

**CLEARWATER PAPER CORPORATION**  
**COMPENSATION COMMITTEE CHARTER**

(As adopted by the Board of Directors effective as of September 22, 2018)

**Purpose**

The purpose of the Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of Clearwater Paper Corporation (the “Company”) shall be:

- to assist the Board in meeting its responsibilities with regard to oversight of executive compensation;
- to evaluate and approve compensation plans, policies and programs of the Company that affect the Chief Executive Officer (CEO) and other executive officers;
- to review and make recommendations to the Board with respect to major compensation plans, policies and programs of the Company that are subject to Board approval; and
- to prepare the Compensation Committee Report for inclusion in the Company’s proxy statement for the annual meeting of stockholders, in accordance with applicable rules and regulations of the Securities and Exchange Commission (SEC).

**Membership and Procedures**

The Committee shall consist of at least three members of the Board, with the exact number to be determined by the Board, and shall be appointed from time to time by the Board having given consideration to the recommendations, if any, from the Nominating and Governance Committee. Also having given consideration to the recommendation of the Nominating and Governance Committee, if any, the Board shall designate a Chair of the Committee, provided that if the Board does not so designate a Chair the members of the Committee, by a majority vote, may designate a Chair. The Chair (or in his or her absence a member designated by the Chair) shall preside at all meetings of the Committee.

Committee members may be removed, without cause, by the affirmative vote of the majority of the Board at any time. Any Committee member may resign effective upon giving oral or written notice to the Chair of the Board, the Corporate Secretary or the Board (unless the notice specifies a later time for the effectiveness of such resignation).

Each member of the Committee shall meet the independence requirements, as determined by the Board, under the applicable rules of the New York Stock Exchange (NYSE), provided that the exemptions from the independence requirements set forth in such rules shall also be applicable to members of the Committee. In addition, each member shall qualify as a non-employee director as such term is defined in Section 16 of the Securities Exchange Act of 1934 and the rules and regulations promulgated thereunder, or any

successor provisions thereto.

### **Resources and Authority**

The Committee shall have the resources and appropriate authority, without seeking Board approval, to discharge its duties and responsibilities, including the authority to select, retain, oversee, terminate, and approve the fees and other retention terms of outside compensation consultants, legal counsel (other than in-house legal counsel) or other advisors (each an “Advisor”) to assist the Committee or a member of the Committee engaged in conducting the Committee’s duties and responsibilities as it deems appropriate.

Subject to any exceptions set forth in the Listed Company Manual of the NYSE, prior to retaining or receiving advice from any Advisor, the Committee shall take into consideration all factors relevant to the Advisor’s independence from Management, including:

- the provision of other services to the Company by the person that employs the Advisor (the “Employer”);
- the amount of fees received from the Company by the Employer, as a percentage of the Employer’s total revenue;
- the Employer’s policies and procedures that are designed to prevent conflicts of interest;
- any business or personal relationship of the Advisor with a member of the Committee;
- any stock of the Company owned by the Advisor; and
- any business or personal relationship of the Advisor or the Employer with an executive officer of the Company.

The Committee shall also on at least an annual basis assess whether the work of any compensation consultant who has played any role in determining or recommending the amount or form of executive or director compensation raises any “conflicts of interest,” taking into account, at a minimum, those factors provided above.

The Committee may request that any director, officer or employee of the Company, the Company’s outside counsel or independent auditors or such other persons the Committee deems appropriate, attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee. The Committee may also exclude from its meetings any persons it deems appropriate in order to carry out its responsibilities. The Committee shall have full access to all books, records, facilities and personnel of the Company in connection with the discharge of its responsibilities.

## **Delegation to Subcommittee**

As appropriate, the Committee may form a subcommittee consisting of one or more members of the Committee to perform such duties and responsibilities as authorized by the Committee. The actions of such subcommittee shall be reported to the full Committee at the next scheduled Committee meeting.

## **Duties and Responsibilities**

The following shall be the common recurring duties and responsibilities of the Committee:

- Review and approve the goals and objectives relevant to the compensation of the Company's CEO and other executive officers and communicate them to the Board.
- Coordinate with the Chair of the Board or the Vice Chair, as appropriate, the process for the Board's performance evaluation of the CEO.
- In connection with the annual performance evaluation of the CEO to be conducted by the Board and the annual evaluation of other executive officers of the Company, approve the compensation for the CEO and other executive officers, including, as applicable, (i) base salary, (ii) bonus, (iii) long-term incentive and equity compensation, and (iv) any other material compensation, perquisites and special or supplemental benefits.
- In consultation with the CEO, review and establish guidelines for the review of the performance and the establishment of compensation policies for other senior management of the Company and for the delegation to executive officers of the Company the determination of compensation for all employees of the Company who are not executive officers.
- Establish and modify the terms and conditions of employment of the CEO and other executive officers of the Company, by contract or otherwise.
- Determine, within parameters that may be established by the independent and disinterested members of the entire Board, the provisions of any contracts for the CEO and other executive officers of the Company that will govern the situation in which severance payments will be due upon change in control situations.
- Administer the stock and other equity-based compensation plans of the Company (other than with respect to equity grants to members of the Board) in accordance with the terms of such plans and provide necessary approval in order to qualify the Company's equity compensation plans for various exemptions that may be established by the SEC under Section 16 of the Securities Exchange Act of 1934.

- Oversee the administration of the Company's other employee benefit plans, which by their terms specify the Committee as the plan administrator.
- Review the Company's employee benefit programs on a periodic basis.
- Maintain sole discretionary authority to interpret provisions of the Company's executive compensation plans.
- Establish all rules necessary or appropriate for implementing and conducting the Company's executive compensation plans.
- Determine, as applicable in connection with the Company's stock plans, such matters as eligibility for participation; persons to receive awards; the amount, form and other terms and conditions of awards; the form of agreements pertaining to such awards; the manner and form of deferral elections; or, when appropriate, the authorization of the Company's purchase of its stock for allocation to the accounts of persons to whom awards have been made under such plans. The Committee may delegate to the CEO or to the executive officers who are members of the Board the authority to carry out all of the powers of the Committee to grant equity awards and issue awards under the Company's stock plans to employees or consultants of the Company or any subsidiary thereof who are not members of the Board, the CEO or executive officers of the Company; provided, that no such grant or award shall exceed the maximum number of shares that may be awarded to individuals or in the aggregate in any fiscal quarter or year as the Committee shall direct from time to time, and all grants or awards shall be at an exercise or grant price per share at least equal to fair market value on the date of such grant or award.
- Review the Company's incentive compensation and other equity-based plans and practices and authorize changes to such plans and practices as necessary or appropriate.
- Approve equity compensation plans and the grant of equity awards not subject to stockholder approval under applicable listing standards.
- Review and discuss with management the Company's Compensation Disclosure and Analysis (CD&A), and based on that review and discussion, recommend to the Board whether the Company's CD&A should be included in the Company's annual proxy statement or Annual Report on Form 10-K.
- Prepare the Compensation Committee report on executive compensation as required by rules of the SEC for inclusion in the Company's annual proxy statement or annual report on Form 10-K filed with the SEC.
- Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board.

- The Committee also shall undertake an annual evaluation assessing its performance and report to the Board on the evaluation. The self-assessment shall be conducted in such manner as the Committee deems appropriate.
- Make regular reports on the activities of the Committee to the Board.

These duties and responsibilities are set forth as a guide to the Committee with the understanding that the Committee may alter or supplement them as appropriate under the circumstances to the extent permitted by applicable law, regulation or listing standard.