

DOMTAR CORPORATION

CHARTER OF THE CHAIRMAN OF THE BOARD OF DIRECTORS

In accordance with Domtar's *Corporate Governance Guidelines*, the positions of Chairman of the Board and President and Chief Executive Officer are separate and distinct. Separating these positions allows the President and Chief Executive Officer to focus on the management of the Corporation, while allowing the Chairman to lead the Board in its role of providing advice to, and independent oversight of, management.

This leadership structure recognizes the time and effort that the President and Chief Executive Officer is required to devote to his position, while facilitating the independent functioning of the Board, led by the Chairman of the Board, thus enhancing the fulfillment of its oversight responsibilities, and setting the tone for the Board in fostering ethical and responsible decision-making and sound corporate governance practices.

Election: The non-executive Chairman of the Board is elected by the Board from among its members, upon recommendation of the Nominating and Corporate Governance Committee. The Chairman of the Board shall not serve as an officer of the Corporation.

The Chairman shall be elected by a majority of the non-management directors of the Corporation, and shall serve until the next annual meeting of the stockholders, or until a successor is appointed by resolution of the Board of Directors.

The Chairman of the Board shall be *ex officio* the Chair of the Nominating and Corporate Governance Committee.

Qualifications: The Chairman of the Board shall:

1. Qualify as an independent director under applicable securities laws, rules or guidelines, applicable stock exchange requirements, the Corporation's policies, as well as any other relevant considerations as determined by the Board;
2. Be familiar with Board governance and related procedures through experience as an independent director.
3. Be elected among the serving directors.

Responsibilities: The key responsibilities of the Chairman of the Board are:

Board Management

1. Manage and provide leadership to the Board so that it fulfills its responsibilities, is properly organized, functions effectively, and operates independently of management;
2. In conjunction with the President and Chief Executive Officer, ensure that the focus of the Board is on strategically important issues;
3. Coordinate the activities of the Board with the committee chairs;
4. Chair all meetings of the Board and its *in camera* sessions;

5. In conjunction with the President and Chief Executive Officer and the Corporate Secretary, develop and approve the schedule of Board meetings and the agendas for the Board meetings;
6. In conjunction with the President and Chief Executive Officer and the Corporate Secretary, ensure the provision of adequate and timely information and notice of meetings to the Board.

Board Independence and Governance

7. In conjunction with the President and Chief Executive Officer, facilitate the effective and transparent interaction of directors and management;
8. In conjunction with the Nominating and Corporate Governance Committee, lead the director recruitment process;
9. Recommend to the Board, after consultation with the Nominating and Corporate Governance Committee, the appointment of members of the committees of the Board;
10. Provide feedback and input to the committee Chairs on governance and other matters;
11. Meet proactively with all Board members and seek their feedback on management performance, Board and committee effectiveness and other matters;
12. In conjunction with the Nominating and Corporate Governance Committee, lead the annual Board and committee evaluation process to assess and make recommendations to the Board regarding the effectiveness of the Board as a whole, the committees of the Board, and individual directors;
13. Be available to effectively discuss with other directors any concerns about the Board or the Corporation;
14. Be knowledgeable of corporate governance practices, stay abreast of developments in corporate governance practices of other comparable companies, and lead the adoption of “best practices” where appropriate;
15. Retain advisors and consultants who report directly to the Board.

Interaction with the President and Chief Executive Officer and Management

16. Interact regularly with the President and Chief Executive Officer on governance, performance and other matters;
17. Provide feedback to the President and Chief Executive Officer and act as a “sounding board” with respect to strategies, accountability, relationships and other matters;
18. Provide management with a point of contact for the Board while encouraging direct interaction between other members of the Board and management;
19. In conjunction with the Human Resources Committee and the full Board, lead annually a formal evaluation of the President and Chief Executive Officer’s performance;
20. In conjunction with the Chair of the Human Resources Committee, conduct the annual performance evaluation session of the President and Chief Executive Officer and communicate additional feedback, as required;
21. In conjunction with the Human Resources Committee, guide the Board’s consideration of the President and Chief Executive Officer’s compensation;
22. In conjunction with the Nominating and Corporate Governance Committee and the Human Resources Committee, guide the President and Chief Executive Officer succession planning process;
23. In conjunction with the Human Resources Committee, oversee the adequacy of succession plans for the members of the Corporation’s Management Committee;

24. Interact regularly with the Chief Legal Officer and the Corporate Secretary on Board governance and other matters.

Stockholder Relations

25. Chair the meetings of stockholders, be available for questions and participate in any other manner, as required;
26. In conjunction with management, respond to stockholder concerns regarding governance issues or other Board related matters. In this regard, stockholders may communicate with the independent directors through appropriate mechanisms outlined in the Corporation's *Policy on Communications*;
27. Provide leadership to the Board in the execution of its responsibilities to stockholders.

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