



to Acquire



May 25, 2017



Disclaimers

Forward-Looking Statements

This document contains statements that are forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. All forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those projected. Such risks and uncertainties include, but are not limited to: the timing of the closing of the transaction; whether a transaction will be consummated at all and the ability to obtain required regulatory approvals and satisfy the other conditions to closing the transaction; the expected benefits of the transaction and whether such benefits will be achieved on a timely basis or at all; our ability to successfully integrate acquired businesses; prolonged weakness in general economic conditions; unfavorable weather conditions or natural disasters; our reliance on government permits or approvals; risks related to federal, state, local and foreign government laws, rules and regulations; risks related to our reliance on information technology; manufacturing issues that may arise; adverse consequences of current or future legal claims; our ability to hire and retain a sufficient seasonal workforce; risks related to our workforce, including increased labor costs; loss of key personnel; fluctuations in foreign currency exchange rates; impairments or write downs of our assets; changes in accounting estimates and judgments, accounting principles, policies or guidelines; a materially adverse change in our financial condition; and other risks detailed in Rayonier Advanced Material's filings with the U.S. Securities and Exchange Commission, including the "Risk Factors" section of Rayonier Advanced Materials' Annual Report on Form 10-K for the fiscal year ended December 31, 2016 and in Tembec's filings with the Canadian Securities Administrators, including the "Risk Factors" section of Tembec's Annual Information Form for the fiscal year ended September 30, 2016. All forward-looking statements attributable to us or any persons acting on our behalf are expressly qualified in their entirety by these cautionary statements. All forward-looking statements in this document are made as of the date hereof and we do not undertake any obligation to update any forward-looking statements whether as a result of new information, future events or otherwise, except as may be required by law.

Additional Information

Further information regarding the transaction will be contained in an information circular that Tembec will prepare and mail to its stockholders in connection with the special meeting of the Tembec shareholders. Investors and security holders are urged to read the information circular once it becomes available, as it will contain important information concerning the proposed transaction. Investors and security holders may obtain a copy of the arrangement agreement, information circular and other meeting materials when they become available at www.sec.gov and www.sedar.com. This document is for informational purposes only. It does not constitute an offer to purchase shares of Rayonier Advanced Materials or Tembec or a solicitation or recommendation statement under the rules and regulations of the Canadian securities regulators, the U.S. Securities and Exchange Commission or other applicable laws.

Compelling Strategic and Financial Rationale

A Diversified High Purity Cellulose, Packaging, Paper and Forest Products Company

- Complementary product offerings and technical capabilities across High Purity Cellulose grades
- Additional growth opportunities in packaging and forest products
- Product and geographic diversification
- Stronger, more balanced business with greater scale to drive growth
- Shared vision on safety, operational excellence and environmental stewardship

- Revenue: ~\$2.0 billion
- Adjusted EBITDA: ~\$400 million*
- Annual Run-Rate Cost Synergies: \$50 million to be achieved over 3 years
- Incremental EBITDA benefits of at least \$15 million from accelerated capital investment
- Immediately accretive to EPS
- Purchase price of 4.6x LTM EBITDA with full synergies*
- Moderate pro forma leverage of 3.1x*

In USD, USD/CAD exchange rate of 0.7429

* Includes \$50 million of annual run-rate cost synergies but excludes \$15 million benefit of accelerated capital investment

RAYONIER
Advanced Materials

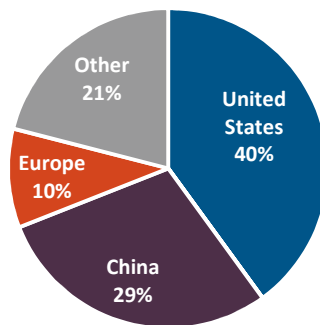
At a Glance

Combination of Two Best-in-Class Organizations with Complementary Products



- 90 years as leading supplier of High Purity Cellulose products
- Global leader in acetate pulp
- Unparalleled knowledge and expertise serving customers globally
- LTM Revenue: \$852 million
LTM EBITDA : \$220 million
- Employees: 1,200

Sales by Region

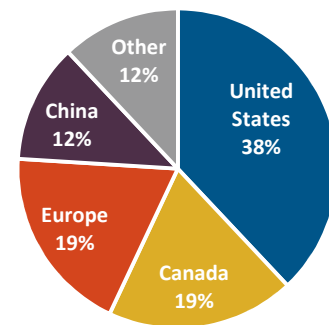


- 2 High Purity Cellulose Facilities
 - Jesup, Georgia
 - Fernandina Beach, Florida
- 5 Wood Chipping Facilities



- Global leader in ether pulp
- Diversified forest products manufacturer of
 - High Purity Cellulose products (30% of sales)
 - Forest products (25% of sales)
 - High-yield pulp (19% of sales)
 - Paper (packaging & newsprint) (26% of sales)
- LTM Revenue: \$1,131 million
LTM EBITDA : \$127 million
- Employees: 3,000

Sales by Region



- 2 High Purity Cellulose Facilities – Canada & France
- 7 Sawmills – Canada
- 2 Paper Mills – Canada
- 2 High-Yield Pulp Mills – Canada
- 4 Chemical Plants – Canada, France & US

In USD, USD/CAD exchange rate of 0.7429



Transaction Summary

Transaction Terms	<ul style="list-style-type: none"> ■ \$807 million Purchase Price, including approximately \$487 million of net debt ■ Tembec shareholders will have the right to elect to receive either (i) C\$4.05 in cash or (ii) 0.2302 shares of RYAM common stock, for each common share ■ Elections subject to proration to ensure that no more than 63% of the aggregate Tembec shares will receive cash and no more than 37% will receive stock ■ Tembec shareholders expected to own 12.8% of the combined company, fully diluted
Financing	<ul style="list-style-type: none"> ■ Cash consideration and debt to be financed with cash on hand and fully committed bank financing ■ Pro forma net leverage of 3.1x⁺ at closing
Benefits to Shareholders	<p>For Tembec shareholders:</p> <ul style="list-style-type: none"> ■ 37% premium to prior close ■ Significant liquidity in cash consideration with larger market capitalization ■ Ongoing value created through ownership of combined company <p>For Rayonier Advanced Materials shareholders:</p> <ul style="list-style-type: none"> ■ 4.6x Enterprise Value / LTM EBITDA including synergies; 6.3x before synergies ■ \$50 million in Annual Run-Rate Cost Synergies to be achieved over 3 years ■ Additional benefits of at least \$15 million from accelerated CapEx ■ Increased scale creates greater opportunities in cost savings, CapEx and R&D
Estimated Closing	<ul style="list-style-type: none"> ■ Second half of 2017, subject to regulatory approvals and Tembec shareholder vote

In USD, unless noted, USD/CAD exchange rate of 0.7429

* Includes \$50 million of annual run-rate cost synergies



Maintain Solid Margins and Modest Leverage

<i>in USD millions</i>	RYAM	Tembec	Synergies	Combined
Revenue*	\$852	\$1,131		\$1,983
EBITDA*	\$220	\$127	\$50+	\$397
Margin	26%	11%		20%
Estimated Net Debt at Closing				\$1,220
Leverage before Synergies				3.5x
Leverage after Synergies				3.1x

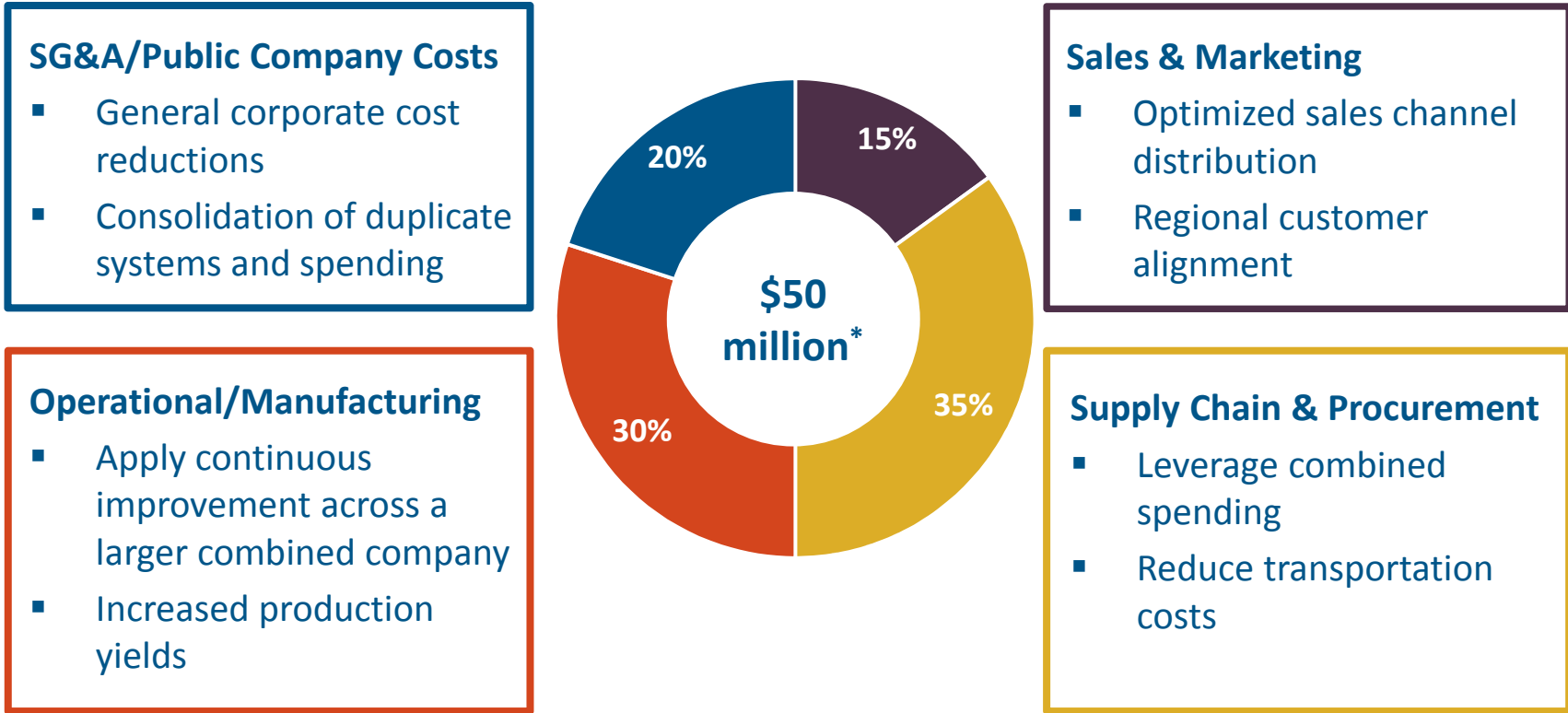
In USD, USD/CAD exchange rate of 0.7429

* Based on Last Twelve Months

+ Based on full run rate

Combination Creates a Larger and More Diversified Company

Compelling Synergies Drive Incremental Value



Less Than 1x Cash Costs to Achieve Synergies

*Synergies expected to be realized over a 3 year period

Financing Overview

- Acquisition financing consists of:
 - \$450 million fully committed bank financing,
 - ~\$365 million of cash on hand, and
 - ~\$110 million from new RYAM common shares issued to Tembec shareholders
 - 8.4 million of new RYAM shares to be issued
- Net Leverage expected to be 3.1x at closing after synergies
 - Long-term net leverage target of mid-2x, while maintaining common dividend
- Anticipated ~\$250 million of available under Revolving Credit Facility

Integrated and Complementary Businesses

Products

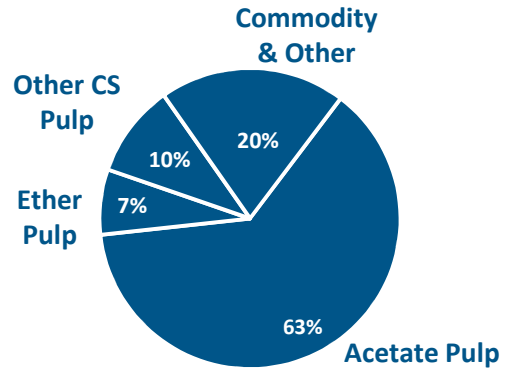
	High Purity Cellulose	Forest Products	Packaging & Newsprint	High-Yield Pulp
Dissolving Wood Pulp	Acetate Ethers Specialties Viscose <hr/> Fluff Pulp	Dimensional Lumber Framing Materials Wood Chips Fuel (Chips, Sawdust, Shavings & Bark)	Packaging Multiply Coated Board Newsprint Book Paper	Mechanical Hardwood Pulp (Maple & Aspen)

End Markets

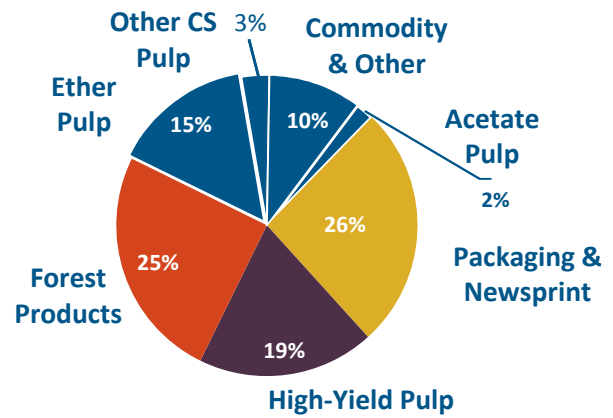


Diversified and Attractive Product Portfolio

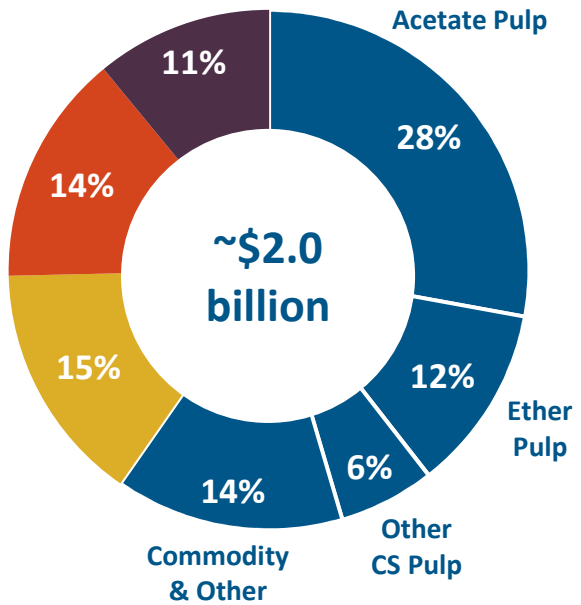
RYAM Revenue*



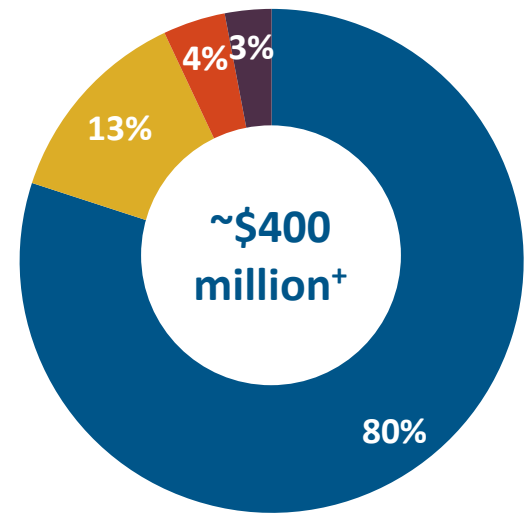
Tembec Revenue*



Pro Forma Revenue



Pro Forma EBITDA



- High-Purity Cellulose
- Packaging & Newsprint
- Forest Products
- High-Yield Pulp

In USD, USD/CAD exchange rate of 0.7429

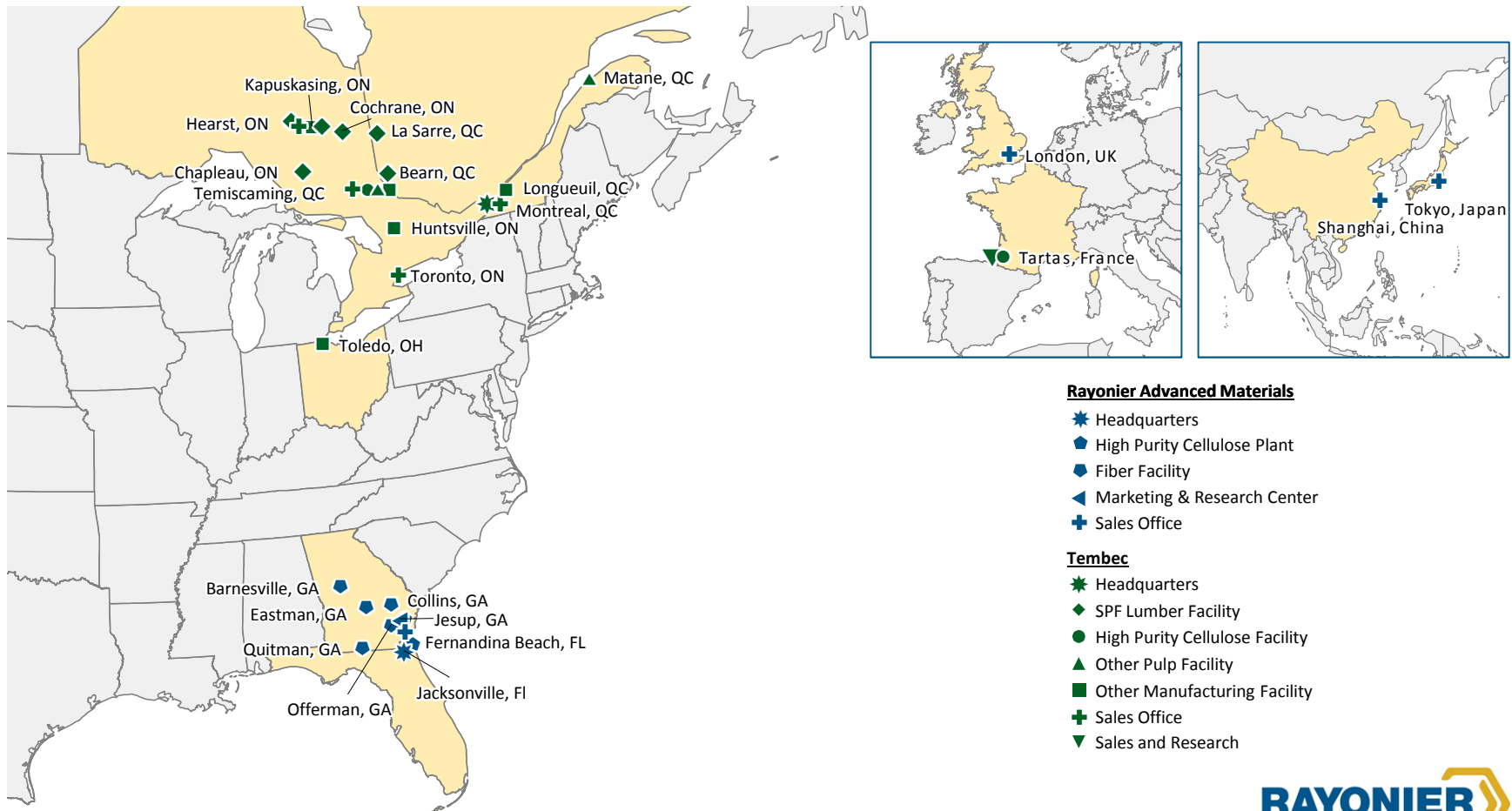
* Based on Fiscal 2016 Revenue

+ Pie chart does not allocate \$50 million of synergies



Expanded Global Presence

Increases geographical diversity and mitigates currency risk



Rayonier Advanced Materials

- ★ Headquarters
- ◆ High Purity Cellulose Plant
- ◀ Fiber Facility
- ◀ Marketing & Research Center
- + Sales Office

Tembec

- ★ Headquarters
- ◆ SPF Lumber Facility
- High Purity Cellulose Facility
- ▲ Other Pulp Facility
- Other Manufacturing Facility
- + Sales Office
- ▼ Sales and Research



Acquisition Broadens Opportunity



- \$50 million Annual Run-Rate Cost Synergies
- Shared culture of cost optimization



- Complementary product mix
- Production and Logistics Flexibility
- Enhanced Security of Supply



- Leverage R&D expertise across product portfolio



- Attractive acquisition with significant scale and compelling financial profile

Combination Drives Successful Earnings Growth



- Enhanced scale drives ability to execute growth strategy
- Superior capabilities in high purity cellulose
- Diversified paper and forest products profile
- Expansion of cost transformation initiative
- Significant high return capital project opportunities
- Acceleration of product innovation

