

COLLECTIVE AGREEMENT

between

**TEMBEC ENTERPRISES INC.
FOREST PRODUCTS GROUP
CHAPLEAU SAWMILL
(hereinafter referred to as the Company)**

and

**UNITED STEELWORKERS
LOCAL 1-2995
(hereinafter referred to as the Union)**

May 1, 2007 to April 30, 2012

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COLLECTIVE AGREEMENT

BETWEEN

**TEMBEC ENTERPRISES INC.
FOREST PRODUCTS GROUP
CHAPLEAU SAWMILL**
(hereinafter referred to as the "Company")

OF THE FIRST PART

- and -

**UNITED STEELWORKERS
LOCAL 1-2995**
(hereinafter referred to as the "Union")

OF THE SECOND PART

WITNESSETH that the parties hereto agree as follows:

The general purpose of this Agreement is to maintain mutually satisfactory relations between the Company and its employees, with respect to safety working conditions, hours of work, wages, the provision of a means for the prompt disposition of grievances for employees, economy of operation, quality and quantity of output and protection of property. It is recognized as a duty of the parties hereto and of all employees to co-operate fully, individually and collectively for the advancement of the conditions set forth herein.

ARTICLE 1

MANAGEMENT RIGHTS

1.01 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 lay off 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 provisions of this Agreement.

1.02 The Company reserves any and all of its rights, which have not been modified, limited, restricted, or released in this Agreement.

1.03 The Company agrees to exercise its rights in a manner consistent with the provisions of this Agreement.

ARTICLE 2

DURATION OF AGREEMENT

2.01 **The collective agreement will be renewed for a period of five (5) years, from May 1st 2007 to April 31st 2012.**

2.02 Either party may, during ninety (90) days prior to the expiry date of this Agreement, give notice in writing to the other party of its desire to commence negotiations with a view to renewing this Agreement.

ARTICLE 3

UNION RECOGNITION

3.01

a) The Company recognizes the Union as the sole bargaining agency for all employees of the Company in the Town of Chapleau, save and except foremen, persons above the rank of foreman, office and sales staff and students employed during the school vacation period in accordance with the Certificate issued by the Ontario Labour Relations Board, dated December 14, 1990.

3.01

b) The Company agrees that it will not employ contractors or sub-contractors at the sawmill, planer and yard operations to do work commonly performed by employees covered by the terms of this agreement, with the exception of the following: "slashing in the yard, snow removal, sanding, chip loading, wood waste/bi-product, garbage/cleaning, road grading and 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 provided this can be done in a cost effective manner.

3.02 The word "employee" or "employees" wherever used in this Agreement shall mean respectively an employee or employees in the bargaining unit described in Article 3.01 above.

3.03 Supervisory personnel shall not perform work which has normally been a function of an employee in the job classification covered by this Agreement, except when instructing employees or cases which involve physical danger to employees or danger to property or in the form of

casual assistance and spell off at coffee breaks and lunch periods.

3.04 The Company will notify the Union in writing within ten (10) days of hiring or terminating any employee.

3.05 It is agreed that Company operations shall not be interrupted as the result of any jurisdictional dispute that may arise between the Union and any other Union affiliated with the C.L.C.

ARTICLE 4

WAGE RATES AND CLASSIFICATIONS

4.01 The Wage Schedule is attached hereto and forms part of this Agreement.

4.02 An employee who is assigned to a higher rated job classification will be paid the basic hourly rate for such job classification. An employee, who is assigned to a lower rated job classification, shall continue to receive his regular basic hourly rate, except in the case of displacement due to a reduction in the work force, or to demotion.

4.03 If a new job classification is established or if an existing job classification is substantially changed, the Company will consult with the Union concerning the nature and scope of the change or of the new classification and the new wage rate assigned thereto prior to the implementation by the Company.

4.04 Effective date of ratification increase to (35 cents) cents per hour and May 1, 2000 increase to (40 cents) per hour for hours worked by employees who are on swing shifts. Shift differential will apply to Road Operations

employees affected during snow-plowing season who, due to weather conditions, are required to start work before 6:30 a.m. The shift differential will be paid only on those hours worked before 6:30 a.m.

ARTICLE 5

NO DISCRIMINATION

5.01 Any employee who is now a member in good standing or who becomes or is reinstated as a member of the Union, shall as a condition of continued employment, maintain such membership in good standing throughout the term of this Agreement. In the event the Union intends to suspend a member for failure to pay dues, the Company shall be notified by the Union in writing at least seven (7) days before such suspension.

5.02 New employees shall make application to join the Union after ten (10) days of employment.

Failure of an employee to comply with the conditions herein shall be cause for immediate termination of employment. It is understood that secondary and post-secondary students employed in a job classification as set out in Appendix "1" will not be allowed to accrue seniority. They shall, however be required to make application to the Union as per Article 5.02.

5.02 Each new employee shall be allowed one half hour (1/2) on Company time to meet with the Union Steward within the first week of completion of the probationary period.

5.03 The Union steward and/or committee members will be permitted to deal with union business on coffee breaks or lunchtime, in the Company's lunchrooms.

5.04 The Company shall put employees on checkoff three (3) days after hire or upon return to work and deduct the Union monthly membership dues from monies due him.

5.05 Remittance of all deductions shall be sent to the Local Union, said remittance to be accompanied by itemized lists in alphabetical order, in duplicate, with names and amounts. The Company will send these lists not later than the end of the following month. For each individual employee who is a member of the Union or becomes a member, the Company will, on his behalf or upon written notice by the Union, pay Union initiation fees or/and monthly membership dues from monies due him.

5.06 The Local Union shall furnish the Company with a list of Local Officers and Representatives and shall amend such list as changes occur.

5.07 The Company will furnish a list of supervisory personnel to the Union office and will amend such list as changes occur. Failure to advise the Union of such changes will not in any way affect the authority of supervisors.

ARTICLE 6

VACATION WITH PAY

6.01 An employee with more than six (6) months but less than twelve (12) months seniority may take one (1) week of vacation.

6.02 **As a premium each employee will receive \$80.00 for each week of vacation taken. Effective May 1, 2010 the vacation premium will increase to \$85.00 for each week of vacation taken. Effective May 1, 2011 the vacation premium will increase to \$90.00 for each week of vacation taken.**

6.03 Vacation with pay credits shall be paid on the following basis:

(a) more than one (1) but less than three (3) years seniority - four (4%) percent of the gross earnings in the preceding year;

(b) more than three (3) but less than seven (7) years seniority - six (6%) percent of gross earnings in the preceding year;

(c) more than seven (7) but less than fifteen (15) years seniority - eight (8%) percent of gross earnings in the preceding year;

(d) more than fifteen (15) but less than twenty-one (21) years of seniority - ten (10%) percent of gross earnings in the preceding year.

(e) more than twenty-one (21) but less than thirty (30) years seniority - twelve (12%) percent of gross earnings in the preceding year.

(f) more than thirty (30) years seniority - fourteen (14%) of gross earnings in the preceding year.

(g) An employee who is over sixty (60) years of age and who has worked for the Company for more than twenty-three (23) years shall receive an additional week of vacation

per year with pay at two (2%) percent of gross earnings in the preceding year to age sixty-five (65).

6.04 Each two (2%) percent increment of vacation pay entitles an employee to one (1) week of time off.

6.05 Employees will be expected to take at least two (2) weeks of vacation during the summer vacation shutdown scheduled in July and/or August except for Maintenance and Road Operations employees.

The Company reserves the right to schedule a summer shutdown in July and or August, which will be announced prior to April 1st of each contract year. Employees will be expected to take at least two (2) weeks of vacation during this period except for Maintenance, Plant Protection and Road Operations employees.

Should the Company decide not to have a summer vacation shutdown as stated above, the following will apply.

Three (3) shifts operations:

It is understood that the Company will have the option to operate a two (2) shifts' operation during the summer vacation "shutdown". Should the Company wish to operate on three (3) shifts, the 3rd shift will be filled on a voluntary basis.

Procedure to follow for the two shifts at sawmill and planer mill: all interested employees who volunteer, by seniority. *Remaining* vacancies to be filled by qualified junior employees.

Two (2) shifts operations:

It is further understood that should normal operations be on two (2) shifts, and then the Company will have the option of operating on two (2) shifts at the sawmill and on one (1) shift at the planer. Should the Company wish to operate on two (2) shifts at the planer, the 2nd shift will be filled on a voluntary basis.

Procedure to follow for two shifts at sawmill and one shift at planer mill: all interested employees who volunteer, by seniority. *Remaining* vacancies to be filled by the qualified junior employees.

6.06 An employee who is entitled to vacation time off in excess of the vacation shutdown may take such vacation at a mutually agreeable time upon notice in writing of at least ten (10) days to the supervisor. Available vacation time shall be scheduled in accordance with seniority within the classification having regard to the efficient operation of the mill.

6.07 Vacation for Maintenance and Road Operations employees will be granted at such times as the Company finds most suitable considering the efficiency of its operations, the wishes of the employees, and their seniority.

6.08 Vacation Pay for all entitlements will be issued to all employees by direct deposit twice each year, with accrual through June 30 and through November 30. At the option of the employee, one additional pay cheque will be provided upon ten (10) days written notice prior to when the vacation is taken.

6.09 During a two-shift operation the Company will schedule a one (1) week Christmas shutdown between

Christmas and New Year's provided the days not covered by paid holidays are made up on a straight time basis.

It is understood that maintenance employees will be asked by seniority on a voluntary basis to work during the Christmas shut down. Should there not be sufficient volunteers, junior employees will be assigned to a maximum of seven (7) tradesman and four (4) plant protection employees. Management will determine and post maintenance tasks and trade requirements by December 15th of each year.

The Company agrees to consult with the Union prior to finalizing the schedule of make up days and will make any changes where practical.

During a three shift operation the Company will schedule a one (1) week Christmas shutdown between Christmas and New Year's. It is understood that maintenance employees will be asked by seniority on a voluntary basis to work during the Christmas shut down should it not be sufficient junior employees will be assigned to a maximum of seven (7) tradesman and four (4) plant protection employees. Management will determine and post maintenance tasks and trade requirements by December 15th of each year.

ARTICLE 7

PAID HOLIDAYS

7.01 For the purposes of this Agreement, the following days are recognized as paid holidays for all employees who have acquired seniority:

New Year's Day	Civic Holiday
January 2 nd	Labour Day
Good Friday	Thanksgiving Day
Victoria Day	Christmas Day
Canada Day	Boxing Day

When any of the above holidays falls on Saturday it shall be observed on the preceding Friday and if the holiday falls on Sunday it will be observed on the following Monday or as otherwise mutually agreed.

7.02 The provisions of this Article shall apply to the twenty-four (24) hour period starting at 12:01 a.m. of any such holiday except that when another day is proclaimed in lieu of such holiday such provisions shall apply to such other day and not to the holiday.

7.03 In order to qualify for payment for the above holidays, the employee must have worked on his last scheduled full work day immediately before and his first scheduled full work day immediately following the holiday unless the employee was absent due to a bona fide illness, as evidenced by the certificate of a physician.

7.04 An employee, who qualified for holiday pay in accordance with Article 7.03, shall be paid his regular scheduled daily hours of work at his regular basic hourly rate for each of the above-mentioned paid holidays.

7.05 If an employee, who qualifies for holiday pay in accordance with Article 7.03, is required to work on any of the above-mentioned holidays, such employee shall be paid one and one-half (1 1/2) times his regular basic hourly rate for any authorized time worked on the holiday, in addition to his holiday pay.

7.06 An employee who is on vacation shall be entitled to holiday pay and additional time off for any holidays occurring within such vacation period at a time to be mutually agreed upon.

7.07 In addition to the Paid Holidays listed in Clause 7.01, employees who have accumulated six (6) months seniority will be granted three (3) floating holidays per calendar year to be taken at a time satisfactory to the employee and his /her supervisor.

An employee who has not taken his floating holidays by December 31st of each year shall receive pay in lieu of such holiday.

7.08 Requests for floating holidays are to be submitted in writing on forms supplied by the Company, five (5) days in advance of the floating holiday with the exception of an emergency situation. Management will respond within two (2) days of receiving the request.

ARTICLE 8

GRIEVANCE PROCEDURE

8.01 All disputes between employees and the Company shall be settled by the following procedures.

8.02 The Union shall arrange for the election from its working membership therein, 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.

8.03 Stage 1

Any grievance arising during the term of this Agreement must be presented for adjustment within two (2) calendar weeks, in writing. 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 foreman and a decision thereon shall be rendered within two (2) days from the presentation of the grievance.

8.04 Stage 2

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 with such further time as may be mutually agreed.

In case of discharge or suspension by the Company of an employee who has acquired seniority, the Company will immediately notify the employee in writing of the reason for the discharge or suspension. A copy of such notice shall be submitted to the Union steward. 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.

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 shall forthwith be referred to arbitration.

8.05 Stage 3

In the event that the grievance is not settled in the above manner, it may 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 Article 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. The time limits mentioned in this Article may be extended by mutual agreement but otherwise time shall be of the 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 In arbitration, the Company and the Union shall each select one person. These two shall select a third party who shall act as chairman. Either party shall appoint its nominee not later than five (5) days after written notice of the other party's nomination. The Arbitration Board's decision shall be final and binding on both parties to this Agreement. In the event of the failure of the persons

selected by the respective parties to select a third party as provided above, they, shall ask the provincial Minister of Labour to appoint a third party.

8.08 It is understood that the function of the Arbitration Board shall be to interpret and apply this Agreement and that it shall deal only with the specific questions as submitted and shall have no power to alter, add to nor amend this Agreement. However, the function of the Arbitration Board shall include the power to consider adjustments to individual job classifications rates under Articles 4.02 and 4.03. The Arbitration Board shall have no power to decide questions involving General Wage Adjustments.

8.09 Arbitration shall be heard at Timmins, Ontario or at a location mutually agreed.

8.10 An employee's disciplinary record shall be cleared for disciplinary purposes after eighteen (18) months.

ARTICLE 9

NO STRIKE - NO LOCKOUT

9.01 There shall be no strike, stoppage of work or slow down caused, called or supported by the Union or its members, nor lockouts by the Company during the life of this Agreement.

ARTICLE 10

**HEALTH, SAFETY AND WORKING
CONDITIONS**

10.01 The Company and the Union recognize the benefits to be derived from a safe and healthy place of employment. It is agreed that the Company, the employees and the Union will co-operate fully to promote safe work practices, health conditions and the enforcement of safety rules and procedures.

10.02 A Joint Health and Safety Committee composed of three (3) employees selected by the Union and three (3) representatives designated by the Company shall meet at least once every two (2) months or more frequently if requested by three (3) or more members of the Committee. The function of this Committee shall be as prescribed by The Occupational Health and Safety Act, as amended.

The Chairperson of each meeting shall make sufficient copies of the report, in English and French, copies going to the Company's office, the Union's office and plant's bulletin boards.

Two members of the Joint Health and Safety Committee representing the Union will be trained as certified members, by the Workers' Health and Safety Center 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 source health and safety training, any bids put forward by the workers health and safety center will be considered.

All members of the Joint Health and Safety Committee interested will be trained on First Aid and C.P.R.

10.03 One (1) Company representative and one (1) Union representative of the Joint Health and Safety Committee shall conduct an inspection of the workplace and equipment on a monthly basis. The representatives shall report the results of such inspections to the Joint Health and Safety Committee.

10.04 The Company will continue to supply on loan all non-personal safety apparel, which it presently supplies at no cost to the employees concerned. Gloves will be supplied on an exchange basis. In addition, effective the date of ratification of the Memorandum of Agreement, the Company will pay a work boot subsidy of **one hundred ten (\$110) dollars. Effective May 1, 2009, this subsidy will increase to one hundred and fifteen (\$115) dollars. Effective May 1st 2010, this subsidy will increase to one hundred and twenty (\$120) dollars. Effective May 1st 2011, this subsidy will increase to one hundred and twenty-five (\$125) dollars.** For employees using a chainsaw on a steady basis, there will be a forty (\$40.00) dollar chainsaw pant subsidy every six months, paid the first payday in February and August of each year for employees in those positions. **The Company will supply raincoats on an exchange basis to employees required to work in the rain.**

For those employees who have to wear prescription safety glasses, the Company will pay effective upon ratification the full cost of prescription safety glasses, provided that these glasses meet minimum standards set forth by the Company.

The minimum standards set forth by the Company for prescription safety glasses. It is also understood that the language in the Collective Agreement pertaining to prescription safety glasses does not limit the Company from modifying this table in order to meet changing trends in safety and prescription eyewear technology, provided that the basic intent of paying the full cost is maintained.

Minimum Standards for Prescription Safety Glasses:

Frames: C.S.A. Class 1 frames, selected from the applicable Association of Optometrists approved safety frames. Paid by the Company. Provide one set, with future frames provided as needed for work.

Lenses: Only C.S.A. Class 1 lenses are accepted. Paid by Company. Provide one pair, with future lenses provided as needed for work.

Side-Shields: Mandatory, permanently affixed. Company paid.

Anti-scratch: Allowed with the Company paying costs for NIKON H SRC only, or other *approved in advance* coating.

Anti-reflective: Allowed with employee paying costs.

Transition Plus: Only allowed if medically prescribed with employee paying costs.

Progressives: Allowed if regular dress eyewear is currently fitted with progressives and Company pays costs.

UV Coating: Allowed with employee paying costs.

Safety Case: Allowed with Company paying costs.

10.05 The Company shall provide emergency First Aid kits to be adequately located.

10.06 Employees will be paid bi-weekly, on Friday. An itemized statement of earnings and deductions, including year to date information, will be mailed to employees for each pay period. The annual T-4 slips will show the Union dues paid during the year. The Company will implement a payroll direct deposit plan for all employees and all employees must participate in this payroll direct deposit plan.

10.07 The Company agrees that it will provide free insurance coverage against loss by fire of tradesmen's tools normally required by tradesmen to the full value of such tools, while on authorized Company property or work sites.

An employee, who causes a fire willfully, or through carelessness, will not be reimbursed for any resultant loss. In order to receive this coverage, tradesmen shall be required to supply to the Company a list of such tools, so that proper coverage can be provided.

Effective May 1, 2003, upon proof of purchase, the Company shall pay \$500.00 per year as a tool allowance to Millwrights, Mechanics, Filers, Electricians and Mill Handymen. The current practice of replacing broken tools shall continue.

ARTICLE 11

HOURS OF WORK AND OVERTIME

11.01 The following paragraphs are to describe the hours of work and shall not be construed as a guarantee of work per day or per week unless otherwise specified.

Production Operations

(Yard, Slasher, Debarking, Sawing, Dry Kiln and Planer).

11.02 The regular workweek shall consist of forty (40) hours per week, Monday to Friday. The workweek may be amended from time to time by mutual agreement.

11.03 A one-half (2) hour unpaid lunch period will be provided each day in the case of a two (2) shift operation.

11.04 **Paid rest breaks will be provided each day on the following basis:**

- **ten (10) hour shift -(two (2) - fifteen (15) minute rest breaks)**
- **nine (9) hour shift -(two (2)) -fifteen (15) minute rest breaks)**
- **eight (8) hour shift -(two (2) - ten (10) minute rest breaks)**

Three consecutive eight (8) hour shift arrangement 30 minute paid lunch will apply along with one (1) ten (10) minute rest break.

At the request of the Company, the coffee and lunch breaks may be advanced or delayed by up to one (1) hour from the scheduled break to accommodate unscheduled production interruptions.

11.05 Unless agreed otherwise, time worked in excess of eight (8) hours per shift and all hours worked beyond forty (40) hours in a week shall be paid at one and one-half (12) times his regular basic hourly rate.

11.06 The Company will continue to endeavor to provide for an equitable distribution of overtime assignments amongst the employees subject to the requirements of the work concerned.

Maintenance Operation

11.07 The regular work week shall consist of forty (40) hours per week, Sunday to Saturday.

11.08 A one-half (2) hour lunch period at the mid-point and coffee breaks of each shift which can be advanced by one (1) hour in case of breakdown.

11.09 Paid rest breaks will be provided each day on the following basis:

- 1 **twelve (12) hour shift**
(two (2) - fifteen (15) minute breaks)
- 1 **eleven (11) hour shift**
two (2) - fifteen (15) minute breaks)
- 1 **ten (10) hour shift**
(two (2) - fifteen (15) minute breaks)
- 1 **nine (9) hour shift**
(two (2) - fifteen (15) minute rest breaks)
- 1 **eight (8) hour shift**
(two (2) ten (10) minute rest breaks)

11.10 **Unless agreed otherwise, time worked in excess of eight (8) hours per shift and all hours worked beyond forty (40) hours in a week shall be paid at one and one half (1 1/2) times his regular basic hourly rate with the exception of maintenance employees & plant protection shall be paid one and one half (1 1/2) times his regular basic hourly rate for all authorized hours beyond their regular shift.**

11.11 The Company will continue to endeavor to provide an equitable distribution of overtime assignments amongst Maintenance employees subject to the requirements of the work concerned.

Road Operations

11.12 The regular work week for an employee shall consist of forty (40) hours per week, Sunday to Saturday, at his work site.

11.13 A one-half (1/2) hour unpaid lunch period will be provided each day.

11.14 Two (2) ten (10) minute paid rest breaks will be provided each day.

11.15 An employee who is transported to and from his work site in a Company vehicle will receive a travel allowance calculated on the following basis:

(a) time in excess of one-half (1/2) hour traveling from the Company's yard, or a Company designated location, to his work site will be paid at his regular basic hourly rate; and

(b) time in excess of one-half (2) hour traveling from the work site to the Company's yard, or a Company designated location, will be paid at his regular basic hourly rate.

11.16 An employee who drives a Company vehicle will be paid from the time he leaves the Company's yard, or a Company designated location, until he returns to such location each day.

11.17 An employee shall be paid one and one-half (1 1/2) times his regular basic hourly rate for all authorized hours worked in excess of eighty (80) hours in any scheduled two (2) week period, excluding travel time.

11.18 The Company will continue to endeavor to provide for the equitable distribution of overtime assignments amongst the Road Operations employees subject to the requirements of the work concerned.

11.19 An employee who has completed his shift, left the Company premises and is called to return to work will be paid one and one-half (1 1/2) times his regular basic hourly rate for all authorized hours worked. The minimum pay will be two and one-half (2 1/2) hours at the one and one-half (1 1/2) times premium and the employee must accept alternate work.

11.20 An employee who presents himself/herself for work and is unable to commence work or is unable to complete his/her shift for reasons beyond their control, except in cases of machinery breakdown, electrical power failure, or other events beyond the control of the Company, shall be paid a minimum of eight (8) hours. To qualify for the above, the employee must remain on the job until told by his/her supervisor he/she may leave and must accept other than his/her normal work if it is offered and must be adequately dressed for the weather to perform the alternate work.

ARTICLE 12

SENIORITY

12.01 Notwithstanding anything to the contrary contained in this Agreement, a person, shall be considered to be a

probationary employee and he shall have no seniority until he has forty-five (45) days worked of continuous service with the Company, at which time he shall become entitled to seniority dating from his last hiring with the Company.

Principle

(a) The Company will recognize the principle of seniority. Seniority will govern subject to reasonable consideration of skill, efficiency and ability in promotions, transfers within the scope of this Collective Agreement, lay-offs and recalls after lay-offs.

(b) The selection and promotion to positions outside this bargaining unit shall be entirely a matter for the Company's decision.

12.02 The Company shall have the right to discharge a probationary employee for any reason and such discharge shall not be the subject of a grievance under this Agreement.

12.03 The seniority of an employee means the length of his continuous service with the Company since the date of his last hiring by the Company, except as expressly provided herein.

12.04 The seniority of an employee shall be completely lost and his employment shall be terminated if he:

(a) quits; or

(b) is discharged and not reinstated in accordance with the provisions of this Agreement; or

- (c) is absent from work for three (3) or more consecutive days without notifying the Company unless he gives a reason satisfactory to the Company for his failure to so notify the Company; or
- (d) is laid off by the Company for a period in excess of thirty-six (36) months; or
- (e) is absent from work due to non-occupational illness or injury for a period in excess of three (3) consecutive days without providing the Company with a medical certificate from a physician as to the reason for such absence; or
- (f) fails to report for work upon being recalled as provided in Article 12.08; or
- (g) uses an authorized leave of absence for a purpose other than that for which the leave was granted; or
- (h) fails to return to work upon the expiration of an authorized leave of absence;

12.05 Within four (4) weeks after the date of execution of this Agreement, the Company will prepare a list of employees showing their respective seniority. The list shall be posted and remain for a period of two (2) weeks for the express purpose that any employee may make a complaint as to the correctness of his seniority. At the end of this two (2) week period, the list, including any corrections that have been made, shall become final. The seniority list will be revised and posted once each year during the month of January and a copy will be forwarded to the Union.

Layoff and Recall

12.06

(a) For layoffs or reductions in a classification of less than three (3) months, employees affected will be transferred in accordance with seniority to vacant positions they are qualified to perform. It is understood that senior employees will not be laid off while junior employees remain whose work they are qualified to perform.

Before a senior employee is laid off, he shall be provided with one training period of up to five (5) working days, in order to become qualified for a position held by a junior employee. Where it is apparent that the employee will not reasonably be able to become qualified within the five (5) working days, this provision shall not apply.

12.06

(b) If no vacancies exist or if additional reductions are required, a senior employee may bump a junior employee in his own or a lower classification as set out in Appendix "1" whose work he is qualified to perform. Once normal operations resume, the employees will revert back to their original position.

12.06

(c) For layoffs or reductions in a classification of more than three (3) months, employees affected may bump a junior employee in his own or a lower rated classification, as set out in Appendix "1" whose work he is qualified to perform or to be trained to perform within five (5) working days or any further time as mutually agreed to between the Company and the Union. In a lay-off situation, the Company will not be required to train for positions of trades persons,

**bulldozer operator, grader operator, backhoe operator,
boom loader operator and sawyer.**

12.07 The Company intends to supply five (5) days advance written notice to employees who will be laid off except in cases of machinery breakdown, electrical power failure, or other events beyond the control of the Company. The Company will also notify the Steward.

12.08 It shall be the responsibility of the laid off employee to keep the Company informed concerning his current address and telephone number. Those most recently laid off shall be telephoned, if possible, and sent notices by registered mail to their last address recorded with the Company, stating the work available and the date of recall. Recalls shall be in order of seniority provided the senior employee is qualified to perform the work required or can be trained within five (5) working days to perform the work required. Failure to report for work within ten (10) days of date of mailing of the notice terminates a person's rights for recall.

Training and Promotion

12.09 In selecting an employee for a permanent vacancy, the senior employee will be given preference provided he has the skill, efficiency and ability to meet or to be trained to meet the job requirements within five (5) working days. This time period may be extended by mutual agreement.

12.10

(a) The Company will post on the Bulletin Board for five (5) days, notices of a permanent job vacancy (i.e., a vacancy, which the Company knows will exceed fifteen (15) days). The Company may make a temporary appointment to such vacant job during the posting period.

All permanent vacancies within the Labourer Classification resulting from filling a posting shall be filled in accordance with seniority by employees within the Labourer Classification. Notwithstanding this Article, it is recognized that persons within a classification may be transferred to meet operational requirements for short-term situations.

(b) In order to be considered for a posted job vacancy an employee must have completed his probationary period under Article 12 and have applied in writing, on forms supplied by the Company, during the five (5) day posting period.

(c) The vacancy will be filled in accordance with the provisions of Article 12.09. An employee accepting the posted job shall be allowed five (5) days in which to qualify or any further time as mutually agreed to by the employee and his Foreman. Failure of the employee to qualify shall entitle him to return to his former job.

(d) An employee who has successfully qualified for the vacant job and accepted the position shall not be eligible to apply for a subsequent job posting for a period of six (6) months to an equally paid or lower paid job classification or twelve (12) months where the vacancy filled is the Sawyer/Filer Helper classification.

A steady day job shall be considered a promotion.

(e) The name of the successful applicant will be posted for five (5) days.

(f) Except as specifically provided in Article 12.10(a), if no employee applies for a posted job vacancy, the Company may fill the vacancy with a probationary employee or hire from outside the Company.

(g) Temporary vacancies (i.e., a vacancy which the Company knows will exist for fifteen (15) days or less) may be filled at the discretion of the Company.

(h) If a vacancy is caused by an employee's absence due to sickness, injury, disability or an authorized leave of absence and the Company knows such vacancy will exceed fifteen (15) days, such vacancy shall be posted as "Temporary". Only the original vacancy will be posted and thereafter, the resulting open positions will be filled at the discretion of the Company. When the absent employee returns, the employee filling such posted vacancy shall return to his prior job classification.

(i) The Company will endeavor to make training opportunities available to senior employees subject to efficiency of the operation and the practical availability of qualified persons to replace the senior employee during the training period.

(j) It is agreed that, when required by the Company, employees can replace supervisors absent for a few days because of sickness, holiday, training, etc. or for a few hours (meeting, training, etc.) and that they should be called lead hand or charge hand and take charge of the execution of the work in the absence of the supervisors.

Employees who accept to become lead hand or charge hands will do so in order to help out the Company. 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 lead hand or charge hand in place, the opportunity to become a lead hand or charge hand will be offered to the next applicants.

Technological Change

12.11 Where changes to equipment and procedures may result in the permanent displacement of employees, the Company will notify the Union as far in advance as is reasonably practicable before such changes are implemented. The parties will discuss the problems arising from such changes and every attempt will be made to agree on methods of providing jobs or re-training for the employees concerned.

Transfer

12.12 Nothing in this Agreement shall be construed to preclude the transfer of a person employed by the Company who is included in the category of an employee to a position where he is excluded from such category or vice versa provided that such transfer is consented to by the employee concerned. There shall be deemed to be no break in the seniority of such person or employee, unless the transfer exceeds twelve (12) months.

Severance Pay

12.13 Effective date of ratification, an employee with three (3) or more years of continuous service for whom no job is available can, upon termination, elect to receive a severance allowance of one and a half (1.5) weeks' pay for each year of employment during his last period of continuous service (up to the date of termination) computed at the rate of forty (40) straight time hours at the employee's regular rate. Employment after age 65 will not be included in the calculation of any severance allowance. The maximum severance allowances payable being forty-five (45) weeks.

It is understood that an employee who chooses to receive his/her severance allowance will be terminated from his employment waiving his recall rights pursuant to this Agreement.

ARTICLE 13

BULLETIN BOARDS

13.01 No bills, bulletins, newspapers or other documents shall be posted in or about the premises of the Company by the Union or any employee except as provided for in Article 13.02.

13.02 The Company will provide Bulletin Boards in all work areas mutually agreed upon by the Company and the Union for the use of the Union to post notices of Union affairs. Any such notice shall be submitted to the General Manager, or his designate, for review and approval before being posted.

ARTICLE 14

JURY DUTY

14.01 For an employee who has established seniority in accordance with Article 12 and who is called for jury service or subpoenaed except for arbitration, the Company shall pay, for each day of such service, an allowance equal to the difference between his regularly scheduled hours of work per day and the payment he received for jury services, and/or subpoenaed. The employee will present proof of the service and of pay received therefore when making his claim for such allowance. The employee must report for work upon being released from jury duty or subpoenaed.

ARTICLE 15

HEALTH AND WELFARE BENEFITS

15.01 The Company agrees to continue to pay the total cost of premiums for the following benefit plans as described in the Employee Group Insurance Plan for eligible employees who have acquired seniority.

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

Each employee will receive a booklet outlining all benefits not later than six (6) months following ratification of the Memorandum of Agreement.

- * Life Insurance
- * AD & D Insurance
- * Dependent Life Insurance
 - * Spouse - \$12,000.00

* Child - \$ 7,000.00

* Long Term Disability Benefits

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

* Health Insurance

* Dental Care Plan

Major Coverage and Orthodontic, increase maximum to \$2,200.00.

* **Vision Care Insurance**

\$200/24 months. **May 1, 2010 increase to \$205/24 months. May 1, 2011 increase to \$210/24 months.**

Weekly Indemnity

The Company will pay the premiums required to establish a Weekly Indemnity Plan. The Plan will provide payments to seventy (70%) percent of the employee's regular straight time weekly earnings, up to a maximum of six hundred (\$600)/week. Benefits to commence on the first day in case of non-compensable accident and/or first day in case of hospitalization and the fourth day of absence due to a sickness and will continue for two (2) weeks. The employee must then apply for Employment Insurance for the following fifteen (15) weeks. If the employee does not qualify for E.I. or if the payment is delayed through no fault of the employee, the Company will continue the payments to a maximum of seventeen (17) weeks. When the

employee receives payment he shall reimburse the Company.

Effective date of ratification, the Company will reimburse the employee the difference between E.I. and the Weekly Indemnity maximum.

Effective date of ratification, in case of day surgery, the employee will be covered from the first day upon proof thereof.

The Company will pay to a maximum of \$25.00 per medical report or certificate.

Chiropractor

Effective May 1st 2007, \$450.00

Effective May 1st 2009, increase to \$455.00

Effective May 1st 2011, increase to \$460.00

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.

Disputed W.S.I.B. Claim

If an employee covered by the Weekly Indemnity Plan suffers a disability for which payment is in dispute or delayed with the W.S.I.B., Weekly Indemnity payment will be made retroactively if requested by the employee and provided he/she 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 payment(s) received to the appropriate fund or Insurance Company.

15.02 The Company may at any time substitute another carrier for any plan referred to in this Article provided that the benefits conferred are not decreased.

15.03 For an employee who has established one or more years of seniority in accordance with Article 12, the Company will match employee contributions on the following basis:

(a) 200% of the employee's contribution to a maximum employee contribution of **ninety-five (\$95.00)** dollars per month.

(b) **Effective May 1, 2010** - 200% of the employee's contribution to a maximum employee contribution of **one hundred (\$100.00) dollars per month.**

(c) **Effective May 1, 2011** - 200% of the employees contribution to a maximum employee contribution of **one hundred and five (\$105.00) dollars per month.**

(d) April 1st of each year, each employee will be required to notify the Company of the amount he wishes to contribute to the Pension Plan, commencing May 1, 2000 and 2001. The amount indicated by the employee will be locked in for a twelve (12) month period and may only be changed on April 30 of the following year.

The Company shall make its contribution for months in which the employee is actively at work or is on:

- (a) Weekly Indemnity;
- (b) the first twelve (12) months while an employee is on Workplace Safety and Insurance benefits;
- (c) vacation, or;
- (d) jury duty, bereavement leave, maternity leave and apprenticeships provided the employee continues to make his/her contribution.

A committee is to be established with equal representation from the Company and the Union as trustees into the Pension Plan.

All employees shall participate in the Pension Plan.

Upon early retirement and up to age 65, employee shall receive the benefits of the Drug Plan, Life Insurance and the Extended Health Care Plan if the employee agrees 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 R.R.S.P.

Members cannot redeem any assets until:

- * Attainment of age 55 and retirement
- * Termination of employment
- * Death
- * Permanent disability

15.04 Bridging supplement:

The Company agrees to \$10.00 per month per year of service bridging supplement to employees who retire prior to age sixty-five (65), commencing at age sixty (60),

for employees who have 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 retiree, whichever occurs first. **Effective May 1st 2010, increase to \$12.00. Effective May 1st 2011, increase to \$15.00.**

15.05 All the plans referred to in this Article are governed by the insurance contracts and the eligibility and qualification procedures determined by the carrier.

15.06 The drugs and medicines portion of the Healthcare plan will cover only those drugs, which can be obtained only by means of a prescription from a medical doctor.

15.07 Employees on Long Term Disability shall have coverage for insured fringe benefits for one (1) month for each month of service prior to the commencement of the absence, giving rise to the long-term disability claim.

ARTICLE 16

BEREAVEMENT LEAVE

16.01 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, brother-in-law, sister-in-law and grand-child, the employee who has established seniority under Article 12 and is actively employed by the Company will be granted leave and shall be paid for all regular hours lost at straight time rate for twenty-four (24) hours. Forty (40) hours leave with pay will be provided on death of an employee's spouse, children, mother and father.

These twenty-four (24) and forty (40) hours must be taken within seven (7) calendar days of the funeral.

It is understood that for the purpose of this Article, step-children and step-parents will be considered the same as blood relatives. An employee may request additional time off due to the death of a spouse or child, which will not be unreasonably refused.

ARTICLE 17

ABSENCE

17.01 Where practicable, a leave of absence without pay and without loss of seniority or benefits may be granted at the discretion of the Company to a four (4) consecutive week period, on a request from the employee.

17.02 All requests for leave of absence, (including, leave for Union Educational programs), shall be submitted in writing by the employee to his foreman or his designated alternate for authorization at least five (5) days prior to the commencement of such leave, (except, in the case of emergency) and shall be responded to by the Company in writing, within five (5) days of receipt of such written request.

Any request for Union leave will not be unreasonably denied.

ARTICLE 18**TRADES APPRENTICESHIP PROGRAM**

18.01 The Apprenticeship Agreement will be in accordance with Appendix "D" Trade Apprentice Program and the stipulations covered in this Article.

18.02 It is understood that trades persons will only be eligible for one (1) in every three (3) postings for each specific trade. If during the posting of any apprenticeship there are no successful non-trades applicants, then a trades person may be eligible for that opportunity. In such instances, the one (1) in three (3) postings will be unaffected. Also, trades persons who have been trained in two (2) trades by Tembec Chapleau Operations or are dual ticketed will be ineligible for apprenticeship opportunities.

For example, if a millwright apprenticeship is posted, trades and non-trades applicants may apply. If the apprenticeship is awarded to a trade's person, then trades peoples are ineligible for the next two (2) millwright apprenticeship postings. However, if no trades people qualify, trades persons may be awarded the apprenticeship, provided they satisfy entry requirements. In such an instance, the one (1) in three (3) ratio remains unaffected.

18.03 All apprenticeships shall be posted as first year apprentices.

18.04 An employee who either removes themselves or is removed from an apprenticeship program for a reason other than a reduction in forces will not be permitted to post on a further apprenticeship for a period of four (4) years from date of removal. An apprentice who is removed from an

apprenticeship program due to reduction in forces can post for future apprenticeship postings.

ARTICLE 19

PRINTING OF COLLECTIVE AGREEMENT

19.01 The Company will print it in sufficient numbers within three (3) months of ratification and Union will translate.

If a dispute arises between the parties, the parties agree that the English version of the Collective Agreement shall prevail.

ARTICLE 20

PAID EDUCATIONAL LEAVE

20.01 Five (\$0.05) cents per regular hour worked for each employee shall be paid to the Union office in order to pay for Educational needs of the members. The above will be paid on a quarterly basis.

ARTICLE 21

INTERPRETATION

21.01 For the purposes of interpreting this Agreement, the masculine gender, wherever used herein, shall mean and include the feminine gender.

21.02 Unless otherwise stated, "day" or "days" wherever used herein, shall be deemed not to include Saturdays, Sundays or paid holidays observed by the Company.

RETURN TO WORK PROGRAM

A local Union-Management Joint Return to Work Committee composed of three (3) employees selected by the Union and three (3) members designated by the Company shall meet to administer the Return to Work Program. The function of this committee shall be as prescribed by the Return to Work Policy.

RE: A. & L. LAFRENIERE EMPLOYEES

1. All of the above mentioned employees will fall under the W.C.L. Collective Agreement including all changes and amendments negotiated at the renewal of the May 1, 1996 to April 30, 1999 Collective Agreement.
2. End tail seniority
3. Probation period B See letter Dated May 28, 1999.

The parties hereto have signed this agreement on this 4th day of October 2007 in Timmins Ontario.

Tembec Enterprises Inc. United Steelworkers
Chapleau FPG/FRM Local 1-2995

Mel Jones
General Manager FPG

Guy Bourgoquin
USW Local 1-2995 President

Marc Tremblay
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Human Resources
Superintendent

Luc Servent
Committee Member

Lise Gingras
Manager HR
Administration

Daniel Fortin
Committee Member

Jacques Morin
Committee Member

APPENDIX "1"

CLASSIFICATION AND WAGE RATES**Basic Hourly Rate**

	Effective May 1/07	Effective May 1/08	Effective May 1/09	Effective May 1/10	Effective May 1/11
Students	\$16.74	\$16.74	\$16.74	\$17.41	\$17.85
<u>Labourer</u>	\$21.95	\$21.95	\$21.95	\$22.83	\$23.40
Slasher Chaser					
Log Chaser					
Bin Tender					
Sticker Tender					
Top Deck Tender					
Bottom Deck Tender					

	Effective May 1/07	Effective May 1/08	Effective May 1/09	Effective May 1/10	Effective May 1/11
Reject Deck Tender	\$21.95	\$21.95	\$21.95	\$22.83	\$23.40
Trimmer Helper					
Plant Protection					
Vacation Relief					
Lumber Cars					
Strapper					
<u>Equipment Operator</u>	\$22.72	\$22.72	\$22.72	\$23.63	\$24.22
Bulldozer Operator					
Grader Operator					

	Effective May 1/07	Effective May 1/08	Effective May 1/09	Effective May 1/10	Effective May 1/11
Backhoe Operator	\$22.72	\$22.72	\$22.72	\$23.63	\$24.22
Loader Operator					
Cut Off Saw Operator					
Debarker Operator					
Optimizer Operator					
Trimmer Operator					
Dry Line Operator					
Edger Operator					
Kiln Operator					
Planer Feeder					
Yard Utility					
Kiln Utility					

	Effective May 1/07	Effective May 1/08	Effective May 1/09	Effective May 1/10	Effective May 1/11
Sander/Truck Driver	\$22.72	\$22.72	\$22.72	\$23.63	\$24.22
Stacker Operator					
Tilt Hoist Operator					
Warehouse person					
Sawyer	\$23.42	\$23.42	\$23.42	\$24.36	\$24.97
Mill Handyman	\$25.79	\$25.79	\$25.79	\$26.82	\$27.49
Grader Checker	\$25.80	\$25.80	\$25.80	\$26.83	\$27.50
Steam Engineer	\$25.80	\$25.80	\$25.80	\$26.83	\$27.50
Stacker Grade Checker	\$25.80	\$25.80	\$25.80	\$26.83	\$27.50
Head Filer	\$26.96	\$26.96	\$26.96	\$28.04	\$28.74
Filer	\$25.80	\$25.80	\$25.80	\$26.83	\$27.50
Filer Helper	\$23.42	\$23.42	\$23.42	\$24.36	\$24.97

	Effective May 1/07	Effective May 1/08	Effective May 1/09	Effective May 1/10	Effective May 1/11
Electrician - Lead Hand	\$31.02	\$31.02	\$31.02	\$32.26	\$33.07
Electrician - Class "A"	\$29.57	\$29.57	\$29.57	\$30.75	\$31.52
Electrician - Class I	\$25.80	\$25.80	\$25.80	\$26.83	\$27.50
Electrician - Class II	\$24.10	\$24.10	\$24.10	\$25.06	\$25.69
Electrician - Class III	\$23.60	\$23.60	\$23.60	\$24.54	\$25.15
Electrician - Class IV	\$23.10	\$23.10	\$23.10	\$24.02	\$24.62
Electrician - Helper	\$22.85	\$22.85	\$22.85	\$23.76	\$24.35
Millwright - Lead Hand	\$28.25	\$28.25	\$28.25	\$29.38	\$30.12
Millwright - Class "A"	\$26.80	\$26.80	\$26.80	\$27.87	\$28.57
Millwright - Class I	\$25.80	\$25.80	\$25.80	\$26.83	\$27.50
Millwright - Class II	\$24.10	\$24.10	\$24.10	\$25.06	\$25.69
Millwright - Class III	\$23.60	\$23.60	\$23.60	\$24.54	\$25.15
Millwright - Class IV	\$23.10	\$23.10	\$23.10	\$24.02	\$24.62
Millwright - Helper	\$22.85	\$22.85	\$22.85	\$23.76	\$24.35

	Effective May 1/07	Effective May 1/08	Effective May 1/09	Effective May 1/10	Effective May 1/11
Mechanic - Lead Hand	\$28.25	\$28.25	\$28.25	\$29.38	\$30.12
Mechanic - Class "A"	\$26.80	\$26.80	\$26.80	\$27.87	\$28.57
Mechanic - Class I	\$25.80	\$25.80	\$25.80	\$26.83	\$27.50
Mechanic - Class II	\$24.10	\$24.10	\$24.10	\$25.06	\$25.69
Mechanic - Class III	\$23.60	\$23.60	\$23.60	\$24.54	\$25.15
Mechanic - Class IV	\$23.10	\$23.10	\$23.10	\$24.02	\$24.62
Mechanic - Helper	\$22.85	\$22.85	\$22.85	\$23.76	\$24.35

Effective May 1st 2009 \$500.00 Lump Sum

**LETTER OF UNDERSTANDING
BETWEEN
TEMBEC ENTERPRISES INC.
CHAPLEAU SAWMILL
AND
UNITED STEELWORKERS
LOCAL 1-2995**

**Three-Shift Production and Maintenance
Operation**

This letter of understanding is to help our mill become competitive and profitable and to create an acceptable return on capital for the stakeholders.

The parties agree that:

A) **SAWMILL PRODUCTION**

1. **Hours of Work**

▶ Three shifts as follows

- i. Night shift: Sunday - Thursday
11:00 p.m. - 7:00 a.m.
- ii. Afternoon shift: Monday - Friday
3:00 p.m. - 11:00 p.m.
- iii. Day shift: Monday - Friday
7:00 a.m. - 3:00 p.m.

2. **Rest Periods**

▶ One (1) ten minute break.

3. **Lunch Periods**
 - ▶ **Night shift: Sunday - Thursday**
one-half (1/2) hour paid lunch period
 - ▶ **Afternoon shift: Monday - Friday**
one-half (1/2) hour paid lunch period
 - ▶ **Day shift: Monday - Friday**
one-half (1/2) hour paid lunch period
 - ▶ **Employees on twelve (12) hour shifts**
will have a one-half (1/2) hour paid
lunch period

4. **Overtime**
 - ▶ **Overtime will be paid for any hours**
worked in excess of the regularly
scheduled shift.

5. **Paid Holidays**
 - ▶ **Statutory and Floating holidays shall be**
paid based on the employees regularly
scheduled shift for that day.

- B) **MAINTENANCE**
 1. **Hours of work**
 - ▶ **Four crews of Millwrights working 7-12**
hour shifts and 7 days off in a fourteen
(14) day period. The 7-12 hour shift
shall not be consecutive days.
 - ▶ **Crews will rotate days to nights and**
vice-versa.

 - ▶ **Millwrights working 4-10 hour shifts**
Friday to Monday from 7:00 a.m. - 5:30
p.m. steady days. Additional positions
outside the current compliment will be
posted as per the Collective Agreement.

- ▶ Electricians and Filers, each following production schedules rotating with the same rest breaks and lunch periods as per production.
- ▶ Filer working Monday - Friday 12:00 p.m. - 8:30 p.m.
- ▶ Electrician working Friday - Monday 7:00 a.m. - 5:30 p.m.

2. Rest Periods

- ▶ Rest Breaks for employees on 8 and 10 hour shifts shall be as per the Collective Agreement.
- ▶ Rest Breaks for employees on 12 hour shifts shall be two (2) fifteen (15) minute breaks.

3. Lunch Periods

- ▶ Millwrights on 12 hour shifts will have a one-half (1/2) hour paid lunch period.
- ▶ Maintenance employees working 4-10 hour shifts, including Plant Protection will have a one-half (1/2) hour unpaid lunch period.

4. Overtime

- ▶ Overtime will be paid for any hours worked in excess of the regularly scheduled shift.

5. Vacation with Pay

- ▶ For the purpose of vacation entitlement, forty (40) hours shall be considered to be one week.
- ▶ The Company and the Union will meet to discuss vacation for employees on

twelve (12) hour shifts once a schedule has been agreed to.

6. **Paid Holidays**

- ▶ Statutory and Floating holidays shall be paid based on the employees regularly scheduled hours for that day.
- ▶ It is agreed that when a statutory holiday falls on a Monday night shift, only one (1) Millwright on the twelve (12) hour schedule may observe the paid holiday while the two remaining crew members will work. The Company will consult with the employees to determine whether they would like to receive payment at time and one-half (1 1/2) for all hours worked on the paid holiday in addition to their holiday pay or receive payment for their regularly scheduled shift and take a day off in lieu at a time mutually agreed to by the employees and his/her supervisor.

This agreement dated in Timmins, Ontario this 4th day of October 2007.

Tembec Enterprises Inc. United Steelworkers
Chapleau FPG/FRM Local 1-2995

Mel Jones
General Manager FPG

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USW Local 1-2995
President

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**LETTER OF UNDERSTANDING
BETWEEN
TEMBEC ENTERPRISES INC
CHAPLEAU SAWMILL
AND
UNITED STEELWORKERS
LOCAL 1-2995**

Re: Vacation Scheduling

The Company and the Union have mutually agreed to a Letter of Understanding as it relates to Article VI - Vacation with Pay and more specifically with vacation scheduling.

1. For the purpose of Vacation Pay, the employee's vacation year will begin on his/her anniversary date.
2. Vacation entitlement will not be carried over from one year to the next. If not utilized during the calendar year, they will be lost.
3. The Company will grant vacation at times requested by the employees during the year giving preference to senior employees and respecting the ratios as described below in bullet points eight and nine.
4. The Company will provide each employee with a vacation request form by March 1st of each year and each employee will be required

to fill and submit their vacation request not later than April 15th of each year.

5. For the employees not submitting the vacation request form by April 15th of each year, Article 6.06 will apply. The approval schedule will be posted by May 1st of every year.
6. Once vacation request forms are submitted and approved, there will be no cancellation or change to the schedule unless mutually agreed to by both parties.
7. For vacation days not booked by April 15th of every year, the Collective Agreement shall apply.
8. A minimum of two (2) employees per shift will be allowed to take vacation at any one time from the Planer and Sawmill operations as long as the proper operation of the plant is ensured. Any increase to the number of employees off on vacation at any one period will be at the discretion of the Supervisor.
9. A minimum of nine (9) employees per week will be allowed to take vacation at any one time from the Maintenance operations including: two (2) Millwrights; one (1) Electrician; one (1) Filer; one (1) Mechanic; one (1) Handyman; two (2) Plant Protection employees; and one (1) Warehouse Clerk, as long as proper operation of the plant is ensured. Any increase to the number of

employees off on vacation at any one period will be at the discretion of the Supervisor.

10. It is understood that anything not covered by the Letter of Understanding will be as per the Collective Agreement.

This agreement dated in Timmins, Ontario this 4th
day of October 2007.

Tembec Enterprises Inc. United Steelworkers
Chapleau FPG/FRM Local 1-2995

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**LETTER OF UNDERSTANDING
BETWEEN
TEMBEC ENTERPRISES INC
CHAPLEAU SAWMILL
AND
UNITED STEELWORKERS
LOCAL 1-2995**

Filer Helper Position

In order to address future staffing needs in the filing department, due to an impending retirement, Tembec Chapleau Sawmill proposes the creation of a new Filer Helper position.

The parties agree that:

1. The Company will post for a Filer Helper.
2. The successful candidate will be selected as per Article 12.09 of the Collective Agreement.
3. The successful applicant will be paid the Filer Helper rate for a one-year period while the candidate acquires experience as a Filer.
4. The successful applicant will work steady days for the first quarter and will not receive the shift differential. He/she will begin working swing shifts in the second quarter and shall begin to receive the shift differential at that time. At the end of each quarter, the candidate will be evaluated by the Maintenance

Supervisors and Head Filer to determine competency. They will recommend either continuation or removal from the position.

5. Should the candidate be recommended for removal from the Filer Helper position during the training period he/she will return to his/her previous position.
6. The successful applicant must possess basic tools such as: wrenches, allen wrenches, ratchets and sockets, screwdrivers, adjustable wrenches, pliers etc. Any special tools required to perform the job as a Filer Helper must be acquired within one year of the start date.
7. The successful applicant will not qualify for the tool subsidy until he/she has acquired one year of experience as a Filer Helper.

This agreement dated in Timmins, Ontario this 4th
day of October 2007.

Tembec Enterprises Inc. United Steelworkers
Chapleau FPG/FRM Local 1-2995

Mel Jones
General Manager FPG

Guy Bourgoïn
USW Local 1-2995
President

Marc Tremblay
Labour Relations
Manager

Roland Laurin
USW, Local 1-2995
Representative

Ronald Martel
General Manager FRM

Remi St-Martin
Local 1-2995 Steward

Mike Martineau
Human Resources
Superintendent

Luc Servent
Committee Member

Lise Gingras
Manager HR
Administration

Daniel Fortin
Committee Member

Jacques Morin
Committee Member

**LETTER OF UNDERSTANDING
BETWEEN
TEMBEC ENTERPRISES INC.
CHAPLEAU SAWMILL
AND
UNITED STEELWORKERS
LOCAL 1-2995**

**Re: Proposed Friday Nightshift Production
Schedule**

The Union has requested that the Friday nightshift schedule for sawmill and planer production be amended as follows: Production will begin at 5:00 p.m. and end at 1:30 a.m.

The Parties agree that:

1. The Friday nightshift will commence at 5:00 p.m.. Utility Operators will begin their shift at 4:00 p.m.
2. It is understood that should the Friday nightshift not begin at 5:00 p.m., due to machinery breakdown or electrical power failure, employees may be sent home. The shift will then begin at 7:00 p.m. (or earlier at the discretion of the Supervisor). The shift shall operate on a continuous operation basis and end eight and one half (8 ½) hours after it begins. Employees working the full shift will receive eight (8) hours straight time pay.

3. Employees sent home and who return for a later start-up, due to machinery breakdown or electrical power failure, will not be eligible for call-in pay as per Article 11.19 of the Collective Agreement.
4. The proposed Friday nightshift schedule shall be reviewed in six (6) months.
5. Any change to this schedule shall be by mutual agreement.
6. Either party may cancel this agreement by giving two weeks written notice.

This agreement dated in Timmins, Ontario this 4th
day of October 2007.

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Chapleau FPG/FRM Local 1-2995

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APPENDIX "D"**TRADE APPRENTICESHIP PROGRAM**

To implement a program that will develop employees into trades people equipped with necessary tools, who have attained a level of proficiency in manual and technical skills satisfactory to the Trades Apprenticeship Committee.

TRADES APPRENTICESHIP COMMITTEE

This committee will consist of a maximum of four Local 2995 Union members (three of which must come from the Chapleau operation), and a maximum of four company members. (Minimum of 2 per group for quorum) Its function is to review, amend and administer the Trades Apprenticeship Program. Equal representation from both management and the union is required in any decision making process.

It will be the company's responsibility to take necessary action(s) when a trainee is subject to removal from the program but only after discussions with the Trades Apprenticeship Committee has taken place.

Based on the company's needs and assessments, the Committee will recommend to the Company, the number of Trades Apprentices in each trade that will start the program.

Apprentices will be registered with the Ministry of Training, Colleges and Universities immediately upon successful completion of the 3-month probationary period. Successful completion of probationary period will be based on performance evaluation of the following items:

- Tools & equipment
- Willingness to work overtime
- Practical skills

CANDIDATES

Applications will be received from employees internally throughout the operation and externally if no applications are received or if internal candidate(s) do not meet the required criteria.

An Apprenticeship posting will be considered as advancement therefore a promotion.

Apprenticeship openings will also be filled in accordance with the provisions of Article 12, seniority, except that the following provisions shall not apply, Section 12.09, 12.10 (c), 12.10 (h).

CRITERIA

The successful candidate(s) will be required to meet the following criteria. It is to be noted that seniority of candidates will be in effect provided all else is equal.

- Grade 12 or equivalent formal education
- Aptitude Testing (passing grade required only)
(It is the responsibility of the Trades Apprenticeship Committee to ensure that the aptitude tests meet the intent of the Apprenticeship Program)
- Willing to commit to upgrading
- Expected to work additional hours when necessary
- Must pass physical examination (if requested by Committee)
Successful candidate must commit to a minimum of five (5) years in the maintenance department after completion of program.
- Three month probationary period.
- Candidate at last stage of progressive disciplinary policy will not qualify for the Apprenticeship Program.

TRADES COVERED

This Training Program will cover training in the following disciplines:

- Electrical
- Heavy Duty Mechanic
- Industrial Mechanic (Millwright)
- Filers (If an Ontario Provincially recognized certification program exists)

If, in the opinion of the company, it becomes necessary, consideration will be given to providing training for other trade groups.

TRAINING DURATION

The normal length of training will be four years for all trades except for Electrical and Heavy Duty Mechanic, which will be 4.5 years. However, credits for previous experience may be allowed by the Trades Apprenticeship Committee up to a maximum of 2,000 hours. In no case will a candidate begin at a higher classification than Class III. A candidate may attend a meeting with the Trade Apprenticeship Committee to solicit this credit. The burden of proof regarding credits will be solely the responsibility of the candidate.

In the event of sickness or accident, the Committee will consider extending the duration of an individual's training program.

The following categories will be acknowledged in all trades except for Electrical and Heavy Duty Mechanic, which will be considered at 6,000 hrs to 9,000 for class I. Manual skill hours for all other trades within the program will be accumulated as follows:

Certified Trade	+ 8,000 hrs. and a journeyman's ticket
Class I	6,000 hrs. to 8,000 hrs.
Class II	4,000 hrs. to 6,000 hrs.
Class III	2,000 hrs. to 4,000 hrs.
Class IV	1,000 hrs. to 2,000 hrs.
Helper	0 hrs. to 1,000 hrs.

Annually, an evaluation committee consisting of the members of the Trades Apprenticeship Committee (2 union/2 management) will evaluate the performance and progress of each apprentice below category of Class I, with a view of upgrading the apprentices' who qualify.

The Apprenticeship Training Program is determined to be completed once the trainee has successfully received a Class I and it's required hours. (In the event of successful completion of the program, the candidate is required to stay in the trade for a minimum of 5 years.)

REGISTRATION

Upon successful completion of the probationary period, the trainee will be registered with the Ministry of Training, Colleges and Universities. Application for registration must be done immediately after the end of the probationary period.

Immediately after enrolment, the Committee along with a representative from the Ministry will hold a registration meeting with new trainee(s). This registration session will include an outline of the training program as well as the specific responsibilities of the trainee(s) in regards to both the Company and the Ministry. It will also outline the responsibilities of Management as it relates to the apprenticeship.

TRAINING OUTLINE

The Apprenticeship Committee in partnership with the Ministry of Training, Colleges and Universities will approve tool lists and curriculum for learning technical and manual skills.

These will be as follows:

- a) Technical skills will be attained through the Ministry curriculum and will be based on the existing formal education process of successfully completing the basic, intermediate and advanced program with the specified grade point average. Manual skills will be attained by on-the-job experience. To attain this, the trainee(s) will work with experienced trades people. It is expected that trainees' will develop an atmosphere with trades people that will ultimately let them do the job under the guidance of trades people. At all times during the training, the trainee(s) are expected to use tools at every opportunity.

In order to make maximum use of time spent in learning manual skills, the company will endeavor to place trainees on jobs that will broaden their knowledge, and with trades people who are superior in their trades. The trainees' work assignments will vary from area to area with the goal of having worked throughout the operation by the end of the program.

Part of their time will also be spent observing other trades to gain broad trade knowledge. It is understood that this is not intended to replace full time employees.

- b) Tools are essential for a trades person. At the 12, 24, 36, and 48-month completion points of the training program, the trainee will be required to submit proof satisfactory to the company that the trainee owns and has possession of a predetermined list of tools.

Before graduation from the training program, the complete list of tools will be checked against the tools owned. The tool lists will be developed and maintained by the Trades Apprenticeship Committee.

All trainees will take part in the tool allowance program as described in the Collective Agreement.

RATE OF PAY

Before starting the trades trainee program, the Company may, on an individual basis, adjust the rate of pay to reflect the progression identified in the TRAINING DURATION clause.

All rates of pay will be as per wage schedule established in the Collective Agreement.

The company will make up the difference between the Canada Manpower Training Program allowances and the employee's normal earnings

based on his/her regular straight time rate, multiplied by 40 hours per week. For purposes of calculation, the Canada Manpower at home allowance shall be used.

SCHOOLING

The company will be responsible for all costs associated with tuition and manuals required. In the event the Apprentice terminates his/her employment with the Company, reimbursement of all tuition and manual costs will be made to the Company by the Apprentice in question.

Trainees will not be required to participate in the Ministry basic course if proof can be shown that a passing grade was obtained on the basic exam.

Trainees will not be exempt from the intermediate and advanced courses. The courses assigned are expected to be completed by the trainee(s) within the following timeframe:

- Basic course by the end of the 2nd year in the program.
- Intermediate course by the end of the 3rd year in the program.
- Advanced course by the end of the 4th year in the program.

OVERTIME

Opportunity of overtime for trainees will be filled in accordance with the provisions of overtime procedures developed for the operation.

UNSATISFACTORY PROGRESS

Unsatisfactory progress in the Training Program shall be defined as:

- a) Being more than one month late in turning in a tool list. (It is the responsibility of each trainee to have his/her tools checked by a supervisor.)
- b) Failing an examination.
- c) Failure to attend schooling within the specified times.
- d) Continued refusal of overtime work and or upgrading.

PENALTY FOR UNSATISFACTORY PROGRESS

Following a review by the Trades Apprenticeship Committee, any trainee who is considered to be in unsatisfactory standing, as defined above, will be given a final warning. From that time until the completion of the trainee's apprentice program, the trainee must meet all requirements of the program.

If before graduation the trainee should again be making unsatisfactory progress, he/she will then be subject to removal from the training program and the trade and will be returned to his pre-apprentice position.