

COLLECTIVE AGREEMENT



BETWEEN

**TEMBEC INDUSTRIES INC.
COCHRANE SAWMILL**

AND

U.S.W CANADA - LOCAL 1-2995

00982 (08)

SEPTEMBER 1, 2006 TO AUGUST 31, 2011

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* Where it says “he” also refers to “she”

It is understood that any reference made in the masculine within this Agreement (I.e. "he") shall apply equally to both sexes.

COLLECTIVE AGREEMENT

between

**TEMBEC INDUSTRIES INC.
COCHRANE SAWMILL
(hereinafter referred to as the "Company")**

and

**U.S.W. CANADA - LOCAL 1-2995
(hereinafter referred to as the "Union")**

ARTICLE I - PURPOSE

1.01 It is the mutual desire of the parties hereto to foster a progressive, equal, just, proactive and harmonious relationship. These principles and goals are consistent with the corporation's mission of maximizing the potential of our forest resources by producing innovative, competitive and quality products that meet customers' needs while protecting the environment and creating long-term social, cultural and economic benefits for the region and its population, its employees and shareholders.

The parties recognize that attainment of these goals, coupled with continuing mutual effort,

open communication, safe and fair working conditions, should provide the highest degree of job security possible in a market driven economy. To help ensure success, the parties further recognize that:

The field of labour relations is an evolutionary process, which can be improved as a result of mutual trust and respect, common purpose and a positive workplace environment;

A co-operative workplace environment will help provide a strong foundation for achieving high operational efficiency and productivity and higher product quality, together with employee satisfaction and job security;

By achieving these goals, the Company may enhance and improve its position in the global market and be better able to continue to provide stable employment, equitable treatment, a congenial working environment. a safe workplace with fair compensation recognizing the employees' contribution to the overall success of the enterprise and a social commitment to the community.

The culture of the mill will be based on co-operation. mutual trust and respect and the recognition and preservation of the established values: putting people first; a belief in unparalleled customer care; the fostering of innovation; and a belief in providing real value in everything we do.

The Company and Union agree that if these endeavors are to be a success, labour and management must work together. To attain these goals, all employees share in the common endeavor with the following responsibilities:

- Support and abide by reasonable standards of conduct;

- Promote good housekeeping and maintain a safe work environment;

- Support and promote efficient work processes;

- Strive to achieve quality goals and endeavor to improve quality standards.

In order to develop and maintain flexibility of the workforce, while at the same time developing the ability and interest of the individual employee, the parties are committed to a continuous learning and development process for the employees. This process will include involvement in group decision-making processes to discuss better ways to produce products, and group efforts based on employees' active and voluntary participation and familiarization on matters such as quality, safety, increasing productivity, increasing work efficiency and enhancement of the work environment. The parties have agreed to co-operate in the implementation of these activities and to encourage employee participation.

ARTICLE II - RECOGNITION

2.01 (a) The Company recognizes the Union as the sole collective bargaining agent of all employees of the Sawmill and Planing Mill only, of Tembec Inc. Cochrane Tembec Division at Cochrane save and except foremen, persons above the rank of foreman, office staff, scalers, stockroom personnel, watchman and janitorial personnel.

(b) The Company agrees that it will not employ contractors or sub-contractors to do work commonly performed by employees covered by the terms of this agreement, save and except for occasional special services. In such situations where additional manpower will be required to perform the above work, employees will have first right of refusal.

From time to time, the Company will study its needs to determine **if** it would be warranted to make any adjustments to the number of people.

In case of construction work for the Company, employees who are on lay-off will be given preference of employment provided they are able to perform the work required.

The Company will provide the Union with a list of contractors working on site on a monthly basis.

2.02 Supervisory personnel, shall not perform work which would normally be a function of an

employee in the job classifications covered by this Agreement, except when instructing employees and in cases of emergency which involves physical danger to employees or danger to property.

It is agreed that the Company operations shall not be interrupted as a result of any jurisdictional dispute that may arise between the Union and any other trade Union.

ARTICLE III - PERIOD

3.01 The Company and the Union agree one with the other that they will abide by the Articles of this Agreement from **September 1, 2006 to August 31, 2011**, inclusive, and from year to year thereafter, unless either party desires to change or terminate this Agreement, in which case the party desiring the change or termination shall notify the other party in writing, at least sixty (60) days prior to August 31 of that particular year that such is its desire. Either party opening the Agreement in the manner provided above shall notify the other party in writing, as to the changes desired.

ARTICLE IV - WAGE SCHEDULE

4.01 The wage schedule is attached hereto and forms a part of this Agreement.

4.02 If during the life of this Agreement, a significant change in job content in physical or mental requirements occurs in any job classification listed in the attached wage schedule the rate thereto

shall be adjusted by negotiations between the parties. Upon failure to reach agreement, the matter may be referred to section 8.05 of the grievance procedure.

4.03 For classified jobs not listed in this wage schedule, the Company may set estimated or temporary rates. Any such rates will be based on comparison with prevailing rates for a similar and/or related occupation in the attached wage schedule. After a trial period of thirty (30) days any such rates shall be negotiated with the Local Union and upon Agreement shall become part of the wage schedule, and payment made retroactive, and after the thirty (30) day trial and following negotiations for such rates with the Local Union, if no agreement, is reached, the matter shall become subject to the grievance procedure beginning at section 8.05.

4.04 Employees hired as students will be laid off on completion of their student term. They must re-apply for permanent employment and if accepted will start as a new employee with respect to mill service.

ARTICLE V - UNION MEMBERSHIP

5.01 **All** present employees who are members of the Union and those who may become members of the Union shall maintain such membership in good standing as a condition of continued employment.

5.02 **All** new employees shall become members of the Union within fifteen **(15)** days from the day they start to work at the plant. **A** list of new employees hired shall be supplied to the steward

every month.

Each new employee shall be allowed one half (1/2) hour on Company time to meet with the Union steward within the first week of completion of the probationary period. **This half hour may be extended if mutually agreed to by both parties.**

5.03 For each individual employee who is a member of the Union or applies to become a member, the Company agrees that it will, on his behalf and upon his written request or upon written notice by the Union, pay Union initiation fees and/or weekly membership dues from monies due him.

The Company shall put employees on check off at time of hire or return to work and deduct the Union's weekly membership dues from monies due him.

5.04 Remittances of all deductions shall be sent to the Local Union monthly, said remittances to be accompanied by itemized lists in alphabetical order, in duplicate, showing payroll numbers, full names rates and amount of hours. The Company shall deliver the above not later than the end of the following month. **A** copy of the list will be given by the Company to the Union Steward.

5.05 The Local Union shall furnish the Company with a list of Local Officers and representatives, and shall amend these lists as changes occur.

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5.06 The Company will furnish a list of supervisory personnel to the Union office at the start of the contract year and amend it, if required, at the end of each month. The amended list will show the effective date of the changes. Failure to advise the Union of such changes will not in any way affect the authority of supervisors.

The Company will also maintain an up-to-date listing of spare supervisors. Such listing will be posted on the bulletin boards and a copy will be provided to the Union.

5.07 When hiring employees the Company will give preference to Union members provided they apply for work or that the Union applies on their behalf and provided they are capable to perform the work required.

5.08 Representatives of the Union carrying a certificate of authority signed by the President and Secretary of the Union shall have the right to visit the plant for the following purposes:

- 1) Evaluation of jobs and times studies connected therewith.
- 2) The investigation of alleged violation of this Agreement.
- 3) Investigation of grievances.
- 4) To post notices on Union bulletin board.

Prior to his visit, the Union representative shall report to the Plant Office to request permission for his visit, and to allow the Company to appoint a representative to accompany him. The Union representative shall conduct himself in a manner, which will not interfere with the normal operation of the plant during his visit.

ARTICLE VI - VACATIONS WITH PAY

6.01 For the purpose of this Article seniority will be acquired and maintained as defined in Article XII of this Agreement and the vacation year shall begin with the first pay of June each year.

Employees will be permitted to take up to two (2) weeks of their vacation entitlement one day at a time. It is understood that requests for one-day vacations will not be considered until May 1st of each year.

As a premium, each employee will receive \$80.00 for each week of vacation taken. Increase to \$85.00 on September 1st 2009. Increase to \$90.00 on September 1st 2010.

Vacation pay credits shall be paid on the following basis and each 2% increment of vacation pay entitles an employee to one week of time off.

a) 4% of gross earnings for employees who have less than four (4) years service with the Company.

- b) 6% of gross earnings for employees who have four (4) years or more but less than nine (9) years service with the Company.
- c) 8% of gross earnings for employees who have nine (9) years or more but less than eighteen (18) years service with the Company.
- d) 10% of gross earnings for employees who have eighteen (18) years or more, but less than twenty-five (25) years service with the Company.
- e) 12% of gross earnings for employees who have twenty-five (25) years or more service with the Company.
- f) Supplementary Vacation with Pay.

Employees who have worked more than twenty (30) years for the Company, shall receive the following additional vacation in the calendar year in which they attain:

- Age 60 - 1 week (2% of gross earnings)
- Age 61 - 2 weeks (4% of gross earnings)
- Age 62 - 3 weeks (6% of gross earnings)
- Age 63 - 4 weeks (8% of gross earnings)
- Age 64 - 5 weeks (10% of gross earnings)

6.02 An employee, who has been continuously employed for one (1) year, shall take vacation time off at a time that is satisfactory to the employee and his supervisor.

6.03 Accrued vacation with pay shall be paid to each employee on every pay period.

6.04 If a plant vacation shutdown of two (2) weeks duration, or any further period as may be mutually agreed to between the Company and the Union, it will be scheduled each year during July and/or August. The Company will notify the Union at least three (3) months in advance of a proposed vacation shutdown in order to allow for consultation between the Company and the Union as to duration and timing of such said shutdown.

The Company will provide vacation form to each employee by March 1st of each year and each employee will be required to fill and submit their vacation request no later than April 30th of each year.

An employee, who works during the vacation shutdown and/or is entitled to vacation time off in excess to the duration of the vacation shutdown, will be allowed to take such time off upon notice in writing to his supervisor. In case too many employees should seek additional time off, thereby jeopardizing efficiency of operation, time off will be scheduled in accordance with seniority.

If a plant vacation shutdown is not scheduled, the Company will grant vacation at times requested by the employees from June 1 to May 31 of the following year given preference to senior employees. A minimum of **five (5)** employees per shift at the Sawmill and **three (3) employees per**

shift at the Planing Mill will be permitted to take their vacation at any one time as long as the proper and orderly operation of the plants are ensured.

NOTE: To be eligible for the allowed vacation time off as per the Collective Agreement, the worker must have completed the required number of year(s) before June 1st.

ARTICLE VII - HOLIDAYS WITH PAY

7.01 1) Employees shall be paid without the performance of work for the following holidays, at their regular rate of pay:

New Year's Day	Civic Holiday
January 2nd	(1st Monday in Aug.)
Good Friday	Labour Day
Victoria Day	Thanksgiving Day
Canada Day	Christmas day
	Boxing Day

Effective August 1, 2007, delete Civic Holiday and add one (1) floater.

11) In addition, employees who have accumulated one hundred and twenty (120) worked days, will be granted three (3) floating holidays per year. A minimum of two (2) employees per shift will be permitted to take a floater at a time satisfactory to the employee and his supervisor. If an employee has not taken his floating holiday by the end of March each year and has not signified his intention of taking it, such floating holiday will be scheduled by the

Company before May 31st of each year.

111) Request for floaters are to be submitted in writing on forms supplied by the Company at least three working days in advance of the floater with the exception of emergency situations. Management will respond within twenty-four (24) hours of receiving the request.

7.02 When any of the above Holidays occur on a Saturday or Sunday, the observance of the holiday shall be on the following Monday except for July the 1st which will be taken on the preceding Friday. or such other day that is celebrated as such.

For the purpose of this Agreement, a Saturday or a Sunday, or a Holiday shall begin at 12:00 hour of that day and end at 12:00 hour the day following.

7.03 An employee who has established seniority in accordance with Article XII, and who works any of the available work days within the thirty (30) day period prior to the holiday, and who works the last scheduled shift prior to the holiday and the first scheduled shift following the holiday, unless prevented by reasons beyond his control and the employee takes the necessary steps to advise his immediate supervisor, shall receive pay for the holidays.

7.04 Holidays occurring during the course of an allowed vacation period shall not be included as part of that allowance.

An employee who is qualified under Article XII and who works any of the available work days within the thirty (30) day period immediately to the holiday, is on authorized leave of absence when the holiday occurs, he shall receive holiday pay for the first holiday that occurs during his absence.

7.05 An employee who is qualified under Article XII and who ceases work due to layoff during the thirty (30) day period immediately prior to the holiday, shall receive holiday pay for all holidays within such thirty (30) day period.

7.06 An employee, who qualifies under Section 12.02 (a) and 7.03, who is obliged to cease work due to sickness, pregnancy or accident certified by a licensed practitioner during the twenty-one (21) day period immediately prior to the holiday, shall receive holiday pay for the first holiday within such twenty-one (21) day period.

7.07 If an employee who has established seniority in accordance with Article XII is recalled and works anytime during the fourteen (14) calendar day period immediately following the holiday, he shall receive holiday pay for the preceding holiday.

ARTICLE VIII – **ADJUSTMENT OF GRIEVANCES**

8.01 All disputes between employees and the Company shall be settled by the following procedures, and there shall be no stoppage of work because of differences.

8.02 The Union shall arrange for the election from its working membership of a Union Committee of three (3) headed by a Union Steward. The Company shall be notified in writing as to the names of the Union Committee and Steward.

8.03 A grievance under the provision of this Agreement is defined to be any difference between the parties or between the Company and employees covered by this Agreement involving the interpretation, application, administration or alleged violation of any of the provisions of this Agreement.

Stage 1

Any grievance arising during the term of this Agreement must be presented for adjustment within fourteen (14) days after the grievance has occurred. A grievance of an employee shall be taken by the employee singly or together with the Steward and/or Union Representative directly to the employee's immediate supervisor and a decision thereon shall be rendered within two (2) days from the presentation of the grievance.

8.04 a) Stage II

If this decision is not satisfactory to the aggrieved employee, the grievance shall be made in writing, and signed by the aggrieved employee and/or a Steward, and shall be presented to the Company by himself or together with the Union

Steward and/or Union Representative, within seven (7) days from the date of the decision under paragraph 8.03 above, and shall be dealt with at a meeting of the Steward's committee and Management, and such decision shall be rendered within seven (7) days or within such further time as may be mutually agreed.

b) In case of discharge or suspension by the Company, the Company will, within two (2) days, notify the employees in writing of the reason for the discharge or suspension. A copy of such notice shall be submitted to the Union Steward within two (2) days. A grievance arising from a claim by an employee that his discharge or suspension by the Company was unjust or contrary to the terms of this Agreement must be dealt with in writing by both parties and must be presented to the Company no later than ten (10) days after the written notice of the discharge or suspension. The grievance shall be introduced at this stage.

c) Grievances which involve Company wide interpretation, administration or alleged violation of the Agreement, shall be made in writing, and delivered to the opposite party within ten (10) days of the occurrence on which the grievance is based, and shall be dealt with by Representatives of the Company and Representatives of the Union. If the matter is not settled within thirty (30) days of notice being received by the opposite party, it may forthwith be referred to arbitration.

8.05 Stage III

In the event that the grievance is not settled in the above matter, it shall be referred to arbitration in accordance with the Labour Relations Act, and Notice of Processing to Arbitration shall be made on the opposite party within thirty (30) days of the decision rendered under section 8.04 above.

Nothing contained in this article shall prevent the parties from mutually agreeing to a single arbitrator.

8.06 Saturdays, Sundays and holidays shall not be included in any time limits in this article of the Agreement. The time limits mentioned in this article may be extended by mutual agreement, but otherwise time shall be of essence. Failure on the part of the grievor to comply with time limits shall be deemed to be an abandonment of the grievance.

8.07 An employee's disciplinary record shall be cleared for disciplinary purposes after a period of eighteen (18)months.

ARTICLE IX - NO STRIKE - NO LOCKOUT

9.01 There shall be no strikes called or supported by the Union or its members, and no lockouts caused by the Company during the life of this Agreement or any renewal thereof.

ARTICLE X-WORKING CONDITIONS

10.01 a) There shall be at least one (1) meeting of the Safety Committee every month.

It is agreed that the Company and the Union will co-operate collectively in improving safety and first aid practices. The Company and the Union further agree to set up and maintain a joint safety committee to promote safe working conditions and practices.

A complete safety inspection shall be carried out at regular intervals, by a minimum of six members of a Health and Safety committee, (one from the Union and one from Management in their respective department). Time spent by employees on such safety activities shall be considered as time worked.

Two **members** of the Joint **Health** and Safety Committee representing the Union will be trained as certified members, by the Worker's Health and Safety Centre, provided these services are cost-effective and will serve in these functions for a minimum of two (2) consecutive years. **It is understood that should the company require out-sourced health and safety training, any bids put forward by Worker's Health and Safety Center will be considered.**

There shall be adequate First Aid Stations supplied and maintained by the Company at each Plant. Such station to meet the standards of the Workplace Safety and Insurance Act and the provisions of the Industrial Safety Act.

Adequate First Aid Kits shall be supplied and maintained by the Company at suitable locations throughout the Operations.

Adequate transportation facilities and/or arrangements shall be provided by the Company for sick or injured employees.

The Company is responsible to see that a qualified First Aid person be available at all times during working hours.

1) All mobile equipment to be equipped with fire extinguishers. and it will be the responsibility of the operator to make sure that they are kept full at all time.

11) The Company agrees that it will provide tradesmen fire insurance coverage against loss by fire or damage of the tools and tool chest required by such tradesmen, to the full value of such tools on Company property. To qualify for the above, tradesmen will supply an itemized list of tools and amend it as needed.

b) The Company will provide free of charge the following safety apparel and equipment, gloves, rain suits, coveralls for all maintenance work,

welding shields, aprons and hard hats where required. The Company will ensure that adequate safety switches are installed as required on machinery throughout the plant.

The Company agrees to supply gloves in different sizes as required.

The wearing of safety equipment and apparel will not become a condition of employment unless it has been agreed to by the Company and the Union or is mandatory under government legislation.

The Company agrees to pay a flat allowance of (\$1 10.00) to each employees, each year **with** the first pay of June, as a compensation for safety boots.

Increase to \$115.00 in June 2008, increase to \$120.00 in June 2009, and increase to \$125.00 in June 2010.

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c) The Company agrees to replace free of charge pitted prescription safety glasses; Guidelines for the provision of prescription safety glasses will be established and will include: return of damaged glasses, maximum price of frame, type of frame, place of purchase, etc. The Company will supply three (3) different frames of safety (prescription) glasses.

10.02 It is agreed that during the life of this Agreement, there shall be no reduction in existing privileges.

10.03 a) The Company will provide adequate

lunchroom space and ventilation, and will install a low heat oven.

Adequate hot water supply for hot beverages and telephone with booth for local calls will be provided in the lunchroom.

b) Car plug-ins, shall be provided for employees' cars at the Company's parking lot.

c) The Company will endeavour to provide adequate vacuum cleaners for employees' clothes. or approved cleaning air stations.

d) Adequate lockers will be provided for all employees by the Company.

10.04 The Company will, in consultation with the Union, take such measures as required to improve ventilation, heating and dust control in the plant and lunchroom.

Going forward, all purchased or leased (new) mobile equipment will have air conditioning and all units shall be maintained. It is understood that any leased (used) mobile equipment that does not have air conditioning can only be leased for a maximum of one (1) month during the period of May to August.

10.05 Employees will be paid every Thursday morning by direct deposit. Employee working the evening shift will receive their pay slip at the end of

their shift Wednesday evening and employees working the night shift will receive their pay slip at the end of their shift on Thursday morning. Employees working the day shift will receive their pay slip during the lunch break on Thursday. The pay slips will be distributed in separate and sealed envelopes. The Company will include on each employee's income tax T-4 slip the amount of union dues deducted in the calendar year.

10.06 In September of each year, the Company agrees to pay a \$475.00 tool allowance to all Trades Persons, no receipts required. The Company will no longer replace lost tools, but Company approved broken tools will be replaced free of charge. Broken tools with no warranty shall be replaced with the same brand tool or same value.

10.07 Each employee will be responsible to immediately notify Human Resources, in writing, of any change of address, telephone number, marital status, beneficiary, banking information, etc. Further, employees on the call-in list will be responsible to maintain a working telephone.

ARTICLE XI - HOURS OF WORK

11.01 a) The Work week shall consist of 40 hours.

On a three (3) shift production, the work week shall consist of forty (40) hours, eight (8) hours per day beginning at midnight Sunday to midnight Friday, in accordance with the following schedule:

No. 1 shift - 7:00 a.m. to 3:00 p.m.

No. 2 shift - 3:00 p.m. to 11:00 p.m.

No. 3 shift - 11:00 p.m. to 7:00 a.m.

On a two (2) shift operation

- b) The basic workweek shall not exceed forty (40) hours. The workday shall consist of eight (8) consecutive hours.
 - i) The day shift shall be between the hours of 7:00 and 15:30 with one (1) fifteen-minute rest period during each half of each shift will be provided for all employees. A ½ hour lunch break will be provided without pay for all employees.
 - ii) The evening shift shall be between the hours of **16:00 and 24:30** with one (1) fifteen minute rest period during each half of each shift will be provided for all employees. A ½ hour lunch break will be provided without pay for all employees.

The carry lift operator assigned to Shipping will be from 15:30 to 24:00 hours.

Clean up hours:

8:00 a.m. to 4:00 p.m.

4:00 p.m. to 12:00 a.m.

Graveyard Hours:

12:00 a.m. to 8:00 a.m. working steady nights.

The company will schedule the afternoon Yard Labourer assigned to shipping to work from 11:30 a.m. to 8:00 p.m. on a three (3) month trial. Following this 3 month trial, the parties will evaluate this schedule as to whether or not this should remain in place and therefore form part of the agreement. An extension to the 3 month period may be implemented upon mutual agreement should the parties require further time for evaluation purposes.

c) On a one (1) shift production schedule, the work week shall consist of forty (40) hours, eight (8) hours per day, beginning at 7:00 a.m. Monday to 3:30 p.m. Friday, in accordance with the following schedule.

No 1 shift from 7:00 a.m. to 3:30 p.m.

All employees working steady day shift will finish at 3:30 p.m. on Friday. They will be allowed a 2 hour off for lunch not paid. The work day for tradesman on steady days (day shift) shall consist of eight (8) consecutive hours between the hours of 7:00 a.m. and 3:30 p.m. meal time excepted.

11.02 a) Employees on one (1) and two (2) shift production as described in Section 11.01 (b) and 11.01 (c) will be allowed one (1) hour off for lunch, not paid, at noon. Steady days employees, not on

production will be permitted to take thirty (30) minutes lunch break, not paid.

b) Employees on a three (3) shift production schedule, as described in section 11.01 (a) will be allowed one-half (2) hour off for lunch, on Company time, to be taken between the fourth and the fifth hour.

c) All employees on a three (3) shift rotation schedule, will be allowed one (1) ten (10) minute coffee break on Company time, to be taken at the midpoint of each half shift.

All employees on two (2) shift rotation schedule and all employees on straight day shift, will be allowed one (1) fifteen (15) minute coffee break at the midpoint of each half shift.

At the request of the company, the coffee and lunch breaks may be advanced or delayed by a up to 30 minutes from the scheduled break to accommodate unscheduled production interruptions.

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d) Individual employees can elect to spend their lunch break either in the lunchroom or outside of the Company premises. but if they elect to go out they will be required to punch their cards when going and when returning to work.

11.03 a) If an employee reports for work and no work is available he will receive four (4) hours pay for reporting to work, if he commences work and no

work is available for him to complete his shift, he shall be paid for eight (8) hours pay at his regular rate.

To qualify for the above, the employee must remain on the job until told by the foreman that he may leave and must accept other than his normal work if it is offered. Should a supervisor authorize an employee's request to leave prior to the end of his shift, the employee will only be paid for the hours worked.

b) The hours of work of all employees shall be scheduled and posted on Friday before 3:00 p.m. of the previous week. The starting and stopping times shall remain constant and fixed during the weekly period. subject to the following:

"An employee's scheduled shift may be changed at the Company's request, provided he is paid one and one half times his regular rate for the first shift worked after the change. When the employee reverts to his original shift, he shall be paid at his regular straight time rate provided that there is a break of at least eight (8) hours between the shifts worked".

11.03 c) It is understood that in the event of a breakdown or serious incident (mechanical breakdown, electrical power failure, fire.) wherein a shift or shifts must be cancelled, the provision of overtime for a shift change will not occur where the Company has made temporary schedules to accommodate the breakdown or

incident, and then reverted back to the regular schedule once the issue has been resolved

11.04 a) Time worked in excess of eight (8) hours per day or shift, all hours worked on Saturday and all hours worked by an employee outside his scheduled shift shall be paid for at the rate of time and one-half, except as specified in Article 11.01.

b) Time worked on Sunday or any of the Holidays specified in this Agreement shall be paid for at the rate of double time.

c) Employees who are willing to work overtime, will be required to signify by giving their names to their supervisors each week. Overtime requirements will be distributed as equally as possible among employees who make themselves available and who normally perform the work requiring the overtime. Maintenance employees may be scheduled to work on Saturday and Sunday and shall be paid at the prevailing overtime rates for such work.

It is agreed that, when required by the Company, employees can replace supervisors absent because of sickness, vacation, training, meetings and that they should be called team leaders and take charge of the execution of the work in the absence of the supervisors.

Employees who accept to become team leaders will do so in order to help out the Company and they will not be required to take disciplinary

action and will keep their employee status at all times (wages, seniority). The parties acknowledge that this occasional work will not in any way be considered as a trial period for a staff position.

It is further agreed that the Company will post a notice on which interested employees will signify their intentions and seniority shall be the governing factor in determining the successful candidate provided the candidate has the knowledge, skills and abilities to do the work and provided the opportunity presents itself on that employee's shift.

It is further understood that should the Union raise a concern with the production team leaders in place, the opportunity to become a team leader will be offered to the next qualified applicants.

The replacement foreman will not be allowed to do overtime on the day he is assigned as foreman. On any other event, he will be permitted to work overtime as per the weekly overtime list.

After two (2) or more hours of overtime consecutive to a regularly scheduled shift the Company will allow a lunch period of thirty (30) minutes to an employee and provide a lunch free of charge or allow the necessary time with pay to the employee to go home for lunch.

d) An employee who is called back for work after completing his day or shift shall be paid time and one-half for the hours worked but in no case shall he receive less than four (4) hours pay at straight time rate. Any employee working steady 12 to 8 will be paid shift differential.

11.05 All employees scheduled to rotate on two (2) and three (3) shift operations shall receive effective September 1, 2002- \$0.39 per hour in addition to their regular rate.

11.06 In case of lay-off or recall maintenance employees will be kept by seniority provided that 33% of the remaining employees are class "A".

11.07 In order to promote efficient operations, the parties agree that employees may be required to obtain mandatory training on overtime for a maximum of twenty (30) hours per year. This refers to legally required training and to training on Company programs, policies and procedures. Such training to be offered on five (5) days' notice only after the employees' day shift during the months of November to March inclusive and never on Fridays. Employees will be offered two (2) alternative dates in order to accommodate them for each training session.

ARTICLE XII - SENIORITY

12.01 a) The Company recognizes the principle of seniority. Seniority shall govern in promotions,

transfers, layoffs and recalls after layoff, provided the employee has the necessary qualification of knowledge, skill and ability to perform the work required.

An employee's seniority shall be his length of service with the Company dating back to his original hiring date or in case his service was broken as defined in Section 12.03 his hiring date after his last break in service.

An employee who has accrued seniority and is on authorized leave of absence on Union Business shall accrue seniority while on such leave.

An employee who has accrued seniority and is then employed by the Union shall continue to accrue and retain seniority for a period not exceeding one (1) year, unless otherwise mutually agreed to. An employee who has accrued seniority and is then employed by the Company in a position beyond the scope of this Agreement shall continue to accrue and retain seniority for a period not exceeding one (1) year unless otherwise mutually agreed to. Such employees may upon proof of Union membership in good standing, exercise his seniority to return to the bargaining unit.

An employee, who anticipates not being able to report for work for reasons beyond his control, must notify the Company at the earliest possible time prior to his scheduled shift. (At least one (1) hour). The Company may require that an absence due to sickness or accident be certified by a

licensed physician, dentist, or chiropractor.

Before returning to work after an excused absence, an employee must advise his foreman one (1) week prior to date of return if absent for thirty (30) working days or more. and one (1) day if less than thirty (30) working days.

b) Employees who are or become expectant mothers shall be allowed such time off as is medically required by their condition without loss of seniority.

c) An employee who has been absent from work due to accident, sickness, pregnancy or authorized leave of absence has the right to return to the job classification he held prior to such absence, providing all other conditions of this Article are met by such said employee.

12.02 a) A new employee of the Company shall be considered a probationary employee until he has completed **forty-five (45)** days of work in one period of employment, except in case of lay-off, or any other time limit mutually agreed to by the Company and the Union within a ninety (90) day period, after which his seniority shall date from his original hiring date. In all cases where the employee ceases to work for the Company. for reasons beyond his control after he has completed fifteen (15) days of employment the Company shall advise the Union in writing within two (2) days of such separation and give reasons for the separation.

b) Grievances may not be presented in connection with the discharge or layoff of probationary employees unless the discharge or layoff is claimed to be discriminatory.

12.03 An employee shall lose all seniority if he:

a) Quits or is discharged and not reinstated.

b) Fails to report for work following recall as provided in Section 12.04 (b) or fails to return from an authorized absence on the date specified unless in either case, his return to work on time is prevented by circumstances beyond his control, and he has taken the necessary steps to advise the foreman.

c) If absent without permission for two (2) consecutive days unless such absence is for reasons beyond his control and he has taken the necessary steps to advise the Company.

12.04 a) In case of layoff, the Company will notify in writing the employees intended to be laid off and the Union Steward at least five (5) days in advance or pay in lieu thereof.

In cases of layoff due to breakdown the employees affected will be paid in accordance with Article 11.03 and will be permitted to exercise their seniority rights to another job the same day and for the following day on their scheduled shifts. Should the breakdown last more than the above mentioned

period (48) hours the employees will be permitted to exercise their seniority rights for another job on any shift in accordance with Article 12.01 (a).

b) When the date of recall is known or anticipated at the time of layoff, employees leaving will be informed accordingly. In all other cases, notice in writing will be mailed by registered letter to an employee at his given address with a copy to the Union office, at least ten (10) days before he is required to report to work. Employees will be required to acknowledge receipt of such notice within four (4) days and report for work on the date specified, unless other arrangements have been made in writing.

c) For layoffs of less than three (3) months, employees affected will be transferred to vacant positions as per seniority and qualifications and in accordance with Article 12.05 (a) of the Collective Agreement. It is understood that senior employees shall not be subject to any loss of employment. Once normal operations resume, employees will revert back to their original job.

For layoffs of more than three (3) months, employees will be transferred as per preference, seniority, and qualifications. Employees not qualified will be trained by the Company for five (5) working days in order to meet the job requirements.

12.05 a) When an employee is transferred at the request of the company to meet production requirements to a lower paying job, the employee

will be paid at the rate of the job from which he has been so transferred. However, for transfers required during the weekend the Company will only be permitted to transfer an employee for a maximum of 9 working days per year.

b) For a transfer at the request of the employee, payment from the date of transfer will be made at the rate of the new occupation or classification.

c) For all other transfers (including, but not limited to transfer due to inefficiency, inability, health, safety and demotions for cause), payment shall be made at the rate for the job to which the transfer is effected.

d) Promotions shall mean advancement to a job, which carries a higher rate of pay, a steady day job, a transfer from a 3-shift operation to a 2 shift operation where the work is expected to continue for a minimum of 3 months, or from weekend crew to shift work operation.

12.06 1) Where a vacancy occurs, immediate notice thereof will be posted on the bulletin board for a period of five (5) working days for which the Company may make a temporary appointment to such vacant job. However, in case replacement is required for a vacancy of less than fifteen (15) consecutive working days, such vacancy may be filled by temporary appointment without posting.

When a temporary shift of 15 working days or less occurs. **for production purposes**, the job openings will be filled through assignment given preference to senior qualified employees. It is also understood that once the temporary shift is completed effected employees will return to their previous positions. It is understood that this will not be applied more than 4 times per year unless mutually agreed to.

Seasonal work created during the log hauling from mid November to mid April. It is agreed that these jobs are seasonal in nature and that they will be posted. These positions will open within the department. Positions left vacant by the successful candidates will be filled by appointment.

Upon completion of these positions, all affected employees will revert to their original positions provided they are capable of performing its duties.

The seasonal jobs are Log Loader Mobile **and Loader Prentice Operator.**

2) Employees will not be considered for a vacant job, unless they apply in writing during the five (5) day period on forms to be supplied by the Company. **A** copy of such forms will be retained by the applicant. **All** possible effort will be made to advise absent employees of such vacancy.

A copy of the notice of vacancies, along with the names of applicants, will be given to the Union Steward.

3) The permanent vacancy will be filled by the senior applicant provided he has the necessary skill, ability, and efficiency to meet or to be trained to meet the job requirements. An employee accepting the posted job shall be allowed five (5) working days in which to qualify or any further time as maybe mutually agreed to. Failure of an employee to qualify shall entitle him to return to his former job.

When a vacancy is caused by an employee's absence due to disability or authorized leave of absence, the original vacancy will be considered and posted as "Temporary" in which case both the employee whose position has been dealt with as "Temporary" and the employee who has filled the temporary vacancy are entitled upon his return to resume their former positions provided they are capable of performing its requirements.

In cases of posting permanent vacancies, openings arising from the posting of the original vacancy will be posted up to and including the 1st base rated job. In addition, when a permanent base rated job vacancy occurs, only the original vacancy will be posted.

An employee who applies for any job vacancy must, if his seniority and qualifications permit, fill the vacancy he has applied for.

4) Any employees having enough seniority for full-time employment and loses his position for any reason will have 24 hours to bump or claim another permanent job.

Should the employee fail to exercise his seniority rights the Company will then appoint him replacing the lowest permanent employee.

12.07 An employee who has successfully claimed and filled a job, shall be ineligible to further bid for another vacancy before **four (4)** months have elapsed unless such vacancy is a promotion, or the employee is holding a temporary position.

12.08 A seniority list shall be prepared and posted monthly on the bulletin board by the Company. showing each employee's name with Christian names. clock number and effective date of hiring. Copies of such list shall be mailed to the Union Steward and the Union office.

12.09 Sickness certified by a licensed physician, dentist or licensed chiropractor, authorized leave of absence or disabling injury shall not affect an employee's seniority. An employee who has established seniority in accordance with Section 12.00 of this article shall retain such seniority for thirty-six (36) months during layoff.

12.10 An employee with three (3) or more years of continuous service for whom no job is available because of lay-off **occurring after April 1st, 2007** can upon termination elect to receive a severance allowance of **one and one-half (1.5)** week's pay for each year of employment during his last period of continuous service (up to the date of termination) computed on the basis of forty (40) straight time

hours at the employees regular rate. The maximum severance allowance payable being forty-five **(45)** weeks. It is understood that an employee who chooses to receive his severance allowance will be terminated from his employment waiving his recall rights pursuant to this agreement.

12.11 Employees **on** the seniority list who do not hold a full-time position will remain **on** the call-in list with benefits unless they are given a lay-off notice).

Should a Call-In employee qualify for STD, he will receive 70% of his average weekly earnings. It will be the responsibility of the employee to remain available and able to be reached at all times between **one** hour before the start of each regularly scheduled shift and **one** hour after the start of each regularly scheduled shift, Monday (which includes the Sunday "midnight" shift) through Friday. Employees unavailable **on** three (3) occasions when called during the specified period of time as mentioned above, will be removed from the seniority list and will no longer be an employee of Tembec.

ARTICLE XIII • BULLETIN BOARDS

13.01 The Union shall have the right to post notices dealing with Union affairs upon bulletin boards of the Company, such notices to have the approval of Company management before such

posting.

ARTICLE XIV - HEALTH AND WELFARE

14.01 Each employee who has established seniority in accordance with Article XII shall be entitled to the following benefits and the premium will be paid in full by the Company.

a) Effective date of ratification, a group life insurance benefit in the amount of **\$85,000.00** and an accidental death and dismemberment benefit for up to a maximum of **\$85,000.00**.

An employee who is laid off will continue to receive life insurance coverage until the end of the current insurance policy month during which he is laid off.

b) "The Company will maintain the premium cost of providing a Weekly Indemnity Insurance Plan for employees who have established seniority in accordance with Article **XII**.

The plan will provide for seventy per cent (70%) of weekly earnings (forty hours time an employee's regular rate) up to a maximum of \$600 to commence on the first day in case of **a** non-compensable accident and/or hospitalization and on the fourth continuous **day** from the commencement of **a** disability due to sickness and will continue for the period of disability up to a maximum of fifty-two (52)

weeks subject to the following:

- i) The first two weeks of disability will be paid for by the Company. The following fifteen (15) weeks will be paid by E.I. with top-up to the maximum listed above paid for by the Company with the remainder of the Fifty-two (52) weeks covered by the Insurance Company.
- ii) All cost of medical reports or doctors certificates requested by the Company or the Insurance Carrier will be paid in full by the Company.
- iii) In case of day surgery, the employee will be covered from the first day upon proof thereof.
- iv) A claim for weekly indemnity benefits must be supported by a certificate from a physician, dentist or licensed chiropractor.
- v) The Company and/or Insurance provider may request a second opinion, by the doctor of their choice, paid for by the Company or the Insurance Provider.
- vi) It is further understood that the Company and the Union will cooperate fully and in every reasonable respect to ensure that claims for benefits herein are legitimate.

- vii) Should the government law change the insurance carrier will be responsible to cover the employees. And furthermore, should the employee not be eligible for EI, the insurance carrier will also be responsible to cover the employees.

The Company will provide and pay the full cost of an Extended Health Care Plan. The plan will also cover for insoles, massage and orthopaedic shoes.

Chiropractor treatment will be covered up to a maximum of \$20.00 per visit. to a maximum of \$450.00 per year.

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Increase maximum to \$455.00 per year on September 1, 2008. Increase maximum to \$460.00 per year on September 1, 2010.

- c) A Drug Plan benefit whereby an employee or his/her dependent. having a prescribed drug ordered. will be charged an annual administration fee of ten (\$10.00) dollars for a single employee and of twenty (\$20.00) dollars for an employee with dependants, the balance being covered by the carrying Insurance Company and furthermore, there being no co-insurance factor and no limit.

Brand name prescription drugs will be reimbursed at **80%**. Generic brand prescription drugs will be reimbursed at **100%**. Brand name drugs will only be reimbursed at **100%**, provided

there is medical justification from the treating physician, or the pharmacy has no generic replacement.

- d) **A semi-private hospitalization benefit.**
- e) The full cost of O.H.I.P. premiums, married or single rates.
- f) The Company's contribution to employees who are off work due to a W.S.I.B. claim or short term disability claim will be continued for a period of up to twelve (12) months.
- g) Long Term Disability plan.

The Company shall pay the monthly premium cost of the Long Term Disability Benefit Plan.

The Long Term Disability Benefit Plan shall be administered in accordance with the terms of an Insurance policy.

The Company will provide an L.T.D. benefit as per Appendix "B".

Note: The Company will provide the Union with a copy of the Insurance policy that covers all benefits for the duration of the Collective Agreement.

ARTICLE XV - BEREAVEMENT PAY

15.01 When death occurs to a member of an employee=s family, that is an employee=s father-in-law, mother-in-law, brother, sister, grandparents, son-in-law, daughter-in-law and grandchild, the employee who has established seniority under Article 12.02 and is actively employed by the Company will be granted leave and shall be paid for eight (8)hours at his regular straight time rate tor three (3)working days.

Five (5) days leave with pay will be provided on death of an employee=s spouse, children, mother and father. These three (3)and five (5) days must be taken within seven (7) calendar days of the funeral.

Any claims for bereavement pay must be submitted by the employee to the Company in writing, along with proof of bereavement in the employee=s immediate family.

It is understood that for purposes of this article step-relatives will be considered the same as blood relatives. as listed above.

ARTICLE XVI - JURY DUTY ALLOWANCE

16.01 In the case of an employee who has established seniority and is called for Jury service or subpoenaed as a witness, except for arbitration, the Company shall pay for each day of such service, an allowance equal to the difference between eight (8) hours of pay based on his regular straight time hourly rate and the payment he received for jury service or Crown witness. The employee will present proof of service and of pay received therefore when making his claim for such allowance. An employee who is called for jury service or subpoenaed as a witness by the Crown must notify the Company immediately.

ARTICLE XVII - DENTAL CARE PLAN

17.01 A dental care plan with participation compulsory for all employees on the following basis:

I. **Eligibility**

Participation in this plan is limited to employees who have accumulated sixty-five working days of seniority with the Company.

It is understood and agreed that the Plan will provide for the continuation of coverage for the period an employee is off work due to layoff or leave of absence, but in no case beyond the end of the month following the month in which such absence commences.

2. Plan Design

a) Services and benefits as provided in Blue Cross no 7 Basic Plan and Rider no 1.

b) Services and benefits as provided in Blue Cross Rider no 2 (50%). The Plan provides for the application of the **previous year's O.D.A Schedule of Fees (one year lag)**.

Maximum of \$1,000.00 per calendar year per person.

The Company agrees to provide the Union with a copy of Rules and Regulations relating to the Plan.

c) Orthodontic services 50% coverage with maximum of \$1000.00 lifetime effective date of ratification. Increase to \$1,250.00 effective September 1, 2004.

3. Administration

The Plan will be administered in accordance with an appropriate contract or set of procedures reflecting the plan design outlined in Item 2 above. The decision as to the choice of administrative vehicle from among service carriers, insurance

companies or self-administration will be made by the Company on the basis of appropriate study of these alternatives.

4. Premiums

The premium cost of this plan shall be paid by the Company.

5. Integration

The Plan will not provide like benefits where such are currently being provided by federal or provincial legislation.

If during the life of this Agreement federal or provincial governments shall introduce legislation to provide benefits already covered by this plan, the plan shall be amended so as to eliminate said benefits.

ARTICLE XVIII - MANAGEMENT RIGHTS

18.01 The Union agrees that the Company has the exclusive right and power to manage the plant, to direct the work force, and to hire, promote, transfer or layoff employees and to suspend or discharge or otherwise discipline employees for just cause, provided that the Company agrees that any exercise of these rights and powers shall be subject to the express provision of this Agreement.

ARTICLE XIX - PENSION PLAN

19.01 The Company will provide a Pension Plan to become effective September 1, 1988, subject to the following and to the conditions included in the document: "Pension Plan for the employee of Tembec Industries Inc. (Cochrane Division) Sawmill, Planing Mill and yard", signed between the parties, which document is part of the present agreement.

The Pension Plan will be in the form of three (3) equal units of ninety-five (\$95.00) for a monthly contribution of \$285.00 to be deposited with a trustee to the credit of individual pension accounts under the plan. **Effective September 1, 2009 increase to \$100.00 for a monthly contribution of \$300.00. Effective September 1st, 2010 increase to \$105.00 for a monthly contribution of \$315.00.**

The Company agrees to contribute, during each month, on and after the effective date, the first unit to the pension account of each member of the plan who is on the Company's active payroll in the month. For any member who elects to make a voluntary contribution by payroll deduction, of the second unit, the Company will match this monthly contribution and pay the third unit to his account.

Committee to be established with equal representation from both the Company and the Union as trustees into the plan.

All employees shall participate in the Pension Plan.

Upon early retirement and up to age 65, employees shall receive the benefits of the Drug Plan, the Life Insurance and the Extended Health Care Plan if the employees agree to pay the annual premium, payable in one lump sum at the beginning of each year.

Actual Pension Plan to be transferred to a Restricted access group RRSP. Members cannot redeem any assets until:

- Attainment of age 55
- Retirement
- Termination of employment
- Death
- Permanent disability

BRIDGING SUPPLEMENT

The Company agrees to \$10.00 per month per year of services bridging supplement to employees who retire prior to age 65, commencing at age 60, for employees who worked more than twenty-five (25) years for the Company.

This bridging supplement to be paid on a monthly basis until attainment of age 65 or the death of the retire, which ever occurs first. **Effective September 1, 2009 increase to \$12.00 per month per year of services. Effective September 1, 2010 increase to \$15.00 per month per year of services.**

ARTICLE XX - PAID EDUCATION LEAVE

The Company agrees to pay to the Union Office, three (.03) cents per regular hours worked for each employee, in order to pay for Educational needs of the members. Increase to four (.04) cents effective September 1, 2002. Increase to five (.05) cents effective September 1, 2004.

PRINTING OF COLLECTIVE AGREEMENT

The Company agrees to pay full cost and have sufficient amount of books printed within three (3) months of ratification.

Union will assume responsibility to make the necessary changes into the Agreement. The Union will consult with the Company prior to printing.

RETURN TO WORK PROGRAM

A local union-management joint committee will meet in order to finalize the details and endorse this agreement to show the commitment of both parties.

**SIGNED IN COCHRANE, ONTARIO, THIS
22nd DAY OF MARCH, 2007.**

For the Company

Benoit McLançon

Marc Tremblay

Grant Haavaldsrud

For the Union

Guy Bourgouin

Eric Carroll

Randy Bellaire

Gerald Gendreau

Gilbert Morin

Marc Decvito

WAGE SCHEDULE

	2006/09/01	2007/09/01	2008/09/01	2009/09/01	2010/09/01
Canter Twin Operator	22 87	22 87	22 87	23 79	24 39
Clean-up Labour	21 83	21 83	21 83	22 70	23 27
Chipper Operator	22 35	22 35	22 35	23 24	23 82
Debarker Operator	22 49	22 49	22 49	23 39	23 98
Edger ("Reman") Operator	22 73	22 73	22 73	23 64	24 23
Loader (Front End)	22 87	22 87	22 87	23 79	24 39
Stationary Loader (Tanguay)	22 87	22 87	22 87	23 79	24 39
Lumber Sorter	21 98	21 98	21 98	22 86	23 43
Log Sorter	21 83	21 83	21 83	22 70	23 27
Log Unscrambler	21 89	21 89	21 89	22 77	23 34
Slasher Operator	22 13	22 13	22 13	23 02	23 60
Spareman	22 87	22 87	22 87	23 79	24 39
Stacker Operator	22 47	22 47	22 47	23 37	23 95
Trimmer Operator	22 42	22 42	22 42	23 32	23 90

Comment: There may be some discrepancy with the rate calculation. Please see the enclosed spreadsheet for more information

Comment: Quotations replaced special characters listed here

	<u>2006/09/01</u>	<u>2007/09/01</u>	<u>2008/09/01</u>	<u>2009/09/01</u>	<u>2010/09/01</u>
Tradesmen "Lead"	25 66	25 66	25 66	26 69	27 36
Tradesmen "A"	24 85	24 85	24 85	25 84	26 49
Tradesmen "I"	24 38	24 38	24 38	25 36	25 99
Tradesmen "II"	23 61	23 61	23 61	24 55	25 16
Tradesmen "III"	23 08	23 08	23 08	24 00	24 60
Tradesmen "IV"	22 78	22 78	22 78	23 69	24 28
Tradesmen "Helper"	22 35	22 35	22 35	23 24	23 82
Electricien "Lead"	27 16	27 16	27 16	28 25	28 96
Electricien " A	26 35	26 35	26 35	27 40	28 09
Electricien "I"	25 88	25 88	25 88	26 92	27 59
Electricien "II"	25 11	25 11	25 11	26 11	26 76
Electricien "III"	24 58	24 58	24 58	25 56	26 20
Electricien "IV"	24 28	24 28	24 28	25 25	25 88
Electricien "Helper"	23 85	23 8	7: 85	24 80	25 42
Filer (Lead)	26 09	26 09	26 09	27 13	27 81

	<u>2006/09/01</u>	<u>2007/09/01</u>	<u>2008/09/01</u>	<u>2009/09/01</u>	<u>2010/09/01</u>
Filer (5 years)	25 54	25 54	25 54	26 56	27.22
Filer ("II")	23.79	23 79	23 79	24 74	25.36
Filer (Apprentice 2 years)	22 74	22 74	22.74	23 65	24.24
Filer (Apprentice 1 year)	22 30	22 30	22 30	23 19	23.77
Carylift Operator	22 87	22 87	22 87	23 79	24.39
Forklift Operator	22 13	22 13	22 13	23 02	23.60
Gen. & Cross Pieces	21 83	21 83	21.83	22 70	23.27
Planer Feeder Operator	22.13	22 13	22 13	23.02	23.60
Strapping Machine Operator	22.13	22 13	22 13	23 02	23.60
Tilt Hoist Operator	21 83	21 83	21 83	22 70	23.27
Trim Saw Operator	22 42	22 42	22 42	23 32	23.90
Yard Labour	21 83	21.83	21.83	22.70	23.27
Yard Loader Op. Trainee	22 35	22.35	22 35	23.24	23.82
Grader (Licenced)	23 60	23 60	23.60	24 54	25.15
Grader (Unlicensed)	22 35	22 35	22.35	23.24	23.82
Grader (Apprentice)	21 83	21.83	21 83	22 70	23.27

Comment : Quotation
characters listed here.

	<u>2006/09/01</u>	<u>2007/09/01</u>	<u>2008/09/01</u>	<u>2009/09/01</u>	<u>2010/09/01</u>
Prentice Mobile Operator	22.90	22.90	22.90	23.82	24.42
Stacker Helper	21.83	21.83	21.83	22.70	23.27
Paper Wrap	21.83	21.83	21.83	22.70	23.27
Stacker Grader	23.60	23.60	23.60	24.54	25.15
Wig Wag Yard Labour	21.84	21.84	21.84	22.71	23.28
Handyman	23.10	23.10	23.10	24.02	24.62

Effective September 1st 2008 - \$500.00 lump sum payment. The \$500 lump sum payment will be paid to those employees that have one year of seniority or more as of September 1, 2008

It is agreed that students hired as part of the summer employment program will be paid at **90% of** the base rate, **irregardless of** what job classification they are performing

LONG TERM DISABILITY BENEFITS
APPENDIX "B"

1. Eligibility

The Long Term Disability Benefit Plan shall be compulsory for all employees who have accumulated 45 working days seniority with the Company.

2. Effective date of coverage

An eligible employee is entitled to benefits provided he is actively at work on the first day the Long Term Disability Benefit Plan becomes effective.

An eligible employee absent from work due to sickness or accident at the effective date of the Plan, shall only be eligible for Long Term Disability Plan Benefits upon the return to continuous active full-time employment for a period of more than four consecutive weeks.

The Company shall have the right to give medical examinations to employees returning from such lay-off to determine their eligibility under the plan.

3. Qualifying Period

An insured employee shall be eligible to receive an amount of Long Term Disability Benefit

after fifty-two (52) weeks of benefit entitlement for the same disability under the Weekly Indemnity Plan. Benefit payment shall not commence during a strike until the termination of the strike.

4. Definition of Disability

"Disability" shall mean an insured employee who has received fifty-two (52) weeks of benefits for the same disability under the Weekly Indemnity Plan and is thereafter unable because of medical impairment, to perform any occupation in the Company for which the Company considers him to be reasonably qualified by education, training or experience.

5. Amount of Benefit

a) The disability benefit shall be 55% of monthly earnings as defined in (5b), up to a maximum monthly payment of \$1,800.00. Effective September 1, 2002 increase maximum to \$1,850.00. Effective September 1, 2003 increase maximum to \$1,900.00. Effective September 1, 2004 increase maximum to \$1,950.00. Effective September 1, 2005 increase maximum to \$2,000.00.

b) "Monthly Earnings" means, in the case of a day or shift worker, 173 X his regular hourly rate.

c) "Hourly Rate" means, the regular rate of the employee effective immediately prior to the date on which the disability occurred, excluding overtime or shift bonus.

d) The benefits payable under this Plan are reduced by any primary disability payments made under the Canada Pension Plan, or any Company group disability income plan. Benefits are not affected by War Pensions, W.S.I.B. Disability Pensions, or by any insurance policies he may have purchased himself.

6. Duration of Benefit

a) Benefits will be paid for one month, for each completed month of service prior to commencement of the Long Term Disability Benefits, while the employee is disabled.

b) Disability benefits will be paid one month in arrear.

c) Employees receiving Long-Term Disability benefits will be covered under the Group Life Insurance and the Drug Plan for a period of one (1) year.

Employees will continue getting the Group Life Insurance coverage while receiving Long-Term Disability benefits, including those currently receiving L.T.D. benefits.

Effective September 1, 2004 employees will continue getting Drug Plan coverage while receiving Long Term Disability benefits, including those currently receiving L.T.D. benefits.

7. Termination of Benefits

Benefits shall cease upon the occurrence of any one of the following:

- a) On the date the employee ceases to be disabled. (if there is a recurrence of the same disability within six (6) months of return to work, a new qualifying period will not be required, and the disabled employee will be eligible for any balance of Long Term Disability Benefit Payments. This provision shall take precedence over any recurrent disability provision under the Weekly Indemnity Plan), or
- b) On exhaustion of the benefit period, or
- c) Up to normal retirement age, or
- d) On death.

8. Exclusion

- a) An employee receiving Long Term Disability Benefits will not be eligible for vacation or statutory holiday pay.

b) Benefits under the Long Term Disability Plan will not be payable for claims resulting from:

i) Any injury arising out of or sustained while doing any act **or** thing pertaining to any occupation or employment for remuneration or profit, or

ii) Any injury or illness entitling the employee to compensation under any Workers= Compensation or similar legislation. or

iii) Self-destruction or any self-inflicted injury while sane or insane, or

iv) Disability for which the employee is not under the treatment of a physician, or

v) Alcoholism or drug addiction, unless the employee is undergoing recognized course of treatment by a specialist in the care and treatment of alcoholism and drug addiction or the employee is undergoing regular rehabilitative treatment approved by the insurer and a licensed physician.

vi) Disability or loss (1) while the employee is on or could be placed on Pregnancy/Maternity Leave, or (2) if employee fails to qualify for Pregnancy/Maternity Leave because of failure to meet the length of service requirements, during the period of Pregnancy/Maternity leave that the employee could be on if she qualified for such leave, in accordance with the Employment Standards Act 1974, Ontario or any other relevant provincial statutes.

9. Rehabilitation

An employee receiving an amount of Long Term Disability Benefit may be asked to undergo reasonable rehabilitation measures which have been the subject of prior consultation with the employee's doctor, at no cost to the employee. If such employee refuses to undertake such rehabilitation, he may be declared not eligible for an amount of disability benefits.

10. Physical Examinations

The Company and/or insurer reserve the right to require periodical physical examinations throughout the duration of the employee's absence due to disability. Such examinations shall be conducted by a physician or physician designated by the Company and/or insurer.

All cost of medical report or doctor certificate requested by the Company or the Insurance Carrier will be paid in full by the Company.

Cost of physical examinations, transportation and reasonable out-of-pocket expenses related thereto will be paid by the insurer.

Disputed W.S.I.B. Claims

If an employee covered by the Company's present Weekly Indemnity Plan suffers a disability

for which payment is in dispute and/or delayed by W.S.I.B., Weekly Indemnity payment will be made retroactive if requested by the employee and provided he has been off work for at least one (1) month due to the disability without W.S.I.B. having accepted the claim and providing the employee is subject to the rules and regulations covering the Weekly Indemnity Plan.

If the W.S.I.B. claim is subsequently established, the employee will then repay the Weekly Indemnity payments received to the appropriate fund.

On layoff, the Company will continue to pay the monthly premium cost of the following plans to the end of the month. which the employee is laid off and for the succeeding month:

Drug Plan
Semi-Private Hospitalization
O.H.I.P.
Dental Plan
Vision Care

Injury while at Work

For employees who qualify under Article XII, the Company agrees that an employee shall be paid at the regular rate for the balance of his shift lost because of injury while at work. It is also agreed and understood that where an employee is unable to return to work he will be required to show proof to qualify for the above.

Vision Care

Equivalent Blue Cross - effective date of ratification \$200/24. **Effective September 1, 2009 increase to \$205/24. Effective September 1, 2010 increase to \$210/24.**

If the use of an ambulance is medically necessary. The Company will pay the OHIP deductible.

JOB DESCRIPTION FOR TRADES AND HELPERS

1. MILLWRIGHT TRADE

Millwright Helper

Works as a trades helper, will be assigned to and take necessary direction from a Millwright "II", "I", "A" or "Lead".

A helper must be capable of performing independently wash jobs, greasing and oiling.

Shall be up-graded prior to or at the end of one (1) year period to Millwright "IV".

Millwright "IV"

Shall be qualified to assist and work under the direction and instructions of Millwright "II", "I", "A" or "Lead". He will work alone at times performing assignments in keeping with his training.

During the course of his year, trainee must become proficient in good millwrighting practices in the areas of fitting, aligning, lubricating and the operation of all shop tools and machines. In addition to the foregoing, he will be exposed to and begin the process of learning techniques required in trouble shooting key production machinery, pipefitting, basic welding and machining, but will not be expected to display a high degree of proficiency in these areas at this point.

Millwright "111"

Must be capable of performing the tasks of fitting, aligning, lubricating and able to operate all shop tools and machines.

Must under direction become proficient in basic welding and pipefitting as well as dismantling and reassembly of plant equipment.

Under direction, will continue to develop skills in trouble shooting all plant equipment and improve his skill at machining parts and be exposed to basic principles of hydraulics and pneumatics.

He may work alone occasionally but will require direction and instructions from Millwright "11", "I", "A" and "Lead".

Millwright "11"

Must be capable, without direction, of fitting, aligning and lubricating, and taking apart and

reassembling plant equipment. In addition, is expected to be able to weld, operate shop tools and do pipefitting as required.

Must under direction, become proficient at effective methods of trouble shooting and repairing hydraulic, pneumatic and mechanical faults in plant machinery.

Must under supervision, become proficient at reading and understanding blue prints, all phases of installing new equipment, laying out hydraulic and mechanical drives and meet speed and power requirements correctly.

Millwright "I"

Must be capable without direction, of performing all practices under millwright "II", "III", "IV". Must take full responsibility for work done by himself or his assistant.

Millwright "A"

Must be in possession of a Millwright Certificate.

Millwright "Lead"

A millwright "Lead", must possess the qualifications set out under Millwright "A".

2. ELECTRICIAN TRADE

Electrician Helper

Will obtain practical experience at the plant level by working as an assistant to the Electrician as assigned.

Shall under the direction and supervision of the Electrician and Supervisors perform work common to the electrical trade on all types of machines and equipment used in the production of lumber. Shall be up-graded prior to or at the end of one (1) year period to Electrician "IV".

Electrician "IV"

Shall have successfully passed exams following his 1st year of apprenticeship in the electrical trade, or shall have completed one year in the classification of electrician helper.

Shall under direction from the electrician or supervisor obtain practical experience at the plant level allied to the 2nd year theory taught at the Provincial school and will be expected to perform work common to the Electrical Trade on all types of machines and equipment used in the production of Lumber.

Electrician "III"

Shall have successfully passed exams following his 2nd year of apprenticeship in the electrical trade, or shall be capable:

Under the direction of an Electrician "II", "I", "A" and "Lead" to install and maintain all electrical equipment in the plant.

Shall gain practical experience allied to the third year theory taught in the Provincial school.

Electrician "II"

Shall have successfully passed exams following his 3rd year of apprenticeship in the electrical trade, or shall be capable:

Of assuming responsibility for the installation and maintenance of all electrical equipment in the plant.

Shall continue to gain practical experience allied to subject material taught in the fourth year of apprenticeship.

Electrician "I"

Shall be proficient in the installation and maintenance of all electrical equipment in the plant and assume responsibility for all work done by himself and his assistants.

NOTE: Providing he has completed the time in the trade necessary to write for a provincial trade certificate, he may write for such certificate and receive the "A" rate immediately following successfully passing the examinations.

Providing he has worked one (I) year in this classification and works on computers he will be

paid at the rate of tradesman **A**

Electrician "A"

Must be in possession of a Provincial journeyman trade certificate.

Electrician "Lead"

An electrician "Lead" must possess the qualifications set out under electrician **"A"**. Shall be capable of leading.

3. MECHANIC TRADE

Mechanic Helper

Work as a trades helper, will be assigned to and take necessary direction from Mechanic "II", "I", **"A"** or "Lead".

Must be capable of performing independently, wash jobs, oil changes, greasing and tire repairs.

Shall be up-graded prior to or at the end of one (1) year period to Mechanic "IV".

Mechanic "IV"

Shall be qualified to assist and work under the direction and instructions of Mechanic "Lead", **"A"**, "I", or "II". During the course of his year training, he will be exposed to and begin the process or learning techniques required in trouble shooting key production equipment. but will not be expected to

display a high degree of proficiency at this point. **A** Mechanic Class "IV" will commence to accumulate common mechanical tools.

Mechanic "III"

He shall be capable under direction of performing all jobs assigned to him in an efficient manner on gasoline and/or diesel powered equipment and other equipment generally used in Company operations.

Mechanic "II"

He shall be capable without direction of performing all jobs assigned to him in an efficient manner on gasoline and/or diesel powered equipment generally used in Company operations and will be required to direct assistants working under him.

Mechanic "I"

Must be qualified to carry out the responsibilities of the trade as outlined by the Act. He must assume full responsibility for all work performed by himself or his assistants.

Mechanic "A"

Must be in possession of a Provincial Trade Certificate as recognized by the Ministry of Labour of Ontario.

Mechanic "Lead"

A mechanic "Lead" must possess the qualifications set out under Mechanic "A".

4. WELDER TRADE

Welder Helper

Required to work as an assistant to welders or Millwright as assigned. He shall be upgraded prior to or at end of one year period to Welder Class "IV". In the event that he fails to display the necessary aptitude for further training, he may at any time during this period be placed in other suitable employment.

Welder "IV"

He shall be capable under direction of performing the following:

- 1- Oxyacetylene and electrical welding in flat position with opportunity to work in other positions.
- 2- Cutting, soldering and brazing

He may be assigned to work as an assistant to Millwrights "II", "I", "A" or "Lead" as the need may arise.

Welder "III"

He shall be capable under direction of performing all jobs assigned to him in an efficient manner in both oxyacetylene and electrical welding in any position. He shall also have an understanding of types of flames, oxidizing and carbonising.

He may be assigned to perform under direction of Millwright "II", "I", "A" or "Lead", tasks normally assigned to the trade of Millwright.

Welder "II"

Shall be capable without direction of performing all jobs assigned to him in an efficient manner in both oxyacetylene and electrical welding in any position.

He shall be capable of performing both types of welding in all positions with all metals used in the Company operations.

He may be assigned to perform under direction of Millwright "I", "A" and "Lead", tasks normally assigned to the trade of Millwright.

Welder "I"

He shall be capable without direction of performing all jobs assigned to him in an efficient manner in both oxyacetylene and electrical welding in any position. He shall have an understanding of types of flames, oxidizing and carbonising.

He shall be proficient in both types of welding in all positions with all metals used in the Company operations.

He must be able to fabricate from a blueprint.

He must assume responsibility for all work performed by himself or his assistants.

He may be assigned to perform tasks normally assigned to the Trade of Millwright.

Welder "A"

Must be in possession of a welder H.P. certificate. He may be assigned to perform tasks normally assigned to the trade of millwrights.

Welder "Lead"

A welder "Lead" must possess the qualifications set out under Welder "A".

TRADES APPRENTICE PROGRAM

1) Apprenticeship and Lead openings will be filled in accordance with the provisions of Section 12.06 (job postings). Applicant will be advised that they will require Grade 12 or equivalent.

2) There will be a probationary period of up to three (3) months prior to entering into an apprenticeship agreement during which time the employee may return or failing to display the necessary mechanical aptitude, be returned to his former department without loss of Seniority.

3) Any helper who fails his first year exams shall be required to be re-examined within 12 months but not earlier than 6 months. Failure to pass the re-examination will result in the apprentice being dropped from the program and returned to his former department without loss of Seniority. The above will

not apply to the persons currently employed in any of the categories of Trades in the event that they shall become indentured in the future or are currently indentured.

4) Once an employee enters an apprenticeship contract, it is expected he will continue to fulfill the obligations of the contract, including necessary training periods in a vocational school.

5) The Company will make up the difference between the Canada Manpower Training Program allowances and the employee's normal earnings based on his regular straight time rate, multiplied by 40 hours per week. For purposes of calculation the Canada Manpower at home allowance shall be used.

6) Providing a journeyman has completed the time in the trade necessary to write for a Provincial Trade Certificate, he may write for such Certificate **and** receive the "A" rate immediately following completion of his course of studies.

7) It is agreed that when a journeyman has successfully attained his/her trade certificate/license, she/he will, at the request of the Company, remain employed with the Cochrane sawmill in the appropriate trade for a minimum of 5 years. In the event that the employee quits or transfers to another position outside of his/her trade, the employee agrees, with surety, that he/she will reimburse Tembec the training costs and tool allowance obtained, if any, while within the trade apprenticeship program.

MAINTENANCE TRADES ANNUAL REVIEW

Annually in the month of September, an evaluation committee consisting of the Plant Manager or his representative and the Maintenance Supervisor, together with a qualified Union Member and a Union Representative, will evaluate the performance and progress of each Helper and Tradesman below the category of "A", with a view to upgrading personnel who qualify.

If upgrading is necessary in the interim it will be done by the Plant Manager and the Maintenance Supervisor.

LETTER OF UNDERSTANDING
between
TEMBEC INDUSTRIES INC.
COCHRANE SAWMILL
(hereinafter called the "Company")
and
U.S.W. CANADA - LOCAL 1-2995
(hereinafter called the "Union")

RE: ARTICLE: XII - SENIORITY

Seniority will be set up and maintained for all employees of the Sawmill and Planing Mill.

Temporary vacancy will be filled within the department and will not be posted in the other department.

Trade apprentice program openings, including graders apprentice, will be posted in both sawmill and planing mills.

When a permanent vacancy occurs at the Sawmill or at the Planing Mill, the vacancy will be posted and the senior applicant who, provided he has the aptitude of **skill**, efficiency and ability, will be trained by the Company in order to meet the job requirements in accordance with clause 12.06 (3).

It is also understood that seniority will not be transferable to other agreements of the Company.

Employees that have been transferred at the Sawmill and the Planing Mill from the Plywood Plant, will

for the purpose of fringe benefits, retain all their seniority already accrued, but for the purpose of actual exercising of seniority such said employees' seniority will begin accruing on the date the transfer was effected.

Tradesmen from the sawmill will be permitted to perform work at the planing mill when required by the Company.

**SIGNED IN COCHRANE, ONTARIO, THIS
22nd DAY OF MARCH, 2007.**

For the Company

For the Union

Benoit Melançon

Guy Bourgouin

Marc Tremblay

Eric Carroll

Grant Haavaldsrud

Randy Bellaire

Gerald Gendreau

Gilbert Morin

Marc Decvito

LETTER OF UNDERSTANDING
between
TEMHEC INDUSTRIES INC.
COCHIRANE SAWMILL
(hereinafter **called** the "Company")
and
U.S.W. CANADA - LOCAL 1-2995
(hereinafter called the "Union")

Re: Front End Loader/Prentice Mobile Operator/Mobile Slasher

It is agreed between the Company and the Union, that before an employee can bid on the job classification of "Front End Loader/Prentice Mobile Operator" he must have previously been qualified as "Yard Labour/Front End Loader/Prentice Mobile Operator trainee", and have spent a minimum of three (3) months in that classification.

It is also understood that if the candidate fails to qualify himself as "Front End Loader/Prentice Mobile Operator" in the above manner, he will be returned to his former job classification he held prior to his appointment to "Yard Labour/Front End Loader/Prentice Mobile Operator trainee".

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that wer

**SIGNED IN COCHRANE, ONTARIO, THIS
22nd DAY OF MARCH, 2007.**

For the Company

For the Union

Benoit Melançon

<U> Bourgouin

Marc Tremblay

Eric Carroll

Grant Haavaldsrud

Randy Bellaire

Gerald Gendreau

Gilbert Morin

Marc Decvito

LETTER OF UNDERSTANDING
between
TEMBEC INDUSTRIES INC.
COCHRANE SAWMILL
(hereinafter called the ACompany@)
and
U.S.W. CANADA LOCAL 1-2995
(hereinafter called the AUnion@)

Re: Carry Lift Operator

It is agreed between the Company and the Union, that before an employee can bid on the job classification of "Carry Lift Operator" he must have previously been qualified as "Yard Labour/Carry Lift Operator trainee", and have spent a minimum of three (3) months in that classification.

It is also understood that if the candidate fails to qualify himself as "Carry Lift Operator" in the above manner, he will be returned to his former job classification he held prior to his appointment to "Yard Labour/Carry Lift Operator trainee".

Comm
that we

**SIGNED IN COCHRANE, ONTARIO, THIS
22nd DAY OF MARCH, 2007.**

For the Company

For the Union

Benoit Melançon

Guy Bourgouin

Marc Tremblay

Eric Carroll

Grant Haavaldsrud

Randy Bellaire

Gerald Gendreau

Gilbert Morin

Marc Decvito

LETTER OF UNDERSTANDING

Between

**TEMBEC INDUSTRIES INC.
COCHRANE SAWMILL**

And

U.S.W. CANADA - LOCAL 1-2995

It is agreed between the Company and the Union, that week-end clean-up will be given by preference to employees from the bargaining unit when available, by students if necessary and as a last resort. Employees who are willing to work will be required to signify their interest by giving their names to their supervisor by Thursday at noon.

**SIGNED IN COCHRANE, ONTARIO, THIS
22nd DAY OF MARCH, 2007.**

For the Company

For the Union

Benoit Melancon

Guy Bourgouin

Marc Tremblay

Eric Carroll

Grant Haavalsrud

Randy Bellaire

Gerald Gendreau

Gilbert Morin

Marc Decvito

LETTER OF UNDERSTANDING

between

**TEMBEC INDUSTRIES INC.
COCHRANE SAWMILL
(hereinafter called the "Company")**

and

**U.S.W. CANADA - LOCAL 1-2995
(hereinafter called the "Union")**

RE: CONTRACTORS DUES

The company agrees that contractors work permits and or union dues collected will be remitted to the union by the company and included on the union dues monthly check-off listing.

All contractors shall pay an amount per month of four (4) hours at the highest rate paid in the Collective Agreement **plus a dues assessment of \$5.00 plus one times half the base rate per month,** for a work permit when working under the jurisdiction of this bargaining unit.

**SIGNED IN COCHRANE, ONTARIO, THIS
22nd DAY OF MARCH, 2007.**

For the Company

For the Union

Benoit Melançon

Guy Bourgouin

Marc Tremblay

Eric Carroll

Grant Haavaldsrud

Randy Bellaire

Gerald Gendreau

Gilbert Morin

Marc Decvito

LETTER OF UNDERSTANDING
between
TEMBEC INDUSTRIES INC.
COCHRANE SAWMILL
(hereinafter called the "Company")
and
U.S.W. CANADA - LOCAL 1-2995
(hereinafter called the "Union")

**Re: Week-end maintenance schedule for
classifications in maintenance group.**

1) Vacancies shall be posted as they occur and will be filled in accordance with the job posting procedure.

2)

<u>Hrs of work</u>	<u>Wk Paid</u>		<u>Schedule</u>
<u>1ST Crew</u>			
Friday	8	8	7:00 a.m. to 3:30 p.m.
Saturday	12	14	7:00 a.m. to 7:30 p.m.
Sunday	12	18	7:00 a.m. to 7:30 p.m.
Total	32	40	
<u>2nd Crew</u>			
Saturday	12	14	7:00 a.m to 7:30 p.m
Sunday	12	18	7:00 a.m. to 7:30 p.m.
Monday	8	8	8:00 a.m. to 4:30 p.m.
Total	32	40	

3) Overtime:

All hours worked in excess of the regular work day, or in excess of the 32 hours worked per week will be paid at the rate of time and one half.

Hours worked in excess of the twelve (12) on Sundays will be paid at the rate of double time.

4) Vacation:

For the purpose of vacation entitlement, one (1) week will be Friday, Saturday and Sunday.

5) Holidays:

Statutory or Floating Holidays shall be paid the same amount of hours as if the employee had worked.

Note: No employees will loose or gain any money as a result of the above.

If a Statutory Holiday falls on a Saturday or Sunday it shall be observed on that day.

If a Statutory Holiday falls on a Monday, or any other days during the week, it shall be observed on the following Friday.

7) Should a person be off on a Sunday due to sickness, he will be allowed to work **two** (2) eight (8) hours shifts through the week to make up eighteen (18) hours missed for Sunday.

8) Scheduling to remain constant, except when Christmas Day and boxing day falls on a Sunday.

Weekend shift employees will go back to five (5) days scheduling that week.

**SIGNED IN COCHRANE, ONTARIO, THIS
22nd DAY OF MARCH, 2007.**

For the Company

For the Union

Benoit Melançon

Guy Bourgouin

Marc Tremblay

Eric Carroll

Grant Haavaldsrud

Randy Bellaire

Gerald Gendreau

Gilbert Morin

Marc Decvito

LETTER OF UNDERSTANDING
between
TEMBEC INDUSTRIES INC.
MALETTE DIVISION
(Cochrane, Hearst, Kirkland Lake, Timmins
Sawmills)
and
U.S.W. CANADA - LOCAL 1-2995
May 31, 1999

Re: Return to Work Program

We believe that a workplace-based joint Company/Union approach, which will assist employees who become injured or ill to return to **work** is the most effective strategy towards reducing the economic cost of disability and maintaining the employability of our employees.

We believe that this Return to Work Program can be implemented and be compatible with current statutory and collective agreement obligations.

Both parties agree to participate and implement this effective Return to **Work** Program, which will return workers to a full productive capacity.

**SIGNED IN COCHRANE, ONTARIO, THIS
22nd DAY OF MARCH, 2007.**

For the Company

For the Union

Benoit Melançon

Guy Bourgouin

Marc Tremblay

Eric Carroll

Grant Haavaldsrud

Randy Bellaire

Gerald Gendreau

Gilbert Morin

Marc Decvito

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