

## **RAYONIER ADVANCED MATERIALS INC.**

### **CHARTER OF THE AUDIT COMMITTEE**

**Adopted July 19, 2017**

#### **I. PURPOSE**

The Audit Committee (the “Committee”) of the Board of Directors of Rayonier Advanced Materials Inc. (the “Company”) is responsible for assisting Board oversight of: (i) the integrity of the Company’s financial statements, (ii) the Company’s compliance with legal and regulatory requirements, including overseeing the Company’s legal compliance and ethics programs, (iii) the Company’s Enterprise Risk Management (“ERM”) program, (iv) administration and investment performance of the Company’s pension and savings plans, (v) the independent auditor’s qualifications and independence, and (vi) the performance of the Company’s independent and internal auditors. The Committee operates under a charter of specific responsibilities and procedures, competency and independence requirements for its members. The Committee is solely responsible for the selection, oversight, evaluation, compensation and replacement of the Company’s independent auditors, and the independent auditors report directly to the Committee. The Committee has the authority to retain and determine compensation for special legal, accounting or other experts or consultants the Committee may deem necessary or appropriate.

#### **II. MEMBERSHIP**

The Committee consists of not less than four directors, all of whom are “independent” under the requirements of the Securities Exchange Act of 1934 and the New York Stock Exchange (“NYSE”) listing requirements. All members of the Committee must be “financially literate” (in accordance with the NYSE listing requirements), or must become “financially literate” within a reasonable period of time after his or her appointment to the Committee, and at least one member must have accounting or related financial management expertise (in accordance with NYSE listing requirements). On an annual basis, the Board of Directors shall determine whether at least one member of the Committee qualifies as an “audit committee financial expert as defined by the Securities and Exchange Commission (“SEC”).” No member of the Committee may serve simultaneously on the audit committee of more than two other public companies.

#### **III. RESPONSIBILITIES**

The Committee role is one of independent oversight operating under a set of specific procedures to ensure: 1) the integrity of financial reporting and system of internal controls, 2) that material risks are properly identified, assessed and managed, and 3) compliance with legal and regulatory requirements that might have a material effect on the financial statements. Specific responsibilities, categorized by broad areas of responsibility, include the following:

A. Administration

1. Establishing an annual calendar of meetings (no less than four a year) including pre-selecting subjects to be discussed at each meeting;
2. Meeting privately at each regular non-telephonic Committee meeting with management, with the internal and independent auditors, and with the Company's Chief Compliance Officer and Ombudsman, allowing direct access between the chief internal audit, compliance and ethics executives and the Committee. The Chief Compliance Officer shall have a direct reporting obligation to the Committee, with the express authority to communicate personally to the Committee promptly on any matter involving criminal conduct or potential criminal conduct by the Company or any employee representative or agent thereof;
3. Reviewing this Charter annually to assess its adequacy, and proposing any necessary amendments to the Nominating and Corporate Governance Committee;
4. Establishing procedures for (a) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and (b) the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters;
5. Ensuring an annual evaluation of Committee performance is conducted and presented to the Board; and
6. Reporting regularly to the Board with respect to its activities including particularly any issues that arise with respect to the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, the performance and independence of the independent auditors or the performance of the internal audit function;
7. To review, approve, and oversee any transaction between the Company and any related person (as defined in Item 404(a) of the SEC's Regulation S-K) in accordance with the Company's Policy and Procedures with Respect to Related Person Transactions;
8. Issuing an annual report, for inclusion in the Company's Proxy Statement, outlining its responsibilities, procedures and compliance with its Charter, including having had independent discussions with the independent auditors and its recommendation to the Board that the annual financial statements be accepted.

9. Conducting or authorizing investigations into any matters within the scope of the powers and responsibilities delegated to the Committee.

B. Oversight of Financial Reporting, Controls and Audit Performance

1. Reviewing the Company's principal policies for accounting, internal control and financial reporting;
2. Discussing the audited annual financial statements (Form 10-K) and quarterly financial statements (Form 10-Q) of the Company, with management and the independent auditors before they are filed, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations";
3. Discussing with management and, as appropriate, other advisors at least annually the development, content, review and issuance of press releases, rating agency and investor presentations and other public disclosures of financial information;
4. Reviewing with the independent auditors the results of their annual audit of the Company's financial statements and audit of internal control over financial reporting, and the required communications under Auditing Standards No. 16, including a discussion of events, transactions, and changes in accounting principles or estimates or financial statement presentation that may have affected the quality of the Company's financial reporting, any significant audit issues and management response, and their view on the adequacy of internal controls; reviewing required disclosures from management of (a) all significant deficiencies and material weaknesses in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarize, and report financial data, and (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls;
5. Reviewing the process of management certifications required by the Sarbanes-Oxley Act of 2002;
6. Reviewing required reporting from the independent auditors covering (a) all critical accounting policies and practices to be used, (b) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management officials, ramifications of the use of alternative disclosures and treatments, and the treatment preferred by the independent auditors, (c) the effect of regulatory and accounting initiatives, as well as significant off-balance sheet structures, on the Company's financial statements, and (d) other material written communications between

the independent auditors and management, such as any management letter or schedule of unadjusted differences;

7. Discussing the accounting for any transactions in the Company's interim financial statements of an unusual nature requiring non-routine judgments, as raised by the independent auditors that would normally be included in the independent auditors' reports under Auditing Standard No. 16;
8. Reviewing with both the internal and independent auditors the plan, scope, timing, results, budget (internal audit) and coordination of their audit(s);
9. Reviewing the adequacy of the Company's systems for internal accounting control and for data security, and the independent auditors' annual report on internal control recommendations; and
10. Reviewing significant findings and recommendations of the independent and internal auditors with management.

C. Oversight of Enterprise Risk Management

1. Discussing the Company's guidelines and policies with respect to risk assessment and risk management, with particular focus on risks related to financial statements and information issued; and
2. Overseeing the Company's ERM Committee, including an annual review of processes for the identification, assessment and management of material risks facing the Company, and assisting the Board in its risk management oversight responsibilities.

D. Oversight of Pension and Savings Plan Administration and Performance

1. Overseeing the policies, objectives, administration and investment performance of the Company's ERISA-qualified pension and savings plan assets and liabilities, including oversight of the Company's ERISA plan committees and others acting as fiduciaries and/or administrators of such pension and savings plans.

E. Oversight of Auditor's Independence

1. Approving, in advance, all of the independent auditor's audit and allowable non-audit services and estimated fees, and reviewing a report from the independent auditor on any relationships with the Company or others that might affect independence. The pre-approval of audit and allowable non-audit services may be delegated to one or more members of the Committee, provided that any actions taken by such members(s) be presented to the Committee at its next scheduled

meeting. Specific policies and procedures for pre-approval are included in the Appendix;

2. Obtaining and reviewing at least annually a report from the independent auditors describing: the firm's internal quality control procedures, any material issues raised by the most recent Public Company Accounting Oversight Board inspections and internal quality control review, or peer review of the firm, or by any inquiry or investigation by governmental or professional authorities within the past five years, with respect to one or more independent audits carried out by the firm, and any steps taken to deal with such issues; and all relationships between the independent auditor and the Company;
3. After reviewing such report, evaluating the independent auditor's qualifications, performance and independence, including a review and evaluation of the lead partner, and determining whether there should be a rotation of the lead audit partner or of the independent audit firm itself. The Committee will then present its conclusions to the Board;
4. Establishing hiring policies for employees or former employees of the independent auditors; and
5. Ensuring that the lead engagement and review partners of the independent auditor are rotated no less frequently than every five years.

F. Review of Compliance

1. Meeting regularly with appropriate representatives of management, including the Chief Risk Officer and the Chief Compliance Officer for purposes of evaluating the adequacy and efficacy of the Company's legal compliance and ethics programs;
2. Reviewing periodically, in light of changing conditions, legislation and other developments, the Company's Standard of Ethics and Code of Corporate Conduct and making recommendations to management for such changes as the Committee may deem appropriate;
3. Reviewing internal audit's annual audit of expense reports of the Company's senior officers, and reviewing fees paid to outside consultants, including law firms and investment bankers;
4. Reviewing and recommending to the Board proposed actions on environmental, health and safety compliance and regulatory matters which could have a significant impact on the business and strategic operating objectives of the Company and its subsidiaries;

5. Reviewing and considering material claims and litigation, and legal, regulatory and related government policy matters affecting the Company and its subsidiaries; and
6. Reviewing tax compliance and management, including review of the Company's philosophy, approach, procedures and use of tax preparers and external legal advisors.
7. Reviewing the Company's cybersecurity program, including an annual review of processes for the identification, assessment and management of material risks facing the Company.