

ABITIBIBOWATER INC.

AUDIT COMMITTEE CHARTER

Effective as of April 28, 2009

1. Purpose

The Audit Committee (the "Committee") of AbitibiBowater Inc. (the "Company") assists the Board of Directors (the "Board") in fulfilling its oversight responsibilities. The Committee's primary duties and responsibilities are to:

- (a) Monitor the integrity of the Company's financial reporting process and systems of internal controls.
- (b) Monitor the independence and qualifications of the Company's independent auditors.
- (c) Oversee the audit of the Company's financial statements.
- (d) Monitor the performance of the Company's internal auditors and all independent audit firms hired by the Company.
- (e) Monitor the Company's compliance with legal and regulatory requirements.
- (f) Provide an open avenue of communication among the Board, management, the independent auditors and the internal auditors. The Committee shall make regular reports to the Board.
- (g) Review management's plans to manage the Company's exposure to financial risk.
- (h) Recommend dividend actions to the Board.
- (i) Oversee such other matters as shall be mandated under applicable rules and regulations as well as listing standards of the New York Stock Exchange.

While the Committee has the duties and responsibilities set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate or are in accordance with generally accepted accounting principles ("GAAP") or other applicable rules and regulations or the listing standards of the New York Stock Exchange. This is the responsibility of management and the independent auditors.

2. Membership and Member Qualifications

Subject to compliance with the Company's By-Laws (the "By-Laws"), the Committee shall be composed of at least four Directors, each of whom shall be an independent Director, free from any relationship that could interfere with the exercise of his or her independence from management and the Company, and shall satisfy the independence and qualification requirements of Section 10A of the Securities Exchange Act of 1934, as amended (the

"Exchange Act"), the New York Stock Exchange and any other applicable regulatory requirements and the Company's Corporate Governance Principles concerning membership. All members of the Committee shall be financially literate, which means they shall have a basic understanding of finance and accounting and be able to read and understand fundamental financial statements. At least one member of the Committee shall have accounting or related financial management expertise as the Board determines in its business judgment. No member of the Committee may simultaneously serve on the audit committees of more than two other public companies without the determination by the Board that such simultaneous service does not impair the ability of such member to effectively serve on the Committee. 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.

3. Meetings and Operations

The Committee shall meet as often as necessary to carry out its responsibilities, but no less frequently than four times a year. Meetings may be called by the Committee Chair, by the Chair of the Board, or by a majority of the Committee members. The Committee shall meet at least annually, in separate executive sessions, with management, the internal auditors and the independent auditors to discuss any matters that the Committee or any of these groups believes should be discussed. In addition, the Committee, through its Chair or another member designated by the Chair, shall meet with management, the internal auditors and the independent auditors at least quarterly, in separate executive sessions if deemed necessary, to review the Company's financial statements and significant findings based upon the auditors' limited review procedures.

Meetings may be held telephonically to the extent permitted by the Company's organizational documents and applicable Delaware law. All meetings of and actions by the Committee shall be held or otherwise taken pursuant to the By-Laws, 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.

Under the guidance of the Nominating and Governance Committee, the Committee shall review and assess the adequacy of this Charter annually. Any revision to this Charter suggested by the Nominating and Governance Committee or this Committee shall be submitted for Board approval by the Nominating and Governance Committee. 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"). Under the guidance of the Nominating and Governance Committee, 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 Nominating and Governance Committee.

4. Duties and Responsibilities

To fulfill its duties and responsibilities, the Committee, to the extent that it deems necessary or appropriate, will:

(A) Review Procedures

(1) In consultation with the Company's management, the independent auditors and the internal auditors, consider the integrity of the Company's financial reporting processes and controls. Discuss significant financial risk exposures, if any, and the steps management has taken to monitor, control and report any such exposures. Review significant findings prepared by the independent auditors and the internal auditors, together with management's responses.

(2) Review and approve the Company's earnings press releases, including the use of "pro forma" or "adjusted" non-GAAP information.

(3) Discuss with management the Company's financial information and earnings guidance, if any, provided to analysts and rating agencies. Such discussion may be done generally (consisting of discussing the types of information to be disclosed and the types of presentations to be made).

(4) Review with management, the internal auditors and the independent auditors the Company's quarterly financial statements, including the Company's independent auditors' review of such financial statements and the disclosures made in "Management's Discussion and Analysis of Financial Condition and Results of Operations," prior to filing with the SEC, the New York Stock Exchange or otherwise providing to stockholders or the public. Discuss any significant changes to the Company's accounting policies and any items required to be communicated by the independent auditors in accordance with American Institute of Certified Public Accountants, Statement on Auditing Standards No. 114 ("SAS 114"), 89 and 90, each as amended, or other applicable rules and regulations or the listing standards of the New York Stock Exchange.

(5) Review disclosures made to the Committee by the Company's principal executive officer and principal financial officer during their certification process for the Form 10-K and Form 10-Q about any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Company's internal controls as well as the procedures undertaken by the principal executive officer and principal financial officer in connection with the preparation of such certifications.

(6) Review the Company's annual audited financial statements, including disclosure made in "Management's Discussion and Analysis of Financial Condition and Results of Operations," prior to filing with the SEC. Discuss with management and the independent auditors, as applicable, significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including, but not limited to, any significant changes in the Company's selection or application of accounting principles, any major issues as to the adequacy of the Company's internal controls and any special steps adopted in light of material control deficiencies, and the effect of SEC regulatory and accounting initiatives and off balance sheet structures on the Company's financial statements. Based upon such

review and discussion, recommend to the Board whether the audited financial statements should be included in the Company's annual report on Form 10-K for filing with the SEC.

(7) Prepare the report required by the SEC to be included in the Company's annual proxy statement that discloses the Committee's review of the audited financial statements, the discussions with the independent auditors required by SAS 114, whether the Committee has recommended to the Board that the financial statements be included in the Company's Annual Report on Form 10-K, and any other matters required by the SEC or other applicable rules and regulations or the listing standards of the New York Stock Exchange.

(B) Independent Auditors

(1) Have the sole authority to appoint, retain or replace all independent audit firms. The Committee shall be directly responsible for the compensation and oversight of the work of all independent audit firms (including resolution of any disagreements between management and any independent auditors regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review or attestation services or other related work. The independent audit firms shall report directly to the Committee.

(2) At least annually, review the independence, performance and qualifications of the independent auditors, including the lead audit partner. In making its evaluation, the Committee should take into account the opinions of management and the Company's internal auditors. As part of such review, the Committee shall obtain and review a report from the independent auditors at least annually regarding (a) the independence of the Company's independent auditors' and all relationships between such firm and the Company, (b) the independent auditors' internal quality-control procedures, (c) any material issues raised by the most recent internal quality control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the firm, and (d) any steps taken to deal with any such issues.

(3) Review the performance of the internal auditors at least annually.

(4) Preapprove all auditing services and permitted non-audit services (including the fees and terms thereof) to be performed for the Company by the independent auditors, subject to the de minimus exceptions for the non-audit services described in Section 10A(i)(1)(B) of the Exchange Act which are approved by the Committee prior to the completion of the audit. The Committee may form and delegate authority to subcommittees consisting of one or more members when appropriate, including the authority to grant preapprovals of audit and permitted non-audit services, provided that decisions of such subcommittee to grant preapprovals shall be presented to the full Committee at its next scheduled meeting for ratification. The Committee shall also review and approve disclosures required to be included by the Company in SEC periodic reports filed under Section 13(a) of the Exchange Act with respect to audit and non-audit services.

(5) Approve the fees and other significant compensation to be paid to the independent auditors.

(6) Review and discuss reports from the independent auditors on:

- a) All critical accounting policies, practices and estimates to be used.
- b) All alternative treatments of financial information within GAAP that have been discussed with management and that would have a significant impact on the Company's financial statements, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditors.
- c) Other material written communications between the independent auditors and management, such as any management letter or schedule of unadjusted differences.
- d) The independent auditors' attestation report regarding the management internal control report of the Company to be included in the Company's annual report.

(7) Require the independent auditors to submit annually to the Committee a formal written statement, delineating all relationships between the independent auditors and the Company in accordance with Independence Standards Board (ISB) No. 1 and any similar requirements under other applicable rules and regulations or the listing standards of the New York Stock Exchange. Actively engage in a dialogue with the independent auditors about any relationships or services that could impact their objectivity and independence. Take appropriate action in response to the independent auditors' report regarding their independence.

(8) Review and approve the independent auditors' audit plan and discuss scope, staffing (including experience and qualifications), locations, reliance upon management and internal audit and general audit approach.

(9) Discuss the results of the audit with the independent auditors. Discuss matters required to be communicated to audit committees in accordance with SAS 114, including but not limited to any problems or difficulties arising in the course of the audit and management's response.

(10) Consider the independent auditors' judgments about the quality and appropriateness of the Company's accounting policies as applied in its financial reporting.

(11) Ensure the rotation of the audit partners as required by Section 10A of the Exchange Act or Regulation S-X of the Securities Act of 1933, as amended.

(12) Recommend to the Board policies for the Company's hiring of employees or former employees of the independent auditors who participated in any capacity in the audit of the Company.

C. Internal Audit Department

(1) Review and approve the budget, plan, changes in the plan, activities, organizational structure and qualifications of the internal auditors.

(2) Review the appointment and replacement of the senior internal audit executive or service provider.

(3) Review on an annual basis the performance of the internal audit group.

(4) In consultation with the Human Resources and Compensation Committee, approve the compensation and other benefits of the senior internal audit executive.

(5) Review significant observations and recommendations made by the internal auditors, together with management's response and follow-up to these reports.

D. Legal Compliance

(1) Review, with the Company's Chief Legal Officer or Vice President Legal Affairs, any legal matter that could have a material impact on the Company's financial statements or its compliance policies. In connection with the foregoing and as described above, obtain reports from management, the Company's senior internal auditing executive and the independent auditors concerning whether the Company and its subsidiaries are in conformity with applicable legal requirements and the provisions of the Company's Code of Business Conduct and the Board of Directors Code of Business Conduct and Ethics (together, the "Codes of Conduct") pertaining to conflicts of interest and related party transactions.

(2) Develop and recommend to the Board policies and procedures for related party transactions and conflicts of interest situations involving the Company, its directors, employees and related persons. Review and oversee related party transactions and conflicts of interest situations involving the Company, its directors, officers and related parties. Review and discuss at least annually the provisions of the Codes of Conduct pertaining to conflicts of interest and related party transactions and the procedures in place to enforce such provisions.

(3) Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.

E. Others

(1) Discuss and consider the Company's policies with respect to risk assessment and risk management, and review contingent liabilities and risks that may be material to the Company and major legislative and regulatory developments that could materially impact the Company's contingent liabilities.

(2) Review at least once a year a report prepared by management on the financial health, from an actuarial and accounting perspective, of the benefit plans of the Company's subsidiaries, and related funding obligations.

(3) Consider such other matters consistent with this Charter, the By-Laws, governing law or as required by applicable rules and regulations or the listing standards of the New York Stock Exchange as the Committee or the Board determines appropriate.

The foregoing 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. Additional Resources

The Committee shall have the right to retain appropriate advisors to the extent it deems necessary or appropriate. The Company shall provide for appropriate funding, as determined by the Committee, for payment of compensation to the independent auditors for the purpose of rendering or issuing an audit report and to any advisors employed by the Committee or for performing other audit, review or attestation services.