable as a guarantor of, or otherwise being jointly, severally, jointly and severally (solidarily) or secondarily liable for, any contractual, tort, guarantee or other obligation of any U.S. Debtor, including any Claim based on: (i) vicarious liability; (ii) liabilities arising out of piercing the corporate veil, alter ego liability or similar legal theories; (iii) guarantees of collection, payments or performance; (iv) indemnity bonds, obligations to indemnify or obligations to hold harmless; (v) performance bonds; (vi) contingent liabilities arising out of contractual obligations or out of undertakings (including any assignment or transfer) with respect to leases, operating agreements or other similar obligations made or given by QWI or relating to the obligations or performance of any U.S. Debtor; or (vii) any other joint, several, or joint and several (solidary) liability, including Claims for indemnification or contribution or subrogation, that QWI may have in respect of any obligation that is the basis of a Claim;

“**Secured Claims**” means a Claim other than a CCAA Charge, an Affected Syndicate Claim or an Affected Soc. Gen. Claim, which is subject to a reservation of ownership, or secured by a security interest in or a lien on the property of QWI, which reservation of ownership is valid, or security interest or lien is valid, perfected and enforceable pursuant

to applicable Laws or by reason of a Court Order, to the extent of the value of such property, as of the Implementation Date or such other date as is established by the Court;

“**Secured Creditors**” means the Holders of the Secured Claims, in respect of those Claims;

“**Senior Noteholder**” means, as the case may require, a registered or Beneficial Senior Noteholder;

“**Senior Notes**” means, collectively, (i) the 4.875% Notes due 2008, (ii) the 6.125% Notes due 2013, (iii) the 9.75% Notes due 2015, (iv) the 8.75% Notes due 2016 and (v) the 6.50% Notes due 2027;

“**Senior Notes Claim**” means any Claim arising under the Senior Notes;

“**Senior Notes Indentures**” means, collectively: (i) the indenture pursuant to which the 6.50% Notes due 2027 were issued; (ii) the indenture pursuant to which the 4.875% Notes due 2008 and the 6.125% Notes due 2013 were issued; (iii) the indenture (as supplemented) pursuant to which the 8.75% Notes due 2016 were issued; and (iv) the indenture (as supplemented) pursuant to which the 9.75% Notes due 2015 were issued;

“**Senior Notes Released Parties**” means, collectively, the Indenture Trustees and all current and former members of the Ad Hoc Group of Noteholders, in their respective capacities as such;

“**Series I Warrants**” means the series I warrants to be issued pursuant to the Warrant Indenture;

“**Series II Warrants**” means the series II warrants to be issued pursuant to the Warrant Indenture;

“**Servicer**” means any indenture trustee, agent, or servicer that administers any agreement that governs the rights of a Holder of an Affected Claim;

“**Soc. Gen.**” means Société Générale (Canada), as lender pursuant to the Equipment Financing Agreement;

“**Soc. Gen. Recovery**” means 1,012,434 QWI Class A Preferred Shares and 808,450 QWI Common Shares;

“**Stay Period**” has the meaning ascribed to it in the Initial Order;

“**Stay Termination Date**” has the meaning ascribed to it in the Initial Order;

“**Subsidiaries**” means, collectively, all of the direct and indirect wholly-owned or otherwise controlled subsidiaries of QWI and the direct or indirect wholly-owned or otherwise controlled partnerships, limited partnerships or other entities of QWI immediately prior to the Implementation Date;

“**Syndicate**” means the lenders from time to time party to the Syndicate Agreement;

“**Syndicate Agreement**” means the amended and restated credit agreement entered into by QWI and QWUSA, as borrowers, Quebecor Printing Holding Company, as guarantor, the Administrative Agent, and the Syndicate, as lenders, dated as of December 15, 2005 and as amended, restated or modified from time to time thereafter, and all security, guarantee and other documents executed in connection therewith;

“**Syndicate Agreement Collateral Agent**” means Computershare Trust Company of Canada, as collateral agent under the Syndicate Agreement, and any successor collateral agent under the Syndicate Agreement;

“**Syndicate Committee**” means the Administrative Agent acting in consultation with the ad hoc committee of lenders under the Syndicate Agreement and represented by Latham & Watkins LLP and McMillan LLP, which committee is comprised of the following lenders: ABN Amro Bank N.V. (as Cdn. Qualified Lender); Bank of America, N.A.; Bank of America, N.A., Canada Branch; Société Générale (solely in its capacity as a lender under the Syndicate Agreement and specifically not in its capacity as the lender under the Equipment Financing Agreement); Wachovia Bank, National Association; Wachovia Capital Finance Corporation (Canada); Deutsche Bank AG, Cayman Island Branch; Catalyst Fund Limited Partnership II; and Citigroup Financial Products Inc.;

“**Syndicate Recovery**” means 4,725,066 QWI Class A Preferred Shares and 3,972,933 QWI Common Shares;

“**Syndicate Released Parties**” means the holders of the Affected Syndicate Claims, Royal Bank of Canada, as Administrative Agent or in any other capacity under or in connection with the Syndicate Agreement, the Syndicate Agreement Collateral Agent, all lenders from time to time parties under the Syndicate Agreement, all parties otherwise defendants in the Syndicate/Soc. Gen. Adversary Proceeding, and/or all their present and former financial or other advisors and legal counsel, but in all events shall not include Holders of Affected Soc. Gen. Claims in their capacities as such;

“**Syndicate Releases**” has the meaning ascribed thereto in Section 5.3(c) hereof;

“**Syndicate/Soc. Gen. Adversary Proceeding**” means, collectively, the adversary proceeding filed in the Chapter 11 Cases captioned Official Committee of Unsecured Creditors of Quebecor World (USA) Inc. *et. al.*, vs. Royal Bank of Canada, Computershare Trust Company of Canada, Doe Credit Facility Lenders Nos. 1-100, Adversary Case No. 09-01012 (Bankr. S.D.N.Y. Jan. 16, 2009), and the Paulian Action;

“**Tax**” or “**Taxes**” means any and all taxes, duties, fees, pending assessments, reassessments and other governmental charges, duties, impositions and liabilities of any kind whatsoever (including any Claims by Her Majesty the Queen, Her Majesty the Queen in right of Canada, Her Majesty the Queen in right of any province or territory of Canada, CRA and any similar revenue or taxing authority of any province or territory of Canada or other applicable jurisdiction), including all interest, penalties, fines and additions with respect to such amounts;

“**TSX**” means The Toronto Stock Exchange;

“**U.S. Court**” means the United States Bankruptcy Court for the Southern District of New York;

“**U.S. Debtors**” means the entities listed in Schedule “A” hereto;

“**U.S. Plan**” means the third amended joint plan of reorganization of the U.S. Debtors dated May 18, 2009 as may be further amended, varied or supplemented from time to time, which U.S. Plan is accessible and can be obtained on the Monitor’s website at www.ey.com/ca/QuebecorWorld;

“**U.S. Securities Act**” means the United States *Securities Act of 1933*, as amended;

“**Voting Claim**” means, in respect of an Affected Creditor and its Affected Claim applicable to a particular class, the Canadian dollar amount of the Claim of such Affected Creditor accepted for purposes of voting at the Creditors’ Meeting in accordance with the provisions of the Creditors’ Meeting Order;

“**Voting Instruction Form**” means the voting instruction form and accompanying instructions to be sent to each Nominee and DTC Participant (or to an agent designated by such Nominee and DTC Participant) and on-forwarded to Beneficial Senior Noteholders in respect of Senior Notes held by Beneficial Senior Noteholders through Nominees and DTC Participants for the purpose of counting and tabulating the voting instructions of Beneficial Senior Noteholders in respect of the matters to be voted on at the Creditors’ Meeting or any adjournment, postponement or rescheduling thereof and to be substantially similar in form and content to the Form of Proxy but adjusted for and addressed to Beneficial Senior Noteholders to reflect the fact that such Beneficial Senior Noteholders are not the registered holders of the Senior Notes, and which voting instruction form shall be in form and substance acceptable to the Monitor, after consultation with the Ad Hoc Group of Noteholders, and prepared in accordance with customary practice and that will provide for the return of any such completed form to the relevant Nominee and DTC Participant (or to an agent designated by the relevant Nominee and DTC Participant);

“**Warrant Bundle**” means one (1) Series I Warrant and one (1) Series II Warrant; and

“**Warrant Indenture**” means the warrant indenture under which QWI will issue the QWI Warrants, which indenture shall be in form and substance acceptable to the Creditors’ Committee, the Ad Hoc Group of Noteholders and the Administrative Agent, acting reasonably.

1.2 *Interpretation, etc.*

For purposes of this Plan:

- (a) any reference in this Plan to a contract, instrument, release, indenture, agreement or other document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions;
- (b) any reference in this Plan to an existing document or exhibit filed or to be filed means such document or exhibit as it may have been or may be amended, modified or supplemented;
- (c) all references to currency and to “\$” or “Cdn.\$” are to Canadian dollars except as otherwise indicated;
- (d) all references in this Plan to Articles, Sections and Schedules are references to Articles, Sections and Schedules of or to this Plan;
- (e) unless otherwise specified, the words “hereof”, “herein” and “hereto” refer to this Plan in its entirety rather than to any particular portion of this Plan;

- (f) the division of this Plan into Articles, Sections, Schedules, and paragraphs and the insertion of captions and headings to Articles, Sections, Schedules and paragraphs are for convenience of reference only and are not intended to affect the interpretation of, or to be part of this Plan;
- (g) where the context requires, a word or words importing the singular shall include the plural and vice versa;
- (h) the words “includes” and “including” are not limiting; and
- (i) the word “or” is not exclusive.

1.3 *Date for any Action*

In the event that any date on which any action is required to be taken under this Plan by any of the parties is not a Business Day, that action shall be required to be taken on the next succeeding day which is a Business Day.

1.4 *Time*

All times expressed in this Plan are prevailing local time Montréal, Quebec, Canada unless otherwise stipulated.

1.5 *Statutory References*

Any reference in this Plan to a statute includes all regulations made thereunder and all amendments to such statute or regulations in force, from time to time, or any statute or regulations that supplement or supersede such statute or regulations.

1.6 *Schedules*

The following are the schedules to this Plan, which are incorporated by reference into this Plan and form an integral part of it:

Schedule “A” – Additional Petitioners

Schedule “B” – Summary of the Articles of Reorganization

Schedule “C” – Summary of Terms of QWI Warrants

ARTICLE 2 –

COMPROMISE AND ARRANGEMENT

2.1 *Background*

The circumstances and events leading up to this Plan are described in the Circular sent to Affected Creditors in connection with the Creditors’ Meeting.

2.2 *Persons Affected*

This Plan provides for a coordinated restructuring and compromise of Affected Claims against QWI. The U.S. Debtors are Subsidiaries of QWI and subject to proceedings under the Bankruptcy Code and have filed the U.S. Plan with the U.S. Court. The effectiveness of this Plan is conditioned upon the effectiveness and implementation of the U.S. Plan. This Plan will become effective on the Implementation Date in accordance with its terms and in the sequence set forth in Section 5.1 hereof. At the Implementation Date, each Affected Claim against QWI will be fully and finally compromised or otherwise assigned, transferred or alienated as set forth in this Plan, including the Restructuring Transactions. This Plan shall be binding on and enure to the benefit of QWI, the holders of the Existing QWI Shares, the holders of Other Equity Securities, the Affected Creditors, the Released Parties, any trustee, agent or other Person acting on behalf of any Affected Creditor and such other Persons who have received the benefit of, or are bound by any waivers, releases or indemnities hereunder.

2.3 *Classes of Affected Claims*

For the purpose of voting on, and distributions pursuant to, this Plan, the Affected Claims are divided into two (2) classes as set out below:

- (a) the Affected Syndicate/Soc. Gen. Class; and
- (b) the Affected Unsecured Creditor Class.

2.4 Excluded Claims and Post-Filing Claims

- (1) This Plan does not affect the following (each, an “**Excluded Claim**” and, collectively, the “**Excluded Claims**”):
 - (a) the indebtedness, liabilities and obligations secured by the Administration Charge;
 - (b) the indebtedness, liabilities and obligations secured by the DIP Lenders’ Charge;
 - (c) the indebtedness, liabilities and obligations of the Directors and Officers (as such terms are defined in the Initial Order), which are secured by the D&O Charge;
 - (d) any amount owing to Her Majesty the Queen in Right of Canada or of any Province as described in Section 18.2 of the CCAA (collectively, “**18.2 Claims**”);
 - (e) all amounts owing to employees and officers employed by, and directors of, QWI on the Determination Date for wages, salary, benefits (other than amounts owing pursuant to Rejected Employee Agreements), unreimbursed expenses, and amounts owing for accrued and unpaid vacation pay on the Determination Date;
 - (f) any Post-Filing Claim;
 - (g) any Secured Claim;
 - (h) any Intercompany Claim;
 - (i) the claims of Canadian Imperial Bank of Commerce as beneficiary of the Cash Collateral (as such term is defined in the Initial Order) in relation to such Cash Collateral, and in its capacity as a provider of the CIBC Banking Services (as such term is defined in the Initial Order); and
 - (j) the claims of any current officer, director and employee of QWI for indemnification and/or contribution from such officer’s, director’s or employee’s service to QWI pursuant, and subject to, applicable Laws and the policies and procedures of QWI.
- (2) Creditors with Excluded Claims will not be entitled to vote at the Creditors’ Meeting or receive any distributions under this Plan in respect of the portion of their Claim which is an Excluded Claim. Nothing in this Plan shall affect QWI’s rights and defences, both legal and equitable, with respect to any Excluded Claim including any rights arising under or pursuant to this Plan or any rights with respect to legal and equitable defences or entitlements to set-offs or recoupments against such Excluded Claims.

2.5 Treatment of Affected Claims

- (a) **Compromise of the Affected Syndicate Claims and the Affected Soc. Gen. Claims.**
 - (i) The Affected Syndicate Claims shall be deemed to be accepted for both voting purposes and distribution purposes in accordance with this Plan in an aggregate amount equal to Cdn.\$746,732,123, which shall be the aggregate Proven Claims of the Affected Syndicate Claims and the Holders of the Affected Syndicate Claims shall receive in the aggregate, in respect of such Proven Claims, the Syndicate Recovery;
 - (ii) The Affected Soc. Gen. Claims shall be deemed to be accepted for voting purposes in accordance with this Plan in the amount of Cdn.\$155,376,790 but shall not be accepted for distribution purposes and shall be deemed to be a Disputed Claim for distributions hereunder. The Soc. Gen. Recovery shall be placed in the QWI Reserve. Accordingly, pending determination of the validity of the security claimed by Soc. Gen., no distribution shall be made in respect of the Affected Soc. Gen. Claims. In the event that the security claimed by Soc. Gen. is determined to be valid and enforceable in accordance with the procedures established for determining Claims, the Soc. Gen. Affected Claim shall be a Proven Claim and Soc. Gen. as the Holder of the Soc. Gen. Claim shall be entitled to receive the Soc. Gen. Recovery from the QWI Reserve.

In the event that the security claimed by Soc. Gen. is determined not to be valid and enforceable in accordance with the procedures established for determining Claims, the property then held in the QWI Reserve in respect of the Affected Soc. Gen. Claims shall be distributable to Soc. Gen. and to Holders of Affected Unsecured Claims and Participating Eligible U.S. Unsecured Claimants, on the same basis as if Soc. Gen. was, on the Implementation Date, included in the Affected Unsecured Creditor Class. In such a case, to the extent that any portion of the QWI Reserve attributable to the Affected Soc. Gen.

Claim is comprised of QWI Class A Preferred Shares, such property shall, before distribution, be converted at the rate specified under the terms and conditions of the Class A Preferred Shares to QWI Common Shares, or cancelled, in accordance with the terms of the U.S. Plan.

(b) **Compromise of Affected Unsecured Claims.**

- (i) Each Affected Unsecured Creditor (other than a Holder of a Senior Notes Claim) with Proven Claims: (i) the aggregate amount of which is equal to or less than Cdn.\$2,500 or (ii) the aggregate amount of which is reduced, for distribution purposes only, to Cdn.\$2,500 pursuant to an election by the Holder made on the Election Notice, who has filed an Election Notice with the Monitor by the Election Deadline in which the Affected Unsecured Creditor has elected to receive a cash payment, shall receive in full and final satisfaction of its Proven Claims, a cash distribution in an amount equal to the lesser of (i) Cdn.\$2,500; and (ii) the amount of its Proven Claims. All Election Notices may only be delivered in respect of all, and not less than all, of the Claims of a Holder and, once delivered to the Monitor, will be final and irrevocable and no Affected Unsecured Creditor shall be entitled to change, revoke or withdraw its election to receive a cash payment after receipt by the Monitor of such completed Election Notice. For purposes of this Section 2.5(b)(i) only, all Claims of a Holder shall be considered to constitute one Claim only.
- (ii) In accordance with the other provisions of this Plan, each Affected Unsecured Creditor with a Proven Claim who has not filed an Election Notice with the Monitor by the Election Deadline, or who has filed an Election Notice in which the Affected Unsecured Creditor has elected not to receive a cash payment, will receive, in full satisfaction of its Proven Claim against QWI, its Pro Rata share of: (i) 16,473,629 QWI Common Shares; (ii) 9,310,214 Warrant Bundles and (iii) the Affected Unsecured Creditor Litigation Trust Recovery less, in each case, any consideration received by such Affected Unsecured Creditor under the provisions of the U.S. Plan in respect of the same Claim. The Senior Notes Claims, as filed by the applicable Indenture Trustees, shall be deemed to be Proven Claims, as of the Implementation Date, in the amount of Cdn.\$1,541,940,164, and all other Claims arising from the Senior Notes Claims shall be deemed Disallowed Claims.

2.6 *18.2 Claims*

Within six (6) months after the Implementation Date, QWI will pay in full all 18.2 Claims.

2.7 *Secured Claims*

Each Holder of a Secured Claim shall receive, in full satisfaction, settlement, release and discharge of and in exchange for, such Secured Claim, at the sole option of QWI: (i) the return of the Holder's collateral securing the Secured Claim; (ii) ratification of such Holder's security interest, lien or agreement, as applicable; or (iii) such other less favourable treatment as to which QWI and such Holder shall have agreed upon in writing. Further, all valid, enforceable and perfected pre-Determination Date liens on property of QWI held by or on behalf of Holders of Secured Claims with respect to such Claims shall survive the Implementation Date and continue in accordance with the contractual terms of the underlying agreements with such Holders of Secured Claims and/or applicable Law until, as to each such Holder of a Secured Claim, such time as: (a) the Holder of the Secured Claim: (I) has received a return of the Holder's collateral securing the Secured Claims; (II) has had the lien or security interest securing the Secured Claim, or the agreement relating to such Secured Claim, ratified by QWI; or (III) has agreed in writing with QWI to such other less favourable treatment; or (b) such purported lien, security interest or agreement has been determined by an order of the Court to be invalid or otherwise avoidable.

2.8 *Intercompany Claims*

At the option of QWI, any and all Intercompany Claims may either be ratified, in whole or in part, by QWI, and treated in the ordinary course of business, or, with the consent of the holder of such Intercompany Claim, cancelled and discharged, in full or in part, in which case such discharged portion shall be eliminated and such holder thereof shall not be entitled to vote on this Plan nor be entitled to receive any distribution under this Plan.

2.9 *Employee and Retiree Benefits*

Except with respect to any Rejected Employee Agreement (as defined below), on and after the Implementation Date, QWI may: (1) honour, in the ordinary course of business, any contracts, agreements, policies, programs, and plans (collectively, "**Employee Plans**") for, among other things, compensation (including bonus compensation), health care

benefits, disability benefits, deferred compensation benefits, travel benefits, savings, severance benefits, retirement benefits, welfare benefits, workers' compensation insurance, and accidental death and dismemberment insurance for the directors, officers, and employees of QWI who served in such capacity at any time; and (2) honour, in the ordinary course of business, Excluded Claims of employees employed as of the Implementation Date for accrued and unused vacation time arising prior to the Determination Date; provided, however, that QWI's performance of any employment agreement that is not a Rejected Employee Agreement will not entitle any Person to any benefit or alleged entitlement under any policy, program, or plan that has expired or been terminated before the Implementation Date, or restore, reinstate, or revive any such benefit or alleged entitlement under any such policy, program, or plan. Nothing in this Plan shall limit, diminish, or otherwise alter QWI's defenses, claims, causes or action, or other rights with respect to any such contracts, agreements, policies, programs, and plans. QWI may, without any need for further approval of the Court, establish Employee Plans that provide persons who participated in any Employee Plans that have been repudiated by QWI (the "**Rejected Employee Agreements**") with benefits of equal or lesser value than the benefits that would have been provided under the Rejected Employee Agreements subject to such persons irrevocably waving and forfeiting any and all claims such persons have or may have in respect of the Rejected Employee Agreements.

ARTICLE 3 –

VALUATION OF CLAIMS, CREDITORS' MEETING AND RELATED MATTERS

3.1 *Conversion of Affected Claims into Canadian Currency*

For the purposes of determination of the value of Affected Claims denominated in currencies other than Canadian dollars for voting and distribution purposes, such Affected Claims shall be converted by the Monitor to Canadian dollars at the Bank of Canada noon spot rate of exchange for exchanging currency to Canadian dollars on the Determination Date.

3.2 *Affected Claims*

Affected Creditors shall be entitled to prove their respective Affected Claims, vote in respect of the Plan, and receive the distributions provided for, under and pursuant to the Claims Procedure Order, the Claims Protocol, the Creditors' Meeting Order and this Plan.

3.3 *Creditors' Meeting*

The Creditors' Meeting shall be held in accordance with this Plan, the Creditors' Meeting Order and any further Order which may be made from time to time for the purposes of considering and voting on the Resolution or other matters to be considered at the Creditors' Meeting.

3.4 *Approval by Affected Creditors*

QWI will seek approval of the Plan by the affirmative vote of the Required Majorities. Any resolution, including the Resolution, to be voted on at the Creditors' Meeting to approve, amend, vary or supplement the Plan, which will be decided by the Required Majorities on a vote by ballot, and any other matter submitted for a vote at the Creditors' Meeting shall be decided by a majority of votes cast on a vote by a show of hands, unless the Chair decides, in his or her sole discretion, to hold such vote by way of ballot. The result of any vote will be binding on all Affected Creditors in the class, whether or not any such Affected Creditor is present and voting (in person or by proxy) at the Creditors' Meeting.

3.5 *Order to Establish Procedure for Valuing Claims*

The procedure for valuing Affected Claims for voting and distribution purposes, and resolving disputes in respect of any such valuation, is set forth in the Claims Procedure Order, Claims Protocol and the Creditors' Meeting Order. QWI and the Monitor reserve the right to seek the assistance of the Court in valuing the Affected Claim of any Affected Creditor, if deemed advisable, or in determining the result of any vote on the Resolution or otherwise at the Creditors' Meeting, or the amount, if any, to be distributed to any Affected Creditor under the Plan, as the case may be.

3.6 *Claims for Voting Purposes*

Each Affected Creditor with a Voting Claim shall be entitled to one (1) vote and the weight attributed to such vote (for the purposes of determining the Required Majorities) shall be equal to the aggregate Canadian dollar value of such Affected Creditor's Voting Claim (if necessary, converted into Canadian dollars in accordance with Section 3.1 hereof). An Affected Creditor's Voting Claim shall not include fractional numbers and Voting Claims shall be rounded to the nearest whole Canadian dollar amount.

If the amount of the Affected Claim of any Affected Creditor is not resolved for voting purposes at least five (5) Business Days before the Creditors' Meeting Date in accordance with the Claims Procedure Order, the Claims Protocol and the Creditors' Meeting Order, the Affected Creditor shall be entitled to vote at the Creditors' Meeting based on that portion of its Affected Claim which has been accepted for voting purposes by the Monitor, without prejudice to the rights of QWI, or the Affected Creditor, with respect to the final determination of the Affected Creditor's Claim for distribution purposes in accordance with the terms of the Claims Procedure Order, the Creditors' Meeting Order and this Plan.

Affected Creditors whose Affected Claims have been revised or disallowed, in full or in part, which revision or disallowance remains in dispute or under appeal in accordance with the Claims Procedure Order, shall have their voting intentions with respect to such disputed or disallowed amounts recorded by the Monitor and reported to the Court.

3.7 *Adjournments*

If the Creditors' Meeting is adjourned by the Chair in his or her sole discretion or because quorum is not obtained, the Creditors' Meeting will be adjourned, postponed or otherwise rescheduled by the Monitor to such date, time and place as may be decided by the Chair in his or her sole discretion.

3.8 *Voting of Proxies*

Any Affected Creditor's proxy will be voted on any ballot in accordance with the Affected Creditor's instruction to vote for or against the approval of the Resolution and any other matters before the Creditors' Meeting. In the absence of such instruction, the proxy will be voted for the approval of the Resolution.

Forms of proxy and the Voting Instruction Form may confer discretionary authority on the individuals designated therein with respect to amendments or variations of matters identified in the notice of Creditors' Meeting and other matters that may properly come before the Creditors' Meeting.

All matters related to the solicitation of votes for the Creditors' Meeting, the mailing of materials to Affected Creditors and the voting procedure and tabulation of votes cast with respect to the Creditors' Meeting shall be as set forth in the Creditors' Meeting Order.

3.9 *Claims Bar Date*

If an Affected Creditor has failed to file its Proof of Claim prior to the relevant Claims Bar Date and has not been permitted to file a late claim pursuant to the Claims Procedure Order, that Affected Creditor shall be barred from voting at the Creditors' Meeting and receiving a distribution, and QWI shall be released from the Affected Claims of such Affected Creditor and Section 5.3(b) of this Plan shall apply to all such Claims. The foregoing does not apply to the Holders of Affected Syndicate Claims or the Beneficial Senior Noteholders, all of whom shall be permitted to vote in respect of their Claims as determined and dealt with in accordance with the Creditors' Meeting Order.

ARTICLE 4 –

PROCEDURE FOR RESOLVING DISTRIBUTIONS IN RESPECT OF DISPUTED CLAIMS

4.1 *No Distributions Pending Allowance*

Notwithstanding any other provision of this Plan, no distributions shall be made with respect to a Disputed Claim unless and until it has become a Proven Claim. Prior to the Implementation Date, Disputed Claims shall be dealt with in accordance with the Claims Procedure Order and the Claims Protocol. Following the Implementation Date, the resolution of Disputed Claims shall continue to be dealt with in accordance with the Claims Procedure Order except that following the Implementation Date, and notwithstanding anything else set forth herein, in the U.S. Plan, or in the Confirmation Order (as such term is defined in the U.S. Plan) there shall be formed a joint claims oversight committee (the “**Joint Claims Oversight Committee**”) which shall monitor the Disputed Claims administration, provide guidance to QWI and the Monitor, and address the Court if the Joint Claims Oversight Committee disagrees with QWI's or the Monitor's proposed settlement of any Disputed Claim for an amount greater than U.S.\$1,000,000, and if such Committee determines necessary, object to Disputed Claims. The Joint Claims Oversight Committee shall be created in accordance with, and governed by, the provisions relating thereto set forth in the U.S. Plan.

4.2 *QWI Reserve*

As of the Initial Distribution Date, the Disbursing Agent shall establish the QWI Reserve by holding on account of Disputed Claims, a number of QWI Common Shares, QWI Class A Preferred Shares, Cash and Warrant Bundles (and

shall instruct the Litigation Trustee to hold in reserve Litigation Trust Interests), equal to the amount of QWI Common Shares, QWI Class A Preferred Shares, Cash, Warrant Bundles and Litigation Trust Interests, as applicable, that the Holders of Disputed Claims would be entitled to receive if all such Disputed Claims had been Proven Claims in their entire amount on such date.

4.3 *Distributions From QWI Reserve Once Disputed Claims Resolved*

The Disbursing Agent shall make allocations from the QWI Reserve to the Holders of Proven Claims following the Initial Distribution Date in accordance with this Plan. To the extent that Disputed Claims become Proven Claims in accordance with this Plan, the Disbursing Agent shall distribute on the applicable Interim Distribution Date, to the extent practicable, or the Final Distribution Date, to the Holders of such Proven Claims, from the QWI Reserve, the QWI Common Shares, the QWI Class A Preferred Shares, Cash and the Warrant Bundles, as applicable, which they would have been entitled to receive in respect of those particular Proven Claims that would have been distributed on the Initial Distribution Date had such Claims been Proven Claims on the Initial Distribution Record Date, and shall instruct the Litigation Trustee to distribute to such Holders, the amount of Litigation Trust Interests to which they are entitled in respect of their Proven Claims. To the extent that any Disputed Claim or a portion thereof has become a Disallowed Claim, then the Disbursing Agent shall, following any Interim Distribution Record Date, distribute on the applicable Interim Distribution Date, to the extent practicable, or on the Final Distribution Date, to the Holders of Affected Unsecured Claims that have previously been adjudicated under this Plan to be Proven Claims, their Pro Rata share from the QWI Reserve, of additional QWI Common Shares and Warrant Bundles, as applicable, that was kept in the QWI Reserve on account of such Disallowed Claims, and shall instruct the Litigation Trustee to distribute to such Holders the amount of additional Litigation Trust Interests to which they are entitled. The Disbursing Agent shall make its last distribution, and shall instruct the Litigation Trustee to make its final distribution, on the Final Distribution Date on which, Holders of Disputed Claims, if and when such claims are accepted, will receive that number of QWI Common Shares, QWI Class A Preferred Shares, Cash, Warrant Bundles and Litigation Trust Interests, equal to the number of QWI Class A Preferred Shares, QWI Common Shares, Cash, Warrant Bundles and Litigation Trust Interests, they would have received under this Plan in exchange for the release and compromise of their Proven Claims pursuant to the terms of this Plan, had their claims been Proven Claims on the Initial Distribution Record Date.

4.4 *Disbursing Agent Shall Not Distribute Fractional Shares or Fractional Warrants*

The Disbursing Agent shall not be obligated to distribute any fractional QWI Shares or fractional Warrant Bundles. When a distribution would otherwise result in the issuance of fractional QWI Shares or fractional Warrant Bundles following the Initial Distribution Record Date or any Interim Distribution Record Date, on the applicable distribution date the Affected Creditor who would otherwise be entitled to receive such fractional QWI Shares or Warrant Bundles shall be credited with such fractional QWI Shares or Warrant Bundles and then only on the Final Distribution Date, as applicable, shall the number of QWI Shares or Warrant Bundles to be so distributed be rounded to the nearest whole number and no compensation shall be paid for fractional QWI Shares or Warrant Bundles.

ARTICLE 5 –

IMPLEMENTATION OF THE PLAN

5.1 *Plan Implementation*

Plan Transactions

Each of the following transactions contemplated by and provided for under the Plan, including, for greater certainty, the Restructuring Transactions, will be consummated and effected and shall for all purposes be deemed to occur on the Implementation Date, in the sequence specified below and in the Restructuring Transactions Notice. Therefore, all of the actions, documents, agreements and funding necessary to implement all of the following transactions must be in place and be final and irrevocable prior to the Implementation Date and shall then be held in escrow and shall be released in the order specified below without any further act or formality.

On the Implementation Date, each of the following transactions shall be consummated and effected:

- (i) *QWI Reorganization.* The Articles of Reorganization previously filed with, and certified by, the CBCA Director shall become effective pursuant to which, among other things: (i) QWI's name will be changed to a name that is intended to be publicly announced by QWI before the Creditors' Meeting and in any event no later than the date of the Sanction Order; (ii) the Redeemable Shares will be created; (iii) each of the Existing QWI

Shares will be changed into 0.000001 of a Redeemable Share; (iv) the Redeemable Shares will be redeemed in accordance with the rights, privileges, restrictions and conditions attaching thereto; (v) the authorized share capital of QWI consisting of the Existing QWI Shares and the Redeemable Shares will be cancelled and deleted, along with the rights, privileges, restrictions and conditions attached to such shares and all rights to accrued dividends in respect of all such classes and series of shares; and (vi) the QWI Shares and the rights, privileges, restrictions and conditions attaching thereto will be created.

- (ii) *Cancellation of Other Equity Securities.* All Other Equity Securities shall be cancelled for no consideration, and any agreement, contract, plan, indenture, deed, certificate or other document or instrument having created or governing such Other Equity Securities shall be terminated.
- (iii) *Compromise of Debt.* The Affected Claims shall be settled, compromised, released or otherwise dealt with in accordance with this Plan, (subject only to Implementation of the U.S. Plan) including for greater certainty the Restructuring Transactions, in exchange for the consideration provided for in Section 2.5 hereof.
- (iv) *Restructuring Transactions.* Each of the steps and transactions comprising the Restructuring Transactions necessary to be completed on or before the Implementation Date shall be effected in the sequence set out in the Restructuring Transactions Notice.
- (v) The QWI Shares to be issued to Affected Creditors will be issued in accordance with this Plan, including for greater certainty the Restructuring Transactions, and, in connection therewith, an amount per share, equal to the full amount of consideration received for the issuance of such shares, shall be added to the stated capital account maintained in respect of the QWI Common Shares and an amount per share, equal to the full amount of consideration received for the issuance of such shares, shall be added to the stated capital account maintained in respect of the QWI Class A Preferred Shares;
- (vi) *Litigation Trust.* The Litigation Trust will be settled pursuant to, and in accordance with this Plan, the U.S. Plan and the Litigation Trust Agreement, and the Litigation Trust Interests will be transferred to Affected Creditors in accordance with the U.S. Plan and this Plan.
- (vii) *Issuance of Warrant Bundles.* The Warrant Indenture will be effective and the Warrant Bundles to be issued in connection with this Plan will be issued in accordance with this Plan.
- (viii) *Reserve for Disputed Claims.* The QWI Reserve will be established.
- (ix) *Reserve for CCAA Charges.* A cash reserve in an amount reasonably necessary to pay amounts secured by the CCAA Charges will be established, and held by the Monitor. Any amount in the cash reserve in excess of the amount necessary to repay the amounts secured by the CCAA Charges shall be released to QWI no later than one hundred and twenty (120) days following the Implementation Date.
- (x) *CCAA Charges Cancelled.* The CCAA Charges will be cancelled.
- (xi) *Exit Loan Facility.* In accordance with and subject to, the conditions of the Exit Loan Facility, the closing of the Exit Loan Facility shall occur.
- (xii) *Resignation of Existing Board.* The members of the Board who will not remain on the Board pursuant to, and in connection with, this Plan shall resign and QWI shall accept such resignations, and the new Board, as determined pursuant to Section 5.9 hereof, will be constituted.
- (xiii) *Expiry of the Stay Period.* The Stay Termination Date shall occur.

5.2 Restructuring Transactions

On, in connection with, or following the Implementation Date, QWI shall take actions as may be necessary or appropriate to effect the relevant Restructuring Transactions as set forth in the Restructuring Transactions Notice, including, but not limited to, all of the transactions described in this Plan and the U.S. Plan. Such actions may include without limitation: (a) the execution and delivery of appropriate agreements or other documents of merger, consolidation, or reorganization containing terms that are consistent with the terms of this Plan and the U.S. Plan and that satisfy the requirements of applicable Law; (b) the execution and delivery of appropriate instruments of transfer, assignment, assumption, guarantee, or delegation of any property, right, liability, duty, or obligation on terms consistent with the terms of this Plan or the U.S. Plan; (c) the filing of appropriate certificates of incorporation, merger, or consolidation with the appropriate Governmental Entities under applicable Law; and (d) all other actions that QWI determines are necessary or appropriate to give effect to the Restructuring Transactions, including the making of filings or recordings in connection

with the relevant Restructuring Transactions. The form of each Restructuring Transaction shall be determined by the boards of directors of QWI and the U.S. Debtors and their successors party to any Restructuring Transaction. Provided, however, that QWI reserves the right to undertake transactions in lieu of or in addition to such Restructuring Transactions as QWI may deem necessary or appropriate under the circumstances so long as such other transactions do not affect the distributions under this Plan or the U.S. Plan and are reasonably acceptable to the Creditors' Committee, the Ad Hoc Group of Noteholders and the Administrative Agent. For greater certainty, implementation of any of the Restructuring Transactions shall not affect the distributions under this Plan.

5.3 *Plan Releases*

The following releases will become effective at the Completion Time:

(a) *Releases by QWI*

As at the Completion Time and subject to the provisions of Subsection 5.1(2) of the CCAA, QWI will be deemed forever to release, waive and discharge all claims, obligations, suits, judgments, damages, demands, debts, rights, causes of action and liabilities (other than the rights of QWI to enforce this Plan and the contracts, instruments, releases, indentures, and other agreements or documents delivered thereunder or pursuant thereto) whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing in any way relating to QWI, the subject matter of, or the transactions or events giving rise to, any Claims or interests that are treated in this Plan or in the U.S. Plan that could be asserted by or on behalf of QWI against: (i) present or former directors, officers and employees of QWI in each case, in their respective capacities as of the Determination Date; (ii) the agents, legal counsel, financial advisor and other professionals of QWI and the Subsidiaries; (iii) the Monitor, its counsel and its current officers and directors as well as the legal counsel to the directors of QWI; (iv) the Syndicate Committee, all current and former members of the Syndicate Committee in their respective capacities as such, and the Administrative Agent and the Syndicate Agreement Collateral Agent in their respective capacities as such; (v) the Syndicate Released Parties; (vi) the Senior Notes Released Parties; (vii) the DIP Lenders solely in their capacities as such; (viii) the Creditors' Committee and all current and former members of the Creditors' Committee in their respective capacities as such; (ix) the Chief Restructuring Officer; and (x) where applicable, with respect to each of the above named parties, such party's advisors, principals, employees, officers, directors, representatives, financial advisors, counsel, accountants, investment bankers, consultants, agents and other representatives or professionals, provided, however, and notwithstanding anything else contained in this Plan or the U.S. Plan, that any Holder of Affected Soc. Gen Claims in its capacity as such shall not be deemed to be released in respect of any claims, obligations, suits, judgments, damages, demands, debts, rights, causes of action and liabilities, including, without limitation, in respect of the Paulian Action.

(b) *Releases by Others*

As at the Completion Time, or in the case of Subsidiaries that are also subject to releases under the U.S. Plan, at the times contemplated for such releases under the U.S. Plan, QWI, the Subsidiaries, the Monitor and the Chief Restructuring Officer, as well as their respective present and former officers, directors, principals, employees, financial advisors, counsel, investment bankers, consultants, agents and accountants (collectively, the "**Released Parties**") will be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any indebtedness, liability, obligation, demand or cause of action of whatever nature that any Person (including QWI and the U.S. Debtors, as applicable, and including any Person who may claim contributions or indemnification against or from them) may be entitled to assert (including any and all claims in respect of potential statutory liabilities of the Persons for which the Initial Order authorized the granting of a CCAA Charge, but other than the rights of Persons to enforce this Plan and the contracts, instruments, releases, indentures and other agreements or documents delivered hereunder or pursuant hereto) whether known or unknown, matured or unmatured, direct, indirect or derivative, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the Completion Time relating to, arising out of or in connection with the Claims, the business and affairs of the Petitioners, the CCAA Charges, this Plan, the U.S. Plan and the CCAA Proceedings, provided that nothing in this Section 5.3 will release or discharge any Petitioners from or in respect of any Excluded Claim, or QWI from or in respect of the Paulian Action.

(c) *Syndicate Release*

As at the Completion Time, all Affected Creditors will be deemed forever to release, waive and discharge all claims, obligations, suits, judgments, damages, demands, debts, rights, causes of action and liabilities whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, as against the Administrative Agent, and lender in the Syndicate, from time to time, and each such Person's advisors, principals, employees, officers, directors, representatives, financial advisors, counsel, accountants, investment bankers, consultants, agents and other representatives or professionals (collectively, the "Syndicate Releasees") and the Syndicate Agreement Collateral Agent in relation to the Syndicate Agreement and the recoveries or distributions to which the Administrative Agent, the Syndicate Agreement Collateral Agent or any Syndicate member may be, or may in the future become, entitled to receive under the Plan and in furtherance thereof, without limitation, the Paulian Action shall be dismissed, with prejudice, without costs as against the Syndicate Releasees and the Syndicate Agreement Collateral Agent, to the extent of the rights and benefits it holds in favour of the Syndicate Releasees under the Syndicate Agreement.

5.4 *Injunction Related to Releases*

The Sanction Order will enjoin the prosecution, whether directly, derivatively or otherwise, of any claim, obligation, suit, judgment, damage, demand, debt, right, cause of action, liability or interest released, discharged or terminated pursuant to this Plan.

5.5 *Waiver of Defaults*

From and after the Completion Time, all Persons shall be deemed to have waived any and all defaults of QWI (except for defaults under the securities, contracts, instruments, releases and other documents delivered under this Plan or entered into in connection herewith or pursuant hereto) then existing or previously committed by QWI or caused by QWI, directly or indirectly, or non-compliance with any covenant, positive or negative pledge, warranty, representation, term, provision, condition or obligation, express or implied, in any contract, credit document, agreement for sale, lease or other agreement, written or oral, and any and all amendments or supplements thereto, existing between such Person and QWI arising from the filing by the Petitioners under the CCAA or the transactions contemplated by this Plan, and any and all notices of default and demands for payment under any instrument, including any guarantee arising from such default, shall be deemed to have been rescinded.

5.6 *No Change in Control*

Neither the consummation of this Plan nor the implementation of the Restructuring Transactions is intended to, nor shall either of them be deemed to, and shall not, constitute a change in ownership or change in control under any employee benefit plan or program, financial instrument, loan or financing agreement, executory contract or unexpired lease or contract, lease or agreement in existence on the Implementation Date and to which QWI is a party.

5.7 *Cancellation, Assignment, Transfer or Other Alienation of Senior Notes and Agreements*

As at the Completion Time, except as otherwise specifically provided for in this Plan or the U.S. Plan, or as contemplated to be effected as part of the Restructuring Transactions, (a) the Senior Notes and any other note, bond, debenture, indenture, or other instrument or document evidencing or creating any indebtedness or obligation of QWI, except such notes, bonds, debentures, indentures or other instruments evidencing indebtedness or obligations of QWI that are deemed to be ratified pursuant to Article 7 of this Plan shall be cancelled, assigned, transferred or otherwise alienated, as the case may be, in accordance with the Restructuring Transactions, provided, however, that (b) the obligations of, and Affected Claims against, QWI under, relating, or pertaining to any agreements, indentures, certificates of designation, bylaws, or certificate or articles of incorporation or similar documents governing the Senior Notes, and any other note, bond, debenture, indenture, or other instrument or document evidencing or creating any indebtedness or obligation of QWI, except such notes or other instruments evidencing indebtedness or obligations of this Plan, as the case may be, shall be released and discharged as between a Holder of an Affected Claim and QWI; provided further, that any agreement (including the Senior Notes Indentures) that governs the rights of a Holder of an Affected Claim and that is administered by a Servicer shall continue in effect solely for purposes of (x) allowing such Servicer to make the distributions on account of such Affected Claims under this Plan and (y) permitting such Servicer to maintain any rights or liens it may have for fees, costs, expenses, indemnities or other amounts under such indenture or other agreement; provided further, that the immediately preceding proviso shall not affect the discharge of Affected Claims against QWI under this Plan or the U.S. Plan, or result in any expense or liability to QWI. QWI shall not have any obligations to any Servicer (or to any Disbursing Agent replacing such Servicer) for any fees, costs, or expenses incurred on and after the Completion Time except as

expressly provided in Section 6.10 hereof; and provided further, that nothing herein shall preclude any Servicer (or any Disbursing Agent replacing such Servicer) from being paid or reimbursed for fees, costs, and expenses from the distributions being made by such Servicer (or any Disbursing Agent replacing such Servicer) pursuant to such agreement in accordance with the provisions set forth therein, all without application to or approval by the Court.

5.8 Change of Corporate Name

On the Implementation Date, in connection with the filing of the Articles of Reorganization, QWI shall change its name to delete reference to the word “Quebecor,” or any deceptively similar names. No later than the date of the hearing for the Sanction Order, QWI shall file with the Court the new name to be adopted by QWI. Thereafter, commencing on the Implementation Date, QWI shall transition and phase out and cease to use its prior corporate name and any names, trademarks, trade names or logos bearing the name “Quebecor” or any similar names or variations or derivations thereof or any names, trademarks, trade names or logos that are deceptively similar thereto; provided, however, that the restrictions of this Section 5.8 shall not be applicable for a 90-day period of transition commencing on the date of the hearing for the Sanction Order to allow for the sale of inventory existing at or around such date, and to use any labelling, letterhead, packaging, shipping, billing and other processes that use the name “Quebecor” and any names, trademarks, trade names or logos bearing the name “Quebecor”; and provided further that QWI shall have until the first (1st) anniversary of the Implementation Date to replace all signage on each of its buildings and facilities that use the “Quebecor” name, which replacement shall be done first with respect to all buildings and facilities in Canada and thereafter in the United States and Latin America.

5.9 Corporate Governance

The new Board of QWI at the Implementation Date shall be determined through a search process designed to obtain broad participation from independent, respected individuals having the experience, reputation, contacts and skills which are relevant to the success of QWI and the Petitioners’ business. The search process will be undertaken by a search committee composed of four (4) representatives of the Syndicate Committee, two (2) representatives of the Ad Hoc Group of Noteholders and one (1) representative of the Creditors Committee. The Board nominees selected by the search committee shall be appointed to the Board of QWI pursuant to the Sanction Order.

5.10 Registration Rights Agreement

As of the Implementation Date, QWI and the Reorganized Debtors (as such term is defined in the U.S. Plan) shall enter into a Registration Rights Agreement with each Holder of a Claim that would be an “underwriter” of QWI pursuant to applicable U.S. securities Laws.

5.11 Indenture Trustee Fees

QWI shall pay any Indenture Trustee Fees Claims which are payable by QWI, in immediately available funds: (i) in respect of outstanding invoices submitted on or prior to the tenth (10th) Business Day immediately preceding the Implementation Date, on the Implementation Date, and (ii) in respect of invoices submitted after the tenth (10th) Business Day immediately preceding the Implementation Date, within ten (10) Business Days following receipt by QWI of the applicable invoice; provided, however, that to receive payment pursuant to this Section 5.11, each Indenture Trustee shall provide reasonable and customary detail along with or as part of all invoices submitted in support of its Indenture Trustee Fees Claims to counsel to QWI. Any disputed amount of the Indenture Trustee Fees Claims shall be subject to the jurisdiction of, and resolution by, the Court.

5.12 Administrative Agent Fees

QWI shall pay the Administrative Agent Fees in immediately available funds: (i) in respect of outstanding invoices submitted on or prior to the tenth Business Day immediately preceding the Implementation Date, on the Implementation Date; and (ii) in respect of invoices submitted after the tenth (10th) Business Day immediately preceding the Implementation Date, within ten (10) Business Days following receipt by QWI of the applicable invoice; provided, however, that to receive payment pursuant to this Section 5.12, the Administrative Agent shall provide reasonable and customary detail along with or as part of all invoices submitted in support of its Administrative Agent Fees to counsel to QWI. Any disputed amount of the Administrative Agent Fees shall be subject to the jurisdiction of, and resolution by, the Court.

ARTICLE 6 –

PROVISIONS GOVERNING DISTRIBUTIONS

6.1 *Litigation Trust*

- (a) *Establishment of the Litigation Trust.* The Litigation Trust shall be established for pursuit of the Contributed Claims and shall become effective on the Implementation Date as summarized below and in accordance with the terms and conditions set forth in more detail in the Litigation Trust Agreement and the U.S. Plan.
- (b) *Transfer of Assets.* The transfer of the Contributed Claims to the Litigation Trust shall be made for the benefit of the Litigation Trust Beneficiaries as set forth herein and in the U.S. Plan. On the Implementation Date, the Contributed Claims shall be transferred to the Litigation Trust in exchange for Litigation Trust Interests for the benefit of the Litigation Trust Beneficiaries. Upon transfer of the Contributed Claims to the Litigation Trust, QWI and the U.S. Debtors shall have no interest in or with respect to the Contributed Claims or the Litigation Trust Interests.
- (c) *Trust Distributions.* All Contributed Claims Recoveries will be distributed among the Litigation Trust Beneficiaries as provided for under this Plan, the U.S. Plan and otherwise as set forth in the Litigation Trust Agreement. To the extent deemed “securities,” the issuance of the Litigation Trust Interests to the Litigation Trust Beneficiaries shall be in compliance with the applicable registration requirements or exempt from registration, or qualification for public distribution under applicable securities laws.
- (d) *Management of the Litigation Trust.* The Litigation Trust shall be managed and operated by the Litigation Trustee. A governing board (the “*Governing Board*”) composed of seven (7) members shall have certain approval rights on key issues relating to the operation and management of the Litigation Trust as set forth in the Litigation Trust Agreement. The Governing Board shall be comprised of two (2) members selected by the Administrative Agent, four (4) members selected by the Ad Hoc Group of Noteholders and one (1) member selected by the Creditors’ Committee.
- (e) *Funding of the Litigation Trust.* Funding for purposes of pursuing the Contributed Claims will be provided to the Litigation Trust by way of secured loans from QWI in an aggregate amount not to exceed U.S.\$5 million (collectively with interest thereon, the “*Funding Loan*”). The Funding Loan shall be repaid in full from the Litigation Trust, from the proceeds of any litigation recoveries, before any funds are distributed to the Litigation Trust Beneficiaries. No further amounts shall be paid or payable by QWI or any of the U.S. Debtors to the Litigation Trust for any purpose whatsoever and the source of funds and repayment thereof for any additional contributions required by the Litigation Trust shall be determined by the Litigation Trustee in consultation with the Governing Board. The Funding Loan shall be non-recourse, and any failure or inability of the Litigation Trust to obtain funding will not affect the consummation of this Plan. QWI shall have a first priority perfected security interest in all of the Litigation Trust’s assets and property to secure repayment of the Funding Loan.
- (f) *Distributions by the Litigation Trust.* After repayment in full of the Funding Loan in accordance with the provisions of the Litigation Trust Agreement relating thereto, any Contributed Claims Recoveries, net of any applicable withholding tax will be distributed to the Litigation Trust Beneficiaries as set forth in this Plan and the U.S. Plan.
- (g) *Duration of the Litigation Trust.* The Litigation Trust shall have an initial term of five (5) years, provided that if reasonably necessary to realize maximum value with respect to the assets in the Litigation Trust and following U.S. Court approval, the term of the Litigation Trust may be extended for one or more one (1) year terms. The Litigation Trust may be terminated earlier than its scheduled termination if (i) the U.S. Court has entered a final order closing all of or the last of the Chapter 11 Cases pursuant to section 350(a) of the Bankruptcy Code; and (ii) the Litigation Trustee has administered all assets of the Litigation Trust and performed all other duties required by the U.S. Plan and the Litigation Trust Agreement.

6.2 *Distributions for Claims Allowed as at the Initial Distribution Date*

Except as otherwise provided herein or as ordered by the Court, distributions to be made on account of Affected Claims that are Proven Claims as at the Initial Distribution Record Date shall be made on the Initial Distribution Date. Thereafter, distributions on account of Affected Claims that are determined to be Proven Claims after the Initial

Distribution Record Date shall be made on the Interim Distribution Date and in accordance with Articles 4 and 6 of this Plan.

6.3 *Assignment of Claims*

For purposes of determining entitlement to receive any distribution pursuant to this Plan, QWI, the Disbursing Agent and the Servicers, and each of their respective agents, successors and assigns shall have no obligation to recognize any transfer of Affected Claims unless and until notice of the transfer or assignment from either the transferor, assignor, transferee or assignee, together with evidence showing ownership, in whole or in part, of such Affected Claim and that such transfer or assignment was valid at Law, has been received by QWI, the Disbursing Agent or the Servicer, as the case may be, at least ten (10) Business Days prior to the Initial Distribution Record Date or any Interim Distribution Record Date.

6.4 *Interest on Claims*

Except as specifically provided in this Plan, the Sanction Order or any contract, instrument, release, settlement or other agreement entered into in connection with this Plan, following the Determination Date, interest shall not be treated as accruing on account of any Claim for purposes of determining the allowance and distribution of such Claim. To the extent that any Proven Claim to which a distribution under this Plan relates is comprised of indebtedness and accrued but unpaid interest thereon, such distribution shall, to the extent permitted by applicable law, be allocated for income tax purposes to the principal amount of the Proven Claim (including the secured and unsecured portion of the principal amount of such Proven Claim) first and then, to the extent that the consideration exceeds the principal amount of the Proven Claim, to the portion of such Proven Claim representing accrued but unpaid interest (including interest in respect of any secured portion of such Proven Claim).

6.5 *Distributions by Disbursing Agent*

The Disbursing Agent shall make all distributions required under this Plan subject to the provisions of Articles 4 and 6 hereof. If the Disbursing Agent is an independent third party, then such Disbursing Agent shall receive, without further Court approval, reasonable compensation for distribution services rendered pursuant to the Plan and reimbursement of reasonable out-of-pocket expenses incurred in connection with such services from QWI on terms acceptable to QWI. No Disbursing Agent shall be required to give any bond or surety or other security for the performance of its duties unless otherwise ordered by the Court.

6.6 *Delivery of Distributions*

- (a) *Proven Claims.* Subject to Section 6.3 hereof, distributions to Holders of Proven Claims shall be made by the Disbursing Agent or the appropriate Servicer (i) subject to subparagraph (iv) hereof, at the addresses set forth on the proofs of claim filed by such Holders (or at the last known addresses of such Holders if no proof of claim is filed or if QWI or the Monitor has been notified in writing of a change of address), (ii) at the addresses set forth in any written notice of address change delivered to the Disbursing Agent after the date of any related proof of claim, (iii) in the case of a Holder of an Affected Claim whose Affected Claim is governed by an agreement and administered by a Servicer, at the addresses contained in the official records of such Servicer, (iv) in the case of the Holders of the Affected Syndicate Claims, to the addresses, and in the manner, provided to the Monitor by the Administrative Agent in accordance with the Creditors' Meeting Order (including the protections for the Administrative Agent provided therein).
- (b) *Undeliverable Distributions.* If any distribution to a Holder of a Proven Claim is returned as undeliverable, no further distributions to such Holder of such Claim shall be made unless and until the Disbursing Agent or the appropriate Servicer is notified of the then-current address of such Holder, at which time all missed distributions shall be made to such Holder without interest. Undeliverable distributions shall be returned to QWI, or the Litigation Trustee, as applicable, until such distributions are claimed. QWI shall make reasonable efforts to locate Holders of Proven Claims for which distributions were undeliverable. All claims for undeliverable distributions must be made on or before the later to occur of (i) the first anniversary of the Implementation Date or (ii) six (6) months after such Holder's Claim becomes a Proven Claim, after which date all unclaimed property shall revert to QWI free of any restrictions or claims thereon and the claim of any Holder or successor to such Holder with respect to such property shall be discharged and forever barred, notwithstanding any federal or provincial laws to the contrary.

6.7 *Withholding and Reporting Requirements*

In connection with this Plan and all distributions hereunder, the Disbursing Agent shall, to the extent applicable, comply with all Tax withholding and reporting requirements imposed by any Law of federal, state, provincial, local, or foreign taxing authority, and all distributions hereunder shall be subject to any such withholding and reporting requirements. The withholding and reporting requirements shall remain the sole responsibility of QWI and the responsibility of the Disbursing Agent, if other than QWI, shall be limited to following QWI's instructions.

6.8 *Secondary Liability Claims*

Notwithstanding anything else contained in this Plan, Holders of Secondary Liability Claims against QWI will be entitled to only one distribution in respect of the primary and secondary liabilities related to the underlying claim to which such Secondary Liability Claim relates and will be deemed satisfied in full by the distributions on account of the related claim pursuant to the provisions of this Plan and the U.S. Plan. Notwithstanding the existence of a Secondary Liability Claim, no multiple recovery on account of any claim against QWI or any of the U.S. Debtors will be provided or permitted. Any Intercompany Claim that constitutes a Secondary Liability Claim for indemnification, contribution or subrogation that any Petitioner may have in respect of any obligation that is the basis of a Claim shall be deemed to be without any value and shall be released and cancelled.

6.9 *Guarantees and Similar Covenants*

No Person who has a Claim under any guarantee, surety, indemnity or similar covenant in respect of any Claim which is compromised under this Plan or who has any right in respect of, or to be subrogated to, the rights of any Person in respect of a Claim which is compromised under this Plan shall be entitled to any greater rights than the Affected Creditor whose Claim is compromised under this Plan.

6.10 *Payment of Servicer Fees*

QWI shall reimburse any Servicer (including the Indenture Trustees and the Administrative Agent) for reasonable and necessary services performed by it (including reasonable attorneys' fees and document out-of-pocket expenses) in connection with the making of distributions under this Plan to Holders of Proven Claims, without the need for approval by the Court. To the extent that there are any disputes that the reviewing parties are unable to resolve with the Servicers, the reviewing parties shall report to the Court as to whether there are any unresolved disputes regarding the reasonableness of the Servicers' (and their attorneys') fees and expenses. Any such unresolved disputes may be submitted to the Court for resolution.

6.11 *Special Provisions Regarding Insured Claims*

Distributions under this Plan to each Holder of an Allowed Insured Claim will be in accordance with the treatment provided under this Plan for the Class in which such Allowed Insured Claim is classified, but solely to the extent that such Allowed Insured Claim is not satisfied from proceeds payable to the Holder thereof under any pertinent insurance policies of QWI and applicable Law; provided, however, that no distributions under this Plan shall be made on account of an Allowed Insured Claim that is payable pursuant to an Insurance Contract until the Holder of such Allowed Insured Claim has exhausted all remedies with respect to such Insurance Contract; and provided further, that distributions to Holders of Allowed Insured Claims by any Insurer shall be in accordance with the provisions of the applicable Insurance Contract. To the extent that one or more of the Insurers agrees to satisfy an Allowed Insured Claim (if and to the extent adjudicated by a court of competent jurisdiction), then immediately upon such Insurers' agreement, such Allowed Insured Claim will be expunged to the extent of any agreed upon amount. This Plan shall not expand the scope of, or alter in any other way, the rights and obligations of the Insurers under the Insurance Contracts and nothing contained in this Plan shall constitute or be deemed a waiver of any claims, obligations, suits, judgments, damages, demands, debts, rights, or causes of action or liabilities that any entity may hold against any other entity.

ARTICLE 7 –

TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

7.1 *Contracts and Leases*

Except: (i) as otherwise provided in this Plan; (ii) to the extent an executory contract or unexpired lease to which QWI is a party was rejected under the Chapter 11 Cases; or (iii) in respect of a Secondary Liability Claim relating to an executory contract or unexpired lease that was rejected under the Chapter 11 Cases, as of the Completion Time, QWI shall be deemed to have ratified each executory contract and unexpired lease to which it is a party (other than in respect of

Claims arising from such contract or lease which, for greater certainty, will be Affected Claims which are compromised pursuant to this Plan), unless such contract or lease: (a) was previously repudiated or terminated by QWI; (b) previously expired or terminated pursuant to its own terms; or (c) was amended as evidenced by a written agreement with QWI, and in such case the amended contract or lease shall be deemed ratified.

ARTICLE 8 –

MISCELLANEOUS

8.1 *Confirmation of Plan*

Provided that this Plan is approved by the Required Majorities:

- (a) QWI shall seek the Sanction Order (which, as proposed, shall be in form and substance acceptable to QWI and acceptable to the Creditors' Committee, the Ad Hoc Group of Noteholders and the Administrative Agent, acting reasonably) for the approval of this Plan; and
- (b) subject to the Sanction Order being made in form and substance acceptable to QWI and the satisfaction of the conditions to the implementation of this Plan set forth in Section 8.5 hereof, this Plan shall be implemented by QWI and shall be binding upon QWI and all Persons referred to in Section 2.2 hereof and their respective successors and assigns.

8.2 *Paramountcy*

From and after the Implementation Date, any conflict between this Plan and/or the covenants, warranties, representations, terms, conditions, provisions or obligations, express or implied, of any contract, mortgage, security agreement, and/or indenture, trust indenture, loan agreement, commitment letter, agreement for sale, the by-laws of QWI, lease or other agreement or undertaking, written or oral and any and all amendments or supplements thereto existing between one or more of the Affected Creditors and QWI as at the Implementation Date will be deemed to be governed by the terms, conditions and provisions of this Plan and the Sanction Order, which shall take precedence and priority. For greater certainty, all Affected Creditors shall be deemed irrevocably for all purposes to consent to all transactions contemplated in and by this Plan.

8.3 *Modification of Plan*

QWI, in consultation with the Monitor, the Creditors' Committee, the Ad Hoc Group of Noteholders and the Administrative Agent, reserves the right to file any modification of, or amendment or supplement to, this Plan by way of a supplementary plan or plans of reorganization, compromise or arrangement (or any one or more thereof) prior to the Creditors' Meeting Date or at or before the Creditors' Meeting, in which case any such supplementary plan or plans of reorganization, compromise or arrangement (or any one or more thereof), shall, for all purposes, be and be deemed to form part of and be incorporated into this Plan. QWI shall file any supplementary plans with the Court as soon as practicable. QWI shall give notice to Affected Creditors of the details of any such modification, amendment or supplement at the Creditors' Meeting prior to the vote being taken to approve this Plan. QWI may give notice of a proposed modification, amendment or supplement to this Plan at or before the Creditors' Meeting by notice which shall be sufficient if given to those Creditors present at such meeting in person or by proxy. After the Creditors' Meeting (and both prior to and subsequent to the obtaining of the Sanction Order), QWI, in consultation with the Monitor, and with the consent of the Creditors' Committee, the Ad Hoc Group of Noteholders and the Administrative Agent, acting reasonably, may at any time and from time to time vary, amend, modify or supplement this Plan without the need for obtaining an order of the Court or providing notice to the Affected Creditors if the Monitor determines that such variation, amendment, modification or supplement would not be materially prejudicial to the interests of the Affected Creditors under this Plan or the Sanction Order and is necessary in order to give effect to the substance of this Plan or the Sanction Order.

8.4 *Deeming Provisions*

In this Plan, the deeming provisions are not rebuttable and are conclusive and irrevocable.

8.5 *Conditions Precedent to Implementation of Plan*

The implementation of this Plan by QWI is subject to the following conditions precedent which, except for Section 8.5(a) below and as otherwise would be in violation of applicable Laws, may be waived in writing as provided in Section 8.6 hereof:

- (a) the approval of this Plan by the Required Majorities shall have been obtained;

- (b) the Sanction Order sanctioning this Plan, in form and substance satisfactory to QWI, the Creditors' Committee, the Ad Hoc Group of Noteholders and the Administrative Agent, acting reasonably, shall have been made and entered and the operation and effect of the Sanction Order shall not have been stayed, reversed or amended, and shall among other things:
- (i) declare that: (i) this Plan has been approved by the Required Majorities of Affected Creditors of QWI in conformity with the CCAA; (ii) QWI has complied with the provisions of the CCAA and the Orders of the Court made in the CCAA Proceedings in all respects; (iii) the Court is satisfied that QWI has neither done nor purported to do anything that is not authorized by the CCAA; and (iv) this Plan and the transactions contemplated hereby are fair and reasonable, and in the best interests of QWI, the Affected Creditors and the other stakeholders of QWI (having considered, among other things, the composition of the vote, what creditors would receive in liquidation or sale as compared to this Plan, alternatives to this Plan or liquidation or sale, whether any oppression exists or has occurred, the treatment of shareholders and the public interest);
 - (ii) declare that, prior to the Court's sanctioning of this Plan and approving the transactions contemplated herein, the Court conducted a hearing and made findings of fact and conclusions of law that the terms and conditions of the issuance of the QWI Common Shares, the QWI Class A Preferred Shares, the Warrant Bundles and the Litigation Trust Interests to the Affected Creditors in exchange for, and in full and final satisfaction of, the Affected Claims held by the Affected Creditors were approved and determined to be substantively and procedurally "fair" to the Affected Creditors and all other Persons (the "**Fairness Hearing**") and, in connection therewith, as part of the Fairness Hearing the Court made the following additional findings of fact and/or conclusions of law: (i) that prior to the Fairness Hearing, QWI advised the Court that it would be relying on the Section 3(a)(10) exemption under the U.S. Securities Act, and the exemption under Section 1145 of the Bankruptcy Code in order to issue, without registration with the United States Securities and Exchange Commission, the QWI Common Shares, the QWI Class A Preferred Shares, the Warrant Bundles and the Litigation Trust Interests to the Affected Creditors (or to such other Persons as set out in the Restructuring Transactions Notice); (ii) that the Court was, and is, authorized under the CCAA to conduct the Fairness Hearing and to approve the fairness of the terms and conditions of such issuance and exchange; and (iii) that the Fairness Hearing was open to all of the Affected Creditors and all other Persons and, prior to the Fairness Hearing, all of the Affected Creditors and all other Persons were given adequate notice thereof and that there were no impediments to the Affected Creditors and all other Persons appearing and being heard at said hearing;
 - (iii) order that this Plan (including the compromises, arrangements, reorganizations, corporate transactions and releases set out herein and the transactions, Restructuring Transactions and reorganization contemplated hereby) is sanctioned and approved pursuant to Section 6 of the CCAA and, as at the Completion Time, will be effective and will enure to the benefit of and be binding upon QWI, the Affected Creditors and all other Persons stipulated in this Plan or in the Sanction Order, if any;
 - (iv) declare that the articles of QWI will be amended as set out in the Articles of Reorganization and effective as of the Implementation Date;
 - (v) declare that all Other Equity Securities are of no further force or effect as of the Implementation Date and that all such Other Equity Securities are cancelled and any agreement, contract, plan, indenture, deed, certificate or other document or instrument having created or governing such Other Equity Securities shall be terminated as at such time;
 - (vi) declare that the Restructuring Transactions shall be effected, subject to Section 5.2 hereof, in accordance with the Restructuring Transactions Notice;
 - (vii) declare that the QWI Common Shares, QWI Class A Preferred Shares and Warrant Bundles issued in connection with this Plan, the Articles of Reorganization, or the Warrant Indenture, will be validly issued and outstanding, and in the case of the QWI Common Shares, and the QWI Class A Preferred Shares, will be issued as fully paid and non-assessable;
 - (viii) appoint the new Board, as determined pursuant to Section 5.9 hereof, effective upon the Implementation Date;
 - (ix) declare that all Proven Claims determined in accordance with the Claims Procedure Order, the Claims Protocol and the Creditors' Meeting Order are final and binding on QWI and all Affected Creditors;

- (x) declare that, effective as at the Completion Time, the Application for Bankruptcy Order, and the endorsement related thereto dated January 25, 2008 associated therewith, will be of no further force or effect and that Royal Bank of Canada is released and discharged from the Paulian Action;
- (xi) declare that, subject to the performance by QWI of its obligations under this Plan, all contracts, leases, agreements and other arrangements to which QWI is a party and that have not been terminated or repudiated pursuant to the Initial Order will be and remain in full force and effect, unamended, as at the Completion Time, and no Person who is a party to any such contract, lease, agreement or other arrangement may accelerate, terminate, rescind, refuse to perform or otherwise repudiate its obligations thereunder, or enforce or exercise any right (including any right of dilution or other remedy) or make any demand under or in respect of any such contract, lease, agreement or other arrangement and no automatic termination will have any validity or effect, by reason of:
 - (A) any event that occurred on or prior to the Implementation Date and is not continuing that would have entitled such Person to enforce those rights or remedies (including defaults, events of default, or termination events arising as a result of the insolvency of QWI);
 - (B) the insolvency of QWI or the fact that QWI or any Subsidiary sought or obtained relief under the CCAA, the CBCA or the Bankruptcy Code;
 - (C) any compromises or arrangements effected pursuant to this Plan or any action taken or transaction effected pursuant to this Plan; or
 - (D) any change in the control of QWI arising from the implementation of this Plan;
- (xii) declare that the stay of proceedings under the Initial Order continues until the Implementation Date;
- (xiii) declare that no meetings or votes of holders of Existing QWI Shares or Other Equity Securities are required in connection with this Plan or the adoption or filing of the Articles of Reorganization;
- (xiv) approve all conduct of the Chief Restructuring Officer and the Monitor in relation to QWI and the U.S. Debtors and bar all claims against them arising from or relating to the services provided to QWI and the U.S. Debtors prior to the date of the Sanction Order, save and except any liability or obligation arising from their gross negligence or wilful misconduct;
- (xv) confirm the releases contemplated by Sections 5.3(a), 5.3(b) and 5.3(c) of this Plan;
- (xvi) enjoin the commencement or prosecution, whether directly, derivatively or otherwise, or any demands, claims, actions, causes of action, counterclaims, suits, or any indebtedness, liability, obligation or cause of action released and discharged pursuant to this Plan; and
- (xvii) order that all CCAA Charges will be released and discharged as of the Completion Time or earlier upon receipt of an acknowledgement of payment in respect of the claims secured thereby or adequate alternate arrangements satisfactory to the parties in whose favour such charges operate;
- (c) any other order deemed necessary or desirable by QWI from the U.S. Court, including an order approving this Plan in the Chapter 15 Proceeding, or any other jurisdiction shall have been obtained;
- (d) all applicable appeal periods in respect of the Sanction Order and any other order made by the U.S. Court pursuant to Section 8.5(c) hereof shall have expired and any appeals therefrom shall have been finally disposed of by the applicable appellate tribunal;
- (e) the Exit Loan Facility and all related agreements and other documents shall have become effective, subject only to the occurrence of the Implementation Date;
- (f) the Warrant Indenture and the issuance of the QWI Warrants and all related agreements and other documents shall have become effective, subject only to the occurrence of the Implementation Date;
- (g) the Litigation Trust Agreement and all related agreements and other documents shall have become effective, subject only to the occurrence of the Implementation Date;
- (h) all relevant Persons shall have executed, delivered and filed all documents and other instruments that, in the opinion of QWI, acting reasonably, are necessary to implement the provisions of this Plan and/or the Sanction Order;
- (i) all conditions precedent to the implementation of this Plan in favour of Persons other than QWI will have been satisfied or waived by such Persons;

- (j) all applicable approvals, certificates, rulings, permits, consents, notices and orders of, and all applicable submissions and filings with any or all Governmental Entities and stock exchanges having jurisdiction for the completion of the transactions contemplated by this Plan (including the transactions contemplated in this Section 8.5 as conditions to the implementation of the Plan) shall have been obtained or made, as the case may be, by QWI, in each case to the extent deemed necessary or advisable by QWI in form and substance satisfactory to QWI, including the approvals of, and any exempting orders from, TSX and the relevant securities regulatory authorities;
- (k) the QWI Common Shares (including the QWI Common Shares issuable upon exercise of QWI Warrants or conversion of QWI Class A Preferred Shares), the QWI Class A Preferred Shares and the QWI Warrants will have been listed or approved for listing, when issued, on TSX, provided, however, that each of the foregoing classes or series of securities shall comply with the TSX's listing requirements;
- (l) QWI shall have: (i) obtained binding Advance Income Tax Rulings from the CRA acceptable to the Creditors' Committee, the Ad Hoc Group of Noteholders and the Administrative Agent, acting reasonably, in response to the ruling request submitted to the CRA on May 7, 2009 with respect to certain Canadian federal income tax consequences of certain of the Restructuring Transactions as more fully set out therein, or (ii) obtained satisfactory drafts Advance Tax Rulings acceptable to the Creditors' Committee, the Ad Hoc Group of Noteholders and the Administrative Agent, acting reasonably, in response to the ruling request submitted to the CRA on May 7, 2009 with respect to certain Canadian federal income tax consequences of certain of the Restructuring Transactions as more fully set out therein and provided an officer's certificate certifying no knowledge that related satisfactory Advance Income Tax Rulings in final forms would not be issued, or (iii) provided such evidence as may be acceptable to the Creditors' Committees, the Ad Hoc Group of Noteholders and the Administrative Agent, acting reasonably, demonstrating that there is no reasonable basis upon which the Restructuring Transactions will result in any material adverse Canadian federal income tax consequences to QWI; and
- (m) all conditions precedent to the implementation of the U.S. Plan but for the implementation of this Plan shall have been satisfied or waived.

8.6 *Waiver of Conditions*

Each of the conditions set forth in Section 8.5 above except for the conditions set forth in Section 8.5(a), may be waived in whole or in part by QWI, or the other relevant parties to the documents and transactions referred to therein without any other notice to parties in interest or the Court and without a hearing, provided that any waiver by QWI shall be in writing and acceptable to the Creditors' Committee, the Ad Hoc Group of Noteholders and the Administrative Agent, acting reasonably. The failure to satisfy or waive any condition prior to the Implementation Date may be asserted by QWI regardless of the circumstances giving rise to the failure of such condition to be satisfied (including any action or inaction by QWI). The failure of QWI to exercise any of the foregoing rights shall not be deemed a waiver of any other rights, and each such right shall be deemed an ongoing right that may be asserted at any time.

8.7 *Circular*

Copies of the Plan and the Circular will be delivered in accordance with the procedures approved by the Court in the Creditors' Meeting Order.

8.8 *Notices*

- (1) Any notices or communication to be made or given hereunder to QWI or the Monitor shall be in writing and shall refer to this Plan and may, subject as hereinafter provided, be made or given by personal delivery, by courier, by prepaid mail or by telecopier addressed to the respective parties as follows:
 - (a) if to QWI:
 - c/o Ogilvy Renault LLP
 - 1 Place Ville Marie
 - Suite 2500
 - Montréal, Québec
 - Canada H3B 1 R1
 - Attention: Louis Gouin
 - Fax: (514) 286-5474

- (b) if to the Monitor:
c/o Davies Ward Phillips & Vineberg LLP
1501 McGill College Avenue
26th Floor
Montréal, Quebec
Canada H3A 3N9

Attention: Denis Ferland/Jay Swartz
Fax: (514) 841-6499

or to such other address as any party may from time to time notify the others in accordance with this Section 8.8. In the event of any strike, lock-out or other event which interrupts postal service in any part of Canada, all notices and communications during such interruption may only be given or made by personal delivery or by telecopier and any notice or other communication given or made by prepaid mail within the five (5) Business Day period immediately preceding the commencement of such interruption, unless actually received, shall be deemed not to have been given or made. All such notices and communications shall be deemed to have been received, in the case of notice by telecopier or by delivery prior to 5:00 p.m. (local time) on a Business Day, when received or if received after 5:00 p.m. (local time) on a Business Day or at any time on a non-Business Day, on the next following Business Day and, in the case of notice mailed as aforesaid, on the fourth (4th) Business Day following the date on which such notice or other communication is mailed. The unintentional failure by QWI to give any notice contemplated hereunder to any particular Affected Creditor shall not invalidate this Plan or any action taken by any Person pursuant to this Plan.

- (2) Any notices or communication to be made or given hereunder by the Monitor or QWI to an Affected Creditor may be sent by e-mail, ordinary mail, registered mail, courier or facsimile transmission. An Affected Creditor shall be deemed to have received any document sent pursuant to this Plan four (4) Business Days after the document is sent by ordinary or registered mail and on the Business Day immediately following the day on which the document is sent by courier, e-mail or facsimile transmission. Documents shall not be sent by ordinary or registered mail during a postal strike or work stoppage of general application.

Notices or communications may be mailed to an Affected Creditor (i) to the address for such Affected Creditor specified in the Notice of Dispute filed by an Affected Creditor, or (ii) to the address listed in the Proof of Claim or (iii) at the address set forth in any written notice of address changes delivered to the Disbursing Agent.

8.9 *Severability of Plan Provisions*

If, prior to the Sanction Date, any term or provision of this Plan is held by the Court to be invalid, void or unenforceable, the Court, at the request of QWI, which request shall be made in consultation with the Monitor, and with the consent of the Creditors' Committee, the Ad Hoc Group of Noteholders and the Administrative Agent, acting reasonably, shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, the remainder of the terms and provisions of this Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation.

8.10 *Revocation, Withdrawal or Non-Consummation*

QWI, upon consultation with the Administrative Agent, the Ad Hoc Group of Noteholders and the Creditors' Committee, reserves the right to revoke or withdraw this Plan at any time prior to the Sanction Date and to file subsequent plans of reorganization or arrangement. If QWI revokes or withdraws this Plan, or if the Sanction Order is not issued, (i) this Plan shall be null and void in all respects, (ii) any Claim, any settlement or compromise embodied in this Plan (including the fixing or limiting of any Claim to an amount certain), assumption or termination, repudiation of executory contracts or leases affected by this Plan, and any document or agreement executed pursuant to this Plan shall be deemed null and void, and (iii) nothing contained in this Plan, and no act taken in preparation for consummation of this Plan, shall: (a) constitute or be deemed to constitute a waiver or release of any Claims by or against QWI or any other Person; (b) prejudice in any manner the rights of QWI or any Person in any further proceedings involving QWI; or (c) constitute an admission of any sort by QWI or any other Person.

8.11 *Governing Law*

This Plan shall be governed by and construed in accordance with the laws of the Province of Quebec and the federal laws of Canada applicable therein. Any questions as to the interpretation or application of this Plan and all proceedings taken in connection with this Plan and its provisions shall be subject to the exclusive jurisdiction of the Court.

8.12 *Successors and Assigns*

This Plan shall be binding upon and shall enure to the benefit of the heirs, administrators, executors, legal personal representatives, successors and permitted assigns of any Person named or referred to in Section 2.2 hereof.

8.13 *Termination Date*

Except with the consent of the Creditors' Committee, the Ad Hoc Group of Noteholders and the Administrative Agent, in the event that the Implementation Date shall not have occurred on or prior to the earlier of: (i) the ninetieth (90th) day following the issuance of a final order resolving all appeals of or relating to the Sanction Order, or (ii) January 31, 2010, this Plan shall expire and be of no further force or effect.

SCHEDULE "A"

Additional Petitioners/U.S Debtors

Quebecor World (USA) Inc.
Quebecor Printing Holding Company
Quebecor World Capital Corporation
Quebecor World Capital II GP
Quebecor World Capital II LLC
QW Memphis Corp.
The Webb Company
Quebecor World Printing (USA) Corp.
Quebecor World Loveland Inc.
Quebecor World Systems Inc.
Quebecor World San Jose Inc.
Quebecor World Buffalo Inc.
Quebecor World Johnson & Hardin Co.
Quebecor World Northeast Graphics Inc.
Quebecor World Up/Graphics Inc.
Quebecor World Great Western Publishing Inc.
Quebecor World DB Acquisition Corp.
WCP-D, Inc.
Quebecor World Taconic Holdings Inc.
Quebecor World Retail Printing Corporation
Quebecor World Arcata Corp.
Quebecor World Nevada Inc.
Quebecor World Atglen Inc.
Quebecor World Krueger Acquisition Corp.
Quebecor World Book Services LLC
Quebecor World Dubuque Inc.
Quebecor World Pendell Inc.
Quebecor World Fairfield Inc.
QW New York Corp.
Quebecor World Dallas II Inc.
Quebecor World Nevada II LLC
Quebecor World Dallas, L.P.
Quebecor World Mt. Morris II LLC
Quebecor World Petty Printing Inc.
Quebecor World Hazleton Inc.
Quebecor World Olive Branch Inc.
Quebecor World Dittler Brothers Inc.
Quebecor World Atlanta II LLC

Quebecor World Rai Inc.
Quebecor World KRI Inc.
Quebecor World Century Graphics Corporation
Quebecor World Waukee Inc.
Quebecor World Logistics Inc.
Quebecor World Mid-South Press Corporation
Quebecor World Lease GP
Quebecor Printing Aviation Inc.
WCZ, LLC
Quebecor World Eusey Press Inc.
Quebecor World Infiniti Graphics Inc.
Quebecor World Lincoln Inc.
Quebecor World Magna Graphic Inc.
Quebecor World Memphis LLC
Quebecor World Lease LLC

SCHEDULE "B"

Summary of the Articles of Reorganization

Articles of Reorganization to be filed under Section 191 of the CBCA will give effect to the following:

1. The name of QWI will be changed to a name to be publicly announced by QWI by way of press release prior to the date of the Creditors' Meeting.
2. The Redeemable Shares will be created.
3. Each of the issued and outstanding Subordinate Voting Shares, Multiple Voting Shares, Series 3 Cumulative Redeemable First Preferred Shares and Series 5 Cumulative Redeemable First Preferred Shares of QWI will be changed into 0.000001 of a Redeemable Share.
4. Immediately following the issuance of the Redeemable Shares, all of the outstanding Redeemable Shares and fractional interests therein will be automatically redeemed by QWI without notice to the holders of such Redeemable Shares on payment of Cdn\$0.01 for each whole Redeemable Share (the "**Redemption Price**"), provided that if the aggregate Redemption Price payable to any particular holder is less than Cdn\$10.00, then the aggregate Redemption Price payable to such holder will be deemed to be Cdn\$0.00.
5. Immediately following the redemption of all of the Redeemable Shares in accordance with the preceding step, the authorized share capital of QWI, consisting at such time of the Multiple Voting Shares, the Subordinate Voting Shares, the First Preferred Shares issuable in series and the Redeemable Shares (collectively, the "**Cancelled Classes of Shares**") will be cancelled, removed and deleted, along with the rights, privileges, restrictions and conditions attached to the Cancelled Classes of Shares and all rights to accrued dividends in respect of all of such classes and series of shares.
6. A new class of Common Shares and a new class of Class A Convertible Preferred Shares will be created. The rights, privileges, restrictions and conditions attaching to the Common Shares and the Class A Convertible Preferred Shares (collectively, the "**New Share Provisions**") will be made available to creditors of QWI on the website maintained by the Monitor no later than June 8, 2009. A press release will be issued by QWI to announce the posting of the New Share Provisions on the website of the Monitor.
7. The Plan and the Sanction Order will be incorporated into and form part of the Articles of Reorganization.
8. The Articles of Reorganization will provide for additions to the stated capital accounts maintained in respect of each of the Common Shares and the Class A Convertible Preferred Shares of such amounts as the Board will determine to be the amount of full consideration received for the issuance of such shares prior to the filing of the Articles of Reorganization.

SCHEDULE “C”

Summary of the Terms of the QWI Warrants

1. The QWI Warrants will be issued by QWI pursuant to the Warrant Indenture.
2. The Warrant Indenture will contain covenants and other provisions, including anti-dilution provisions, customary in documents of this nature or as may otherwise be appropriate in these circumstances, in each case, in form and substance acceptable to the Creditors’ Committee, the Ad Hoc Group of Noteholders and the Administrative Agent, acting reasonably. The final terms of the QWI Warrants will be made available to creditors of QWI on the website maintained by the Monitor no later than June 8, 2009. A press release will be issued by QWI to announce the posting of such terms on the website of the Monitor.
3. It is anticipated that a total of 10,723,019 Series 1 Warrants and 10,723,019 Series 2 Warrants will be issued on the Implementation Date pursuant to the terms of the Plan.