



**CHARTER OF THE HUMAN RESOURCES AND CORPORATE
GOVERNANCE COMMITTEE**

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CHARTER

HUMAN RESOURCES AND CORPORATE GOVERNANCE COMMITTEE

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1. PURPOSES

The Human Resources and Corporate Governance Committee (the “HRGC Committee”) is set up by the Board of Directors and has two roles.

First, it is responsible for helping the Board fulfil its duties relating to human resources, including their compensation, by preparing or receiving reports and making recommendations to the Board.

Second, it is responsible for overseeing and evaluating the Board and the Board committees as well as the development and implementation of effective governance principles.

2. POWERS

The Board authorizes the HRGC Committee to do the following, according to the scope of the responsibilities entrusted to it:

- (a) Ask Fibrek management or outside third parties for the information it needs to fulfil its duties;
- (b) Obtain, when necessary, legal or other advice from outside professionals; and
- (c) Determine and pay the fees of such professionals.

3. COMPOSITION OF THE HRGC COMMITTEE

- (a) The HRGC Committee is made up of at least three members.
- (b) Each member of the HRGC Committee must be a director of Fibrek.
- (c) Subject to the exceptions set out in the laws, regulations, policies, guidelines or standards of applicable securities authorities and stock exchanges on which shares of Fibrek are traded (collectively the “Applicable Standards”), each member of the HRGC Committee must be “unrelated” and “independent” (as those terms are defined by Applicable Standards for governance and human resources committees).
- (d) The chairman of the HRGC Committee is appointed by the Board of Directors. The committee chairman is responsible for:
 - (i) planning the schedule for committee meetings;
 - (ii) preparing (in consultation with the President and Chief Executive Officer) the agenda for committee meetings and ensuring that useful documentation is available when needed;
 - (iii) chairing committee meetings;
 - (iv) ensuring that the committee fulfils the duties entrusted to it under the charter and complies with the terms thereof; and
 - (v) reporting to the Board of Directors on the issues dealt with by the committee.
- (e) Members of the HRGC Committee are appointed by the Board of Directors. Each HRGC Committee member holds office for one year or until he ceases to be a director, resigns or is replaced by the Board of Directors.
- (f) The quorum required for any meeting is the majority of members.
- (g) The Secretary of the HRGC Committee is the Corporate Secretary or any other person appointed by the Board.

- (h) Unless indicated otherwise, the President and Chief Executive Officer of Fibrek is invited to attend meetings. Any other person may attend meetings of the HRGC Committee on invitation of the committee chairman. Anyone invited to attend meetings of the HRGC Committee who is not a committee member is not entitled to vote on the decisions made.

4. DUTIES AND RESPONSIBILITIES WITH RESPECT TO GOVERNANCE

Subject to the powers and duties of the Board, the HRGC Committee exercises the following duties involving corporate governance:

4.1 Charter and composition of the Board of Directors

- a) The HRGC Committee develops the charter for the Board of Directors and recommends its approval by the Board. The Committee reviews the charter of the Board of Directors annually and recommends to the Board any necessary updates to the charter as needed.
- b) The HRGC Committee develops the description of the duties of the Chairman of the Board and the directors and makes appropriate recommendations to the Board of Directors. The Committee reviews the description of duties annually and recommends any necessary updates to the Board as needed.
- c) The HRGC Committee reviews the size of the Board annually to ensure that it allows the Board to adequately fulfil its duties while ensuring efficient decision-making and makes any necessary recommendations to the Board.
- d) The HRGC Committee examines annually the competencies, qualifications and skills of the directors taking into account the competencies, qualifications and skills required to be a director of Fibrek.
- e) The HRGC Committee recruits nominee directors taking into account the experience, job and qualifications of potential candidates and ensuring that they are in keeping with the needs of Fibrek and the criteria determined by the Board for choosing new directors.
- f) The HRGC Committee identifies and recommends to the Board the directors to be appointed at each annual meeting.

4.2 Charters and composition of Board committees

In conjunction with the committee in question:

- a) The HRGC Committee reviews annually the charters of the Board committees and recommends to the Board any necessary updates thereto as needed.
- b) The HRGC Committee develops the description of the duties of the chairman of each Board committee and makes the appropriate recommendations to the Board of Directors. The HRGC Committee reviews annually the description of duties and recommends to the Board any necessary updates thereto as needed.
- c) The HRGC Committee reviews annually the role, size and structure of the Board committees and makes any necessary recommendations to the Board.
- d) At the first Board meeting following each annual meeting of shareholders, the chairman of the HRGC Committee recommends to the Board which directors should be assigned to each Board committee. Thereafter, if a member of a committee leaves, the HRGC Committee recommends another director to the Board to fill any vacancy caused by his departure.

4.3 Corporate governance

The HRGC Committee reviews Fibrek's corporate governance policies and guidelines annually and makes appropriate recommendations to the Board.

4.4 Code of ethics

- a) The HRGC Committee develops a code of ethics for the directors, officers and employees of Fibrek and recommends its approval by the Board. The committee reviews the code of ethics annually and recommends to the Board any necessary updates thereto as needed.
- b) The HRGC Committee is responsible for overseeing compliance with the code of ethics.
- c) The HRGC Committee examines and recommends to the Board as needed the waivers to be granted for departure from the code of ethics.
- d) The HRGC Committee ensures that the text of the code of ethics (and any updates thereof) is published as required by Applicable Standards.

4.5 Evaluation of directors

- a) The HRGC Committee evaluates the performance of the Board of Directors and its committees annually and makes appropriate recommendations to the Board.
- b) The HRGC Committee evaluates the performance of the Chairman of the Board and the committee chairmen annually and makes appropriate recommendations to the Board.

4.6 Training of directors

The HRGC Committee oversees the training of new members of the Board of Directors to ensure that they familiarize themselves with the activities and business of Fibrek and it ensures that all new Board members fully understand the role of the Board, its committees and the directors. The committee also oversees continuing education activities for Board members.

4.7 Compensation of directors

The HRGC Committee reassesses the compensation of the directors every two years and recommends to the Board any changes which may be required in this regard.

4.8 Corporate social responsibility

The HRGC Committee reviews annually the politics with respect to environmental and health/safety performance in light of the applicable laws and regulations. In addition, in order to properly manage the risks, the HRGC Committee evaluates annually the environmental and health/security needs with a view to protect the environment and the health/security of the employees, entrepreneurs, clients and the community.

More specifically, the HRGC Committee shall:

- a) Review the performance indicators as well as the audit systems that Fibrek will conceive and put in place to insure conformity with the politics and applicable laws relating to the environmental and health/security. In addition, the HRGC Committee will review the reports relating to deficiencies and the

proposed remedial plans and programs in order to formulate required recommendations to the Board of Directors.

- b) Review Fibrek's norms, procedures and practices with respect to the environment and health/security.
- c) Review the objectives and plans of the company in order to put in place the politics, procedures, practices, conformity measures and risk management programs relating to environmental protection, corporate image and health/security.
- d) Review annually with the direction the company's environmental and health/security performance.

5. DUTIES AND RESPONSIBILITIES WITH RESPECT TO HUMAN RESOURCES

Subject to the powers and duties of the Board, the Corporate Governance and Human Resources Committee exercises the following duties with respect to human resources:

5.1 Determination of goals and evaluation of senior executives

- a) The HRGC Committee reviews and recommends to the Board annually the goals of the President and Chief Executive Officer and evaluates annually the performance of the President and Chief Executive Officer based on the said goals.
- b) The HRGC Committee reviews annually the goals of the officers reporting directly to the President and Chief Executive Officer or otherwise identified by the Board (the "Designated Employees") and reviews the performance evaluation of the Designated Employees prepared by the President and Chief Executive Officer.

5.2 Compensation of principal officers

The HRGC Committee examines and recommends to the Board annually:

- a) the compensation principles, policies and general guidelines of Fibrek which apply to all employees, including incentive plans, plans for holding and purchasing shares and fringe benefits, and evaluates annually whether the goals covered by such principles, policies and guidelines have been achieved;
- b) the base salary and incentive compensation of the President and Chief Executive Officer based on his performance evaluation;
- c) the base salary and incentive compensation of the Designated Employees based on recommendations of the President and Chief Executive Officer;
- d) the disclosure of the compensation of senior management and the directors in the proxy information circular or any other document required by Applicable Standards.

5.3 Organizational structure

The HRGC Committee examines and recommends to the Board, as needed (but at least annually):

- a) major changes to the organizational structure of senior management;
- b) the description of the duties of the President and Chief Executive Officer and other senior executives;
- c) the appointment of the President and Chief Executive Officer and other senior executives.

5.4 Training and replacement of senior executives

The HRGC Committee reviews annually the succession plan for the President and Chief Executive Officer and other senior executives, including the various training plans and career advancement for possible successors.

5.5 Employment contracts

The HRGC Committee reviews as needed and recommends for Board approval any employment contract or other arrangement with the President and Chief Executive Officer and any Designated Employee, including any arrangement taking effect upon job termination or a change of control.

5.6 Other duties

The HRGC Committee performs all other duties determined by Board resolution.

6. MEETINGS OF THE HRGC COMMITTEE

The HRGC Committee meets at least four times per year, and other meetings may take place at the discretion of the committee chairman.

7. REPORTING REQUIREMENT

The chairman of the HRGC Committee reports to the Board on the committee's discussions by submitting a verbal report at the next Board meeting.

8. CHARTER OF HRGC COMMITTEE

This charter is reviewed annually (or as needed) by the HRGC Committee, which recommends to the Board of Directors any changes to be made to the charter. The performance of the HRGC Committee is evaluated annually based on the charter.

The HRGC Committee ensures that the text of this charter (or a summary thereof) is published as required by Applicable Standards.