

# NOMINATING AND CORPORATE GOVERNANCE COMMITTEE

OF THE BOARD OF DIRECTORS OF DOMTAR CORPORATION

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## CHARTER

AS AMENDED AND RESTATED EFFECTIVE OCTOBER 29, 2014

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### I. PURPOSE AND ROLE OF THE COMMITTEE

The purpose of the Nominating and Corporate Governance Committee (the “*Committee*”) is to:

- (i) Identify individuals qualified to become directors and recommend to the Board of Directors the candidates for directorships to be filled by the Board of Directors or by the shareholders;
- (ii) Develop and recommend to the Board of Directors a set of corporate governance principles applicable to the Corporation;
- (iii) Provide oversight regarding CEO succession planning and ethics and business conduct of the Corporation;
- (iv) Otherwise take a leadership role in shaping and providing oversight of the corporate governance of the Corporation;
- (v) Provide oversight in respect of the Corporation’s compliance with legal and regulatory requirements and corporate governance standards in the areas of the Committee’s responsibilities and duties; and
- (vi) Review the risks associated with matters within the Committee’s responsibilities and duties.

The Committee has sole authority from the Board of Directors for the appointment, compensation and oversight of any search firm to be used to assist it in identifying candidates to serve as directors of the Corporation. The Committee also shall perform such other duties as assigned to it from time to time by the Board of Directors.

## **II. STRUCTURE AND OPERATIONS**

### **A. COMPOSITION AND QUALIFICATIONS**

The Committee shall be comprised of no fewer than three members of the Board of Directors, each of whom shall be “independent” under the New York Stock Exchange listing standards and all other applicable rules and regulations.

### **B. APPOINTMENT AND REMOVAL**

The members of the Committee shall be appointed by the Board of Directors in accordance with the Corporation’s by-laws and shall serve until such member’s successor is duly appointed or until such member’s earlier resignation or removal. The members of the Committee may be removed, with or without cause, by the Board of Directors in accordance with the Corporation’s by-laws.

### **C. CHAIR**

Unless a chairperson is elected by the Board of Directors, the members of the Committee shall designate a chairperson by the majority vote of the full Committee membership. The chairperson will chair all regular sessions of the Committee and set the agendas for Committee meetings.

### **D. SUBCOMMITTEES**

In fulfilling its responsibilities, the Committee shall be entitled to delegate any or all of its responsibilities to a subcommittee of the Committee

### **E. MEETINGS**

The Committee shall meet at least three times each year, or more frequently as circumstances dictate. The Chairman of the Board or the chairperson of the Committee may call meetings of the Committee. All meetings of the Committee may be held in person, telephonically or by videoconference, and the Committee may take action by written consent.

The Committee may invite to its meetings any director, member of the Corporation’s management and such other persons as it deems appropriate in order to carry out its responsibilities. The Committee may also exclude from its meetings any persons it deems appropriate in order to carry out its responsibilities.

## **III. RESPONSIBILITIES AND DUTIES**

The following functions shall be the common recurring activities of the Committee in carrying out its responsibilities. These functions shall serve as a guide with the understanding that the Committee may carry out additional functions and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory, legal or other conditions. While acting within the scope of its stated purpose, the Committee shall have all the authority of the Board of Directors. The Committee shall:

1. Review and make recommendations, as the Committee deems appropriate, regarding the composition and size of the Board of Directors in order to ensure the Board of Directors has the requisite expertise and its membership consists of persons with sufficiently diverse and independent backgrounds.
2. Establish criteria for the selection of new directors to serve on the Board of Directors.
3. Identify individuals believed to be qualified as candidates to serve on the Board of Directors and recommend to the Board of Directors, the candidates for directorships to be filled by the Board of Directors or by the shareholders at an annual or special meeting. In identifying candidates for membership on the Board of Directors, the Committee shall take into account its established criteria for election of new directors and all other all factors it considers appropriate, which may include (a) the need for the Board of Directors, as a whole, to be diverse and consist of individuals with various and relevant career experience, relevant technical skills, industry knowledge and experience, financial expertise, local or community ties and (b) minimum individual qualifications, including strength of character, mature judgment, familiarity with the Corporation's business and industry, independence of thought and an ability to work collegially. The Committee also may consider the extent to which the candidate would fill a present need on the Board of Directors.
4. Review and make recommendations to the Board of Directors as to whether members of the Board of Directors should stand for re-election. Recommend and administer policies relating to the retirement of members of the Board of Directors, including term limits or age limits.
5. In the case of a vacancy in the office of a director, recommend to the Board of Directors an individual to fill such vacancy either through appointment by the Board of Directors or through election by shareholders.
6. Evaluate candidates for nomination to the Board of Directors, including those recommended by shareholders. In that connection, the Committee shall adopt procedures for the submission of recommendations by shareholders as it deems appropriate.
7. Conduct all necessary and appropriate inquiries into the backgrounds and qualifications of possible candidates.
8. Consider questions of independence and possible conflicts of interest of members of the Board of Directors and executive officers, and whether a candidate has special interests or a specific agenda that would impair his or her ability to effectively represent the interests of all shareholders, and make such recommendations to the Board of Directors as may be appropriate.
9. In its sole discretion, select, retain and/or replace, as needed, a search firm to assist in the identification of director candidates. In that connection, in the event the Committee retains a search firm, the Committee shall have the sole authority to approve such consultant's fees and other retention terms.

10. Oversee the annual performance evaluation of the Board of Directors.
11. Recommend members of the Board of Directors to serve on the committees of the Board of Directors, giving consideration to the criteria for service on each committee as set forth in the charter for such committee, as well as to any other factors the Committee deems relevant, and where appropriate, make recommendations regarding the removal of any member of any committee.
12. Establish, monitor and recommend the purpose, structure and operations of the various committees of the Board of Directors, the qualifications and criteria for membership on each committee of the Board of Directors and, as circumstances dictate, make any recommendations regarding periodic rotation of directors among the committees.
13. Periodically review the charter and composition of each committee of the Board of Directors and make recommendations to the Board of Directors for the creation of additional committees or the elimination of committees of the Board of Directors.
14. Periodically review the adequacy of the certificate of incorporation and by-laws of the Corporation and recommend to the Board of Directors, as conditions dictate, such amendments to the certificate of incorporation and by-laws as it considers desirable.
15. Provide oversight with respect to relationships between the Corporation and its shareholders.
16. Develop and recommend to the Board of Directors a set of corporate governance principles and keep abreast of developments with regard to corporate governance to enable the Committee to make recommendations to the Board of Directors in light of such developments as may be appropriate.
17. Review policies relating to meetings of the Board of Directors, including meeting schedules and locations, meeting agendas and procedures for delivery of materials in advance of meetings.
18. In coordination with the Human Resources Committee, oversee the process for, and make recommendations to the Board of Directors with respect to, the selection of an individual to serve as CEO.
19. Provide oversight in respect of Director orientation, training and continuing education.
20. Provide oversight of the Corporation's programs for ethics and business conduct, including reviewing the processes for administering the Corporation's code of conduct and compliance program. Refer to and work with the Audit Committee regarding any issues of ethics, business conduct or compliance that could have a material financial effect on the Corporation.

21. Recommend to the Board of Directors the philosophy regarding the Corporation's compensation of non-employee Directors and a compensation that will attract and retain qualified Directors.
22. Report regularly to the Board of Directors with respect to (a) such matters as are relevant to the Committee's discharge of its responsibilities and (b) such recommendations as the Committee may deem appropriate.

The Committee shall provide such recommendations as the Committee may deem appropriate. The report to the Board of Directors may take the form of an oral report by the chairperson or any other member of the Committee designated by the Committee to make such report.

23. Maintain minutes or other records of meetings and activities of the Committee.

The Committee, in discharging its oversight role, is empowered to study or investigate any matter of interest or concern that the Committee deems appropriate. In this regard, the Committee shall have the authority to retain outside legal counsel or other advisors for this purpose, including the authority to approve the fees payable to such advisors and any other terms of retention.

#### **IV. ANNUAL PERFORMANCE EVALUATION**

The Committee shall perform a review and evaluation, at least annually, of the performance of the Committee and its members, including by reviewing the compliance of the Committee with this Charter. In addition, the Committee shall review and reassess, at least annually, the adequacy of this Charter and recommend to the Board of Directors any improvements to this Charter that the Committee considers necessary or valuable. The Committee shall conduct such evaluations and reviews in such manner as it deems appropriate.