

BOWATER INCORPORATED

NOMINATING AND GOVERNANCE COMMITTEE CHARTER

Amended and Restated as of May 11, 2005

1. Purpose

The Nominating and Governance Committee (the “Committee”) shall assist the Board of Directors (the “Board”) in fulfilling its responsibilities to assure that Bowater Incorporated (the “Company”) is governed in a manner consistent with the interests of the shareholders of the Company, taken as a whole. Without limiting the foregoing, the Committee shall (a) 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, (b) identify individuals qualified to become Board members, (c) select or recommend for Board selection nominees for the annual meetings of shareholders, (d) develop and recommend to the Board corporate governance principles and policies applicable to the Company and, as appropriate, modifications to these principles and policies, and (e) any other matter relating to corporate governance and the rights and interests of the Company’s shareholders, taken as a whole.

2. Membership and Member Qualifications

The Committee shall consist of two or more “independent” Directors in accordance with the definition set forth in the Company's Corporate Governance Principles. The Committee members shall be appointed by the Board annually for terms of one year, or until their successors shall be duly elected and qualified. The Board may remove any Committee member at any time. The Board shall elect a Committee Chair.

3. Meetings and Operations

The Committee shall meet as often as necessary to carry out its responsibilities, but not less frequently than twice each year. Meetings may be called by the Committee Chair, by the Chairman of the Board, or by a majority of the Committee members. The Committee may create one or more subcommittees and may delegate, in its discretion, a portion of its responsibilities to such subcommittees.

All meetings of and actions by the Committee shall be held or otherwise taken pursuant to the Company’s By-Laws, including provisions governing notices of meetings, waivers thereof, 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.

The Committee shall review and assess the adequacy of this Charter annually and, as appropriate, shall recommend changes to the Board. The Committee shall undertake and review with the Board an annual performance assessment 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 in such manner as the Committee deems appropriate. Each report to the Board may take the form of an oral report by the Committee Chair or his or her delegate.

4. Goals, Responsibilities and Authority

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

A. Corporate Governance

(1) Oversee compliance with the Company's code of business conduct and annually examine and recommend changes to that policy, as appropriate.

(2) Develop and recommend to the Board a corporate governance policy setting forth the corporate governance principles and practices 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.

(3) Review and confirm the corporate governance sections of all proxy statements distributed to shareholders.

(4) Make recommendations to the Board regarding all shareholder proposals.

(5) Make recommendations to the Board regarding any other matters relating to corporate Governance.

B. Board of Directors

(1) 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) Identify and recommend qualified Director candidates to the Board and submit to the Board a recommended slate of nominees for election by shareholders at their annual meeting 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 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. The Committee will consider candidates proposed by shareholders in accordance with the Company's By-Laws, but the Committee has the sole discretion to recommend the candidates for nominees for Board approval.

(3) Identify and recommend qualified Directors, in accordance with the criteria for Board members set forth in the Company's Corporate Governance Principles to fill vacancies on the Board.

(4) Establish processes for soliciting and reviewing potential nominees from Directors and from shareholders of the Company, and for advising those who suggest nominees of the outcome of such review.

(5) Review and recommend annually to the Board the election of the Chairman of the Board.

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

C. Board Committees

(1) Ensure a process for the performance assessment on an annual basis. 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) Annually submit to the Board candidates for membership on Board committees and recommend candidates for committee chairs. 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.

D. President and Chief Executive Officer

(1) Jointly with the Human Resources and Compensation Committee, assess, at least annually, the performance, goals and objectives of the President and Chief Executive Officer ("CEO") of the Company and make recommendations to the Board relating thereto.

(2) Periodically discuss potential successors to the CEO, including potential successors in the event of an emergency or the retirement of the CEO.

E. Other Matters

(1) Address any other subject within the purpose of the Committee as determined by the Committee Chair or the Chairman 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.

5. Additional Resources

The Committee shall have the right to retain appropriate advisors to the extent it deems necessary or appropriate.