



## **RESOLUTE FOREST PRODUCTS INC.**

### **HUMAN RESOURCES AND COMPENSATION/NOMINATING AND GOVERNANCE COMMITTEE CHARTER**

Effective as of **April 1, 2014**

#### **1. Purpose**

The purpose of the Human Resources and Compensation/Nominating and Governance Committee (the "Committee") is to (a) discharge certain responsibilities of the Board of Directors (the "Board") with respect to (i) human resources strategy, policies and programs and (ii) matters relating to utilization of human resources, (b) assist the Board in fulfilling its responsibilities to assure that Resolute Forest Products Inc. (the "Company") is governed in a manner consistent with the Company's By-Laws (the "By-Laws") and in the best interests of the Company's stockholders, taken as a whole and (c) oversee such other matters as shall be mandated under applicable rules and regulations as well as listing standards of the New York Stock Exchange.

Without limiting the foregoing, the Committee shall (a) have direct responsibility for the compensation of the President and Chief Executive Officer ("CEO") of the Company and the officers who report directly to the CEO (such officers, together with the CEO, the "Senior Executives"), (b) assure that the Senior Executives are compensated effectively in a manner consistent with the stated compensation strategy of the Company and the requirements of the appropriate regulatory bodies, (c) evaluate and make recommendations to the Board regarding the compensation of Directors, (d) advise the Board with respect to the organization, membership and function of the Board and the structure, membership and operation of Board committees and subcommittees, (e) identify individuals qualified to become Board members (consistent with criteria approved by the Board), (f) select or recommend for Board selection nominees for the annual meetings of stockholders (consistent with the Company's obligations under its contractual arrangements), (g) develop and recommend to the Board corporate governance principles and policies applicable to the Company and, as appropriate, modifications to those principles and policies, (h) oversee the evaluation of the Board, its committees and management and (i) oversee any other matter relating to corporate governance and the rights and interests of the Company's stockholders, taken as a whole.

#### **2. Membership and Member Qualifications**

The Committee shall consist of at least three Directors, each of whom shall satisfy (a) the independence and qualification requirements of (i) Section 10C of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), (ii) the New York Stock Exchange and any other applicable regulatory body, and (iii) the Company's Corporate Governance Principles concerning membership, (b) the requirements of an "outside director" for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended, and the rules and regulations promulgated thereunder, including Treasury Regulations Section 1.162-27 and (c) the requirements of a "non-employee director" for



purposes of Section 16 of the Exchange Act (“Independent Directors”). The Committee members, including the Chair of the Committee, shall be appointed and removed as set forth in the By-Laws and Corporate Governance Principles. Members of the Committee and the Chair shall receive such remuneration for their services on the Committee as the Board may determine from time to time. The Committee may hold in-camera sessions where management, including Directors who are members of management, may be asked to withdraw.

### **3. Meetings and Operations**

The Committee shall meet as often as necessary to carry out its responsibilities, but not less than twice each year. Meetings may be called by the Committee Chair, by the Chair of the Board, or by a majority of the Committee members. Subject to compliance with the By-Laws, the Committee may create one or more subcommittees and may delegate, in its discretion, a portion of the Committee’s responsibilities to such subcommittees, provided that the subcommittees are composed entirely of Independent Directors. Any such subcommittee shall have its own Charter, which shall be posted on the Company’s website.

Meetings may be held telephonically to the extent permitted by the Company’s organizational documents and applicable law. All meetings of and actions by the Committee shall be held or otherwise taken pursuant to the By-Laws and this Charter, including provisions governing notices of meetings, waivers of notice, the number of Committee members required to take action at meetings or by written consent, and other related matters. The Committee shall report to the Board on its activities after each of its Committee meetings. Each of the Committee’s reports to the Board may take the form of an oral report by the Committee Chair or his or her delegate.

The Committee shall review and assess the adequacy of this Charter annually. Any revision to this Charter suggested by the Committee shall be submitted to the Board for approval. Once approved by the Board, this Charter and any revisions thereto shall be published on the Company’s website, in the Company’s proxy statement or otherwise as required by the Securities and Exchange Commission (the “SEC”). The Committee shall undertake and review with the Board an annual evaluation of the Committee, which shall compare the performance of the Committee with the requirements of this Charter. The performance evaluation by the Committee shall be conducted pursuant to the process established by the Committee as approved by the Board prior to such evaluation.

### **4. Goals, Responsibilities and Authority**

In carrying out its purpose, the Committee shall have the following goals, responsibilities and authority. The Committee shall:

#### **A. Human Resources and Compensation**

(1) Review from time to time, modify if necessary, and approve the structure of the Company’s executive compensation to ensure that such structure is appropriate to achieve the Company’s objectives of (x) rewarding the Company’s Senior Executives appropriately for their contributions to the Company’s growth and profitability and the



Company's other goals and objectives and (y) linking the interests of the Company's Senior Executives to the interests of the Company's stockholders.

(2) Evaluate annually the compensation of the CEO, and recommend to the independent Directors of the Board the amounts and individual elements of total compensation for the CEO consistent with the Company's corporate goals and objectives. In evaluating the long-term incentive component of CEO compensation, the Committee may also consider, among such other factors as it may deem relevant, the Company's performance, stockholder returns, the value of similar incentive awards to chief executive officers at comparable companies, the value of similar awards given to other executive officers of the Company and the awards given to the CEO in past years. The CEO shall not be present during voting or deliberations relating to the CEO's compensation.

(3) Annually, (x) review and approve appropriate corporate goals and objectives relating to the CEO, (y) assess the CEO's performance in light of such corporate goals and objectives and review such assessment with all Directors who are not officers of the Company (the "Non-Employee Directors") and (z) evaluate the compensation and performance of the CEO relative to the compensation of the other Senior Executives.

(4) At least annually, work with the Chair of the Board and the CEO to plan for CEO succession, develop plans for the interim succession for the CEO in the event of an unexpected occurrence and review such succession planning with the Board.

(5) Participate in and oversee the evaluation of the performance of the Senior Executives other than the CEO and report the results of such evaluation to the Board at least annually.

(6) Approve the individual elements of total compensation for the Senior Executives other than the CEO. In determining executive compensation, the Committee shall consider the Company's performance versus its financial and strategic objectives and the creation of stockholder value, the compensation of executives employed by comparable companies, and individual performance measures.

(7) In accordance with the Company's Corporate Governance Principles, consider and recommend to the Board the appropriate structure and amount of compensation of Non-Employee Directors.

(8) Periodically evaluate the terms and administration of the Company's Senior Executive incentive plans to assure that they are structured and administered in a manner consistent with the Company's goals and objectives.

(9) Consider the impact of the Company's executive compensation program and the incentives created by the compensation awards that the Committee administers on the Company's risk profile and review all of the Company's compensation policies and procedures, including the incentives that they create and factors that may reduce the likelihood of excessive risk taking, to determine whether they present a significant risk to the Company.



(10) Periodically evaluate and approve proposed amendments to existing Senior Executive equity-based plans and evaluate and approve the adoption of any new equity-based plans. Determine when it is necessary or otherwise desirable to (x) modify, discontinue or supplement any such plans or (y) submit such amendment or adoption to a vote of the independent Directors of the Board and/or to the Company's stockholders (upon the advice of counsel).

(11) Periodically evaluate and approve proposed amendments to benefit plans for Senior Executives and evaluate and approve the adoption of any new benefit plans for Senior Executives. Determine when it is necessary or otherwise desirable to (x) modify, discontinue or supplement any such plans or (y) submit such proposed amendment or adoption to the independent Directors of the Board for recommendation and approval. For the avoidance of doubt, the Committee does not assume any responsibility with respect to any other benefit plans, including any other executive benefit plans that are not sponsored by the Company.

(12) Review and approve employment, severance and change in control agreements, as well as any special or supplemental benefit arrangements (including "parachute" payments), for Senior Executives, as well as any other employment-related transactions with Senior Executives.

(13) Make recommendations to the Board regarding the Company's perquisite policies and oversee compliance with such policies, as adopted by the Board.

(14) Review and recommend for approval by the Board (a) the Company's approach with respect to the advisory vote on executive compensation ("say-on-pay") and (b) how frequently the Company should permit stockholders to have a say-on-pay, taking into account the results of stockholder votes on the frequency of say-on-pay resolutions at the Company. The Committee also shall review the results of say-on-pay resolutions and consider any implications.

(15) Periodically recommend to the Board, in consultation with the CEO, nominees to serve as officers of the Company.

(16) Review and establish Senior Executive and director indemnification and insurance matters.

(17) Review and recommend for Board approval any significant changes in benefit plan design.

## **B. Other Human Resources and Compensation Matters**

(1) Address any other human resources and compensation-related subject within the purpose of the Committee as determined by the Committee Chair or by the Chair of the Board.

(2) Exercise such other powers and perform such other duties and responsibilities as are incidental to the purpose, responsibilities and authority specified in



this Charter, the By-Laws or governing law, as may be delegated from time to time to the Committee by the Board, and as designated in plan documents.

(3) Review the Company's compensation disclosures in its annual proxy statement and its annual report on Form 10-K filed with the SEC. Review and discuss with management the Company's Compensation Discussion and Analysis ("CD&A"). Recommend to the Board whether such compensation disclosures and CD&A should be disclosed in the Company's annual report on Form 10-K or annual proxy statement filed with the SEC, as applicable.

(4) Prepare any report required by applicable rules and regulations or listing standards, including the report required by the SEC to be included in the Company's annual proxy statement or annual report on Form 10-K filed with the SEC, as applicable.

### **C. Corporate Governance**

(1) Oversee, in consultation with the Chief Legal Officer, compliance with the Company's Code of Business Conduct. At least annually, review and discuss the provisions of the Code of Business Conduct and examine, recommend and approve changes to such code, as appropriate. Review and discuss at least annually the procedures in place to enforce such code in consultation with the Audit Committee.

(2) Develop and recommend to the Board, and at least annually discuss and review, the policies and procedures for related party transactions and conflict of interest situations involving the Company, its directors, employees and related persons, and consult the Audit Committee in connection with any such policies and procedures that pertain to accounting or auditing matters, the chief financial officer ("CFO"), the chief accounting officer ("CAO") or any member of the Committee. Review and discuss at least annually the procedures in place to enforce such policies and procedures in consultation with the Audit Committee.

(3) Review and oversee related party transactions and conflict of interest situations involving the Company, its directors, executive officers, the CAO and related persons, and consult the Audit Committee in connection with any such transactions and situations that involve accounting or auditing matters, the CFO, the CAO or any member of the Committee.

(4) Provide overall oversight of the Company's legal and regulatory compliance activities.

(5) Consider any requests for waivers of the Code of Business Conduct by Directors, executive officers or the CAO, and review and approve any public disclosure made regarding such waivers.

(6) Subject to compliance with the By-Laws, develop and recommend to the Board the Company's Corporate Governance Principles, which shall set forth the governance policies and procedures applicable to the Company. Review at least



annually the corporate governance practices of the Company and recommend to the Board appropriate changes in corporate governance principles, policies and practices.

(7) Review and discuss as appropriate with management the Company's public disclosures and its disclosures to stock exchanges relating to independence, governance and director nomination matters, including in the Company's proxy statement.

(8) Make recommendations to the Board regarding all stockholder proposals.

(9) Make recommendations to the Board regarding any other matters relating to corporate governance.

#### **D. Board of Directors**

(1) Subject to compliance with the By-Laws, annually evaluate and recommend to the Board the size and composition of the Board. Develop and recommend the criteria for Board membership that is established by the Board and set forth in the Company's Corporate Governance Principles.

(2) Subject to compliance with the By-Laws, identify and recommend (a) qualified Director candidates to the Board and submit to the Board a recommended slate of nominees for election by stockholders at their annual meeting and (b) qualified Directors to fill vacancies on the Board, in accordance with criteria determined by the Board and set forth in the Company's Corporate Governance Principles. In making its recommendations to the Board, the Committee shall consider, subject to the requirements of the By-Laws, the appropriate mix of skills and characteristics required to best fill the needs of the Board at a given point in time and that are part of the criteria for Board membership.

(3) Consider Director candidates proposed by stockholders in accordance with the By-Laws (consistent with the Company's obligations under its contractual arrangements), and develop and periodically reassess policies and procedures with respect to the consideration of any Director candidate recommended by stockholders or otherwise.

(4) Subject to compliance with the By-Laws, review and recommend annually to the Board the election of the Chair of the Board.

(5) Subject to compliance with the By-Laws, review and recommend the continuation of each Director's service on the Board, at least annually.

(6) In accordance with the By-Laws, make recommendations to the board regarding any resignation tendered by a director that fails to receive a majority of the votes cast in an uncontested election.

(7) Ensure a process by which the Board will assess its performance, including the performance of its Chair, on an annual basis.



(8) Oversee the Board's annual self-evaluation process. Receive comments from all Directors as to the Board's performance and report annually to the Board with an assessment of the Board's performance.

(9) Establish an orientation program for new Directors and a continuing education program for members of the Board regarding their responsibilities as a Director.

(10) Assist the Board in determining whether individual Directors have material relationships with the Company that may interfere with their independence, as provided under applicable requirements and listing standards. If appropriate, develop and recommend to the Board categorical standards for determining whether individual Directors are independent and periodically reassess these standards and make recommendations to the Board with respect to any change the Committee deems appropriate.

#### **E. Board Committees**

(1) Ensure a process by which each Board committee, including the Committee, will assess its performance on an annual basis. Annually review the adequacy of each of the Board committee charters, including this Charter and, after consultation with the other Board committees, recommend appropriate revisions to the Board. Confirm the authority, operations, charter and composition of each Board committee (including any authority of a committee to delegate to a subcommittee) and recommend changes for Board approval.

(2) Subject to compliance with the By-Laws, annually submit to the Board candidates for membership on all Board committees, including the Committee, to ensure that each committee has an appropriate breadth and diversity of expertise and backgrounds, and recommend candidates for committee Chairs. Subject to compliance with the By-Laws, identify and recommend qualified Directors to serve as alternate members on any committee of the Board who may replace any absent or disqualified member at any meeting of such committee.

#### **F. Other Nominating and Governance Matters**

(1) Address any other nominating and governance-related subject within the purpose of the Committee as determined by the Committee Chair or the Chair of the Board.

(2) Exercise such other powers and perform such other duties and responsibilities as are incidental to the purpose, responsibilities and authority specified in this Committee Charter and as may be delegated from time to time to the Committee by the Board.

Nothing in this Charter shall preclude the Board from discussing CEO or non-CEO compensation generally or any other subject. Except as required by applicable law or listing standards, the responsibilities and duties set forth in this Charter should serve as a guide only, with the express understanding that the Committee may carry out



additional responsibilities and duties and adopt additional policies and procedures as may be necessary in light of any changing business, legislative, regulatory, legal or other conditions.

## **5. Compensation of Employees Other Than Senior Executives**

Unless otherwise prohibited by any applicable governmental or listing authority rule or regulation, the Committee delegates to the CEO the authority for making recommendations to the Board with respect to compensation and incentive- and equity-based plans for employees who report to him and who are not Senior Executives.

## **6. Additional Resources**

To the extent required by applicable listing standards, the Committee shall have the authority in its sole discretion to retain or obtain and terminate (a) a search firm to be used to identify Director candidates, (b) compensation consultants to assist the Committee in the evaluation of Director, CEO or other Senior Executive compensation or (c) independent or other advisers to assist it in carrying out its duties (the “Advisers”). The Chair of the Committee, at the request of any member of the Committee may request any officer or employee of the Company or the Company’s outside counsel to attend a meeting of the Committee or otherwise respond to Committee requests.

To the extent required by applicable listing standards, the Committee shall (i) have the sole authority to determine the terms of engagement and the extent of funding necessary for payment of reasonable compensation to Advisers and ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties and (ii) oversee the work of such Advisers. Before appointing any such Adviser, the Committee must take into consideration the following independence factors, as well as any other independence factors required by applicable listing standards not listed here:

- (a) The provision of other services to the Company by the person that employs the Adviser;
- (b) The amount of fees received from the Company by the person that employs the Adviser, as a percentage of the total revenue of the person that employs Adviser;
- (c) The policies and procedures of the person that employs the Adviser that are designed to prevent conflicts of interests;
- (d) Any business or personal relationship of the Adviser with a member of the Committee;
- (e) Any stock of the Company owned by the Adviser; and
- (f) Any business or personal relationship of the Adviser or the person employing the Adviser with an executive officer of the Company.