

**CHARTER
of the
HUMAN RESOURCES AND COMPENSATION COMMITTEE
of the
BOARD OF DIRECTORS OF ABITIBI-CONSOLIDATED INC.**

1. The Human Resources and Compensation Committee (the “Committee”) shall be composed of not less than three and not more than five directors, each of whom shall be independent directors of the Company within the meaning of those terms in the relevant securities legislation and stock exchange rules.
2. The members of the Committee shall be appointed or reappointed by the Board of Directors (the “Board”) at the organizational meeting of the Board immediately following each Annual Meeting of the Shareholders of the Company. Each member of the Committee shall continue to be a member thereof until his successor is appointed, unless he shall resign or be removed or shall cease to be a director of the Company. Where a vacancy occurs at any time in the membership of the Committee, it may be filled by the directors.
3. The Board or, in the event of its failure to do so, the members of the Committee, shall appoint a Chair of the Committee from among their numbers. The Chair’s responsibilities shall include (i) presiding at meetings of the Committee, (ii) providing leadership to enhance the effectiveness and focus of the Committee, (iii) ensuring that the Committee has access to timely and relevant information and resources to support its work, (iv) setting with management the agenda for each meeting, and (v) acting as liaison between the Committee and the Board, and the Committee and Management. The Committee shall also appoint a Secretary of the Committee who need not be a director.
4. The place of meetings of the Committee and the procedure at such meetings shall be the same as for regular Board meetings of the Company, or as determined by the members of the Committee, provided that:
 - a. A quorum for meetings shall be a majority of the number of members of the Committee;
 - b. the Committee shall meet as required; and
 - c. the Committee may hold in-camera sessions where management, including directors who are members of management, is asked to withdraw.
5. 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.
6. The Corporate Governance Committee shall oversee on an annual basis the evaluation of the performance and effectiveness of the Committee.
7. The Committee shall review its mandate annually.

8. The Committee shall oversee the development of an executive compensation strategy to attract and retain qualified senior managers and motivate them to achieve superior results. The Committee shall oversee all matters of human resources and compensation, including but not limited to:
 - a. Recommending to the Board the selection and appointment of the Chief Executive Officer and approving the hiring and promotion of executive officers of the Company;
 - b. Reviewing and recommending to the Board the corporate goals and objectives relevant to the Chief Executive Officer's compensation;
 - c. Reviewing and approving a general compensation structure for the executive officers and management of the Company;
 - d. Recommending to the Board all significant benefit plans and any material amendments thereto applicable to the employees of the Company;
 - e. Making recommendations to the Board with respect to incentive-compensation and equity based plans, administering any such plan adopted by the Board and reviewing and recommending to the Board all grants thereunder;
 - f. Recommending to the Board the compensation of the Chief Executive Officer and of all executive officers, including salaries and bonuses;
 - g. Initiating annually a review at the Board level of the performance and compensation of the Chief Executive Officer;
 - h. Reviewing senior management's performance taking into consideration corporate goals and objectives, as determined by the Board;
 - i. Reviewing Management's plans and activities for the development of key managerial personnel;
 - j. Reviewing with the Chief Executive Officer and recommending to the Board the essential elements of senior management succession planning; and
 - k. Reviewing and recommending to the Board for approval the report on executive compensation contained in the annual management proxy circular of the Company.

9. The Committee shall supervise the administration, investment strategy and solvency of the Company's pension funds, including, but not limited to:

- a. reviewing and approving the funding policy, including actuarial assumptions and report, and solvency position;
- b. reviewing and approving investment policies and goals;
- c. reviewing and approving pension master trust fund audit reports; and
- d. overseeing the Company's Pension Investment Committee.

10. The Committee shall normally report to the Board following each Committee meeting with respect to its activities and make such recommendations as are deemed desirable in the circumstances.

11. In discharging its duties and responsibilities, the Committee:

- a. shall have access to the employees and management of the Company,
- b. may invite officers, employees or any other person to attend meetings of the Committee to assist in the discussion and examination of the matters under consideration by the Committee,
- c. may conduct such examinations, investigations or inquiries, and engage such special legal, accounting or other external advisors, at the expense of the Company, at such times and on such terms and conditions as the Committee considers appropriate, and
- d. may delegate to the Pension Investment Committee the authority to, notably,
 - (i) select investment managers, custodians, actuaries and other service providers for all of the Corporation's pension funds, and
 - (ii) approve mergers or splits between the Company's pension funds.