

INTERNATIONAL PAPER COMPANY

CORPORATE GOVERNANCE GUIDELINES

(Amended and Restated as of May 10, 2011)

The Board of Directors of International Paper Company has adopted these Corporate Governance Guidelines with the view that effective corporate governance requires the Board to exercise oversight of the Company's strategic, operational, financial, compliance and legal risks. The Board is responsible for assuring appropriate alignment of its leadership structure, committees and management with the interests of shareowners, employees and the communities in which the Company operates, and may, pursuant to its By-Laws, establish committees to exercise delegated authority. In delegating certain oversight responsibilities to one or more of its committees and management as it deems appropriate, the Board will ensure that either the Board or one committee has responsibility for coordinating the risk oversight roles exercised by various committees. Corporate Governance Guidelines should provide the foundation upon which a working system of principled goal-setting, effective decision-making and ethical actions are built, with the objective of establishing a vital, agile corporate entity that provides value to the shareowners who invest in the Company and to the communities in which it operates. To that end, the Board is dedicated to the periodic review of these Corporate Governance Guidelines to ensure that they continue to serve their goals.

1. Board Composition and Director Qualifications

The Company's Certificate of Incorporation provides that the Board must be composed of between nine and eighteen members. It also provides that, commencing in 2011, all Directors shall be elected annually by majority vote of shareholders. In the event of a vacancy on the Board, the Board may elect to fill such vacancy or reduce the size of the Board. Within those parameters, the Board determines the size and composition of the Board.

The policy of the Board is that it shall be comprised of a majority of independent directors who meet applicable Securities and Exchange Commission ("SEC") rules and New York Stock Exchange ("NYSE") Listed Company Manual standards. The Board may, from time to time, adopt specific criteria to assist in its determination of director independence.

The Board has not established specific minimum age, education, years of business experience or specific types of skills for Board members, but, in general, expects director candidates to have ample experience and a proven record of professional success, leadership and the highest level of personal and professional ethics, integrity and values. The Board has adopted criteria which are designed to describe the qualities and characteristics desired for the Board as a whole and for Board members individually.

The Governance Committee is responsible for evaluating the qualifications of each director candidate and for recommending the director candidate to the full Board for election. The invitation to join the Board is extended by the Board itself, acting through the chair of the Governance Committee or the Chairman of the Board, except where the Board, for specific reasons, delegates that role to another member.

Annually, the Governance Committee will also review the qualifications of all Board members who are standing for election by shareholders at the next Annual Shareholders' Meeting.

The Governance Committee shall also address possible and actual conflicts of interest and any other potential issues concerning a director's compliance with the Company's *Code of Business Ethics*, including, but not limited to, compliance with the Related Person Transactions Policy and Procedures, or such other policies and procedures that may be adopted from time to time as a Board policy.

The policy of the Board is that the Company's chief executive officer and any other executive of the Company who serves on the Board shall resign from the Board upon his/her retirement or resignation from the Company. When a Director's principal occupation or business association changes substantially, that Director shall tender his or her resignation to the Chairman of the Board for consideration by the Governance Committee at its next regularly scheduled meeting. The Governance Committee will recommend to the Board the action, if any, to be taken with respect to the tendered resignation.

The Board believes that the time commitment required for membership on the Board is such that directors should consult with the Chairman of the Board and the Chairman of the Governance Committee prior to accepting an invitation to serve on another public company board. A Director shall retire effective December 31 of the year in which the Director attains the age of 72.

The Board does not believe it should establish term limits. While term limits could help ensure that there are fresh ideas and viewpoints available to the Board, they have the disadvantage of losing the contribution of directors who have been able to develop, over a period of time, increasing insight into the Company and its operations and, therefore, provide an increasing contribution to the Board as a whole.

The Board has no policy with respect to the separation of the offices of Chairman and Chief Executive Officer. The Board believes that this issue is part of the succession planning process and that it is in the best interests of the Company for the Board to make a determination in light of factors and considerations prevailing at that time as to whether the Chief Executive Officer should also serve as Chairman of the Board.

2. Director Responsibilities

Directors are expected to discharge their duties in good faith and in a manner that the director reasonably believes to be in the best interests of the corporation. In discharging that obligation, directors should be entitled to rely on the honesty and integrity of the Company's senior executives and its outside advisors and auditors unless the circumstances indicate that such reliance is not warranted.

Directors are expected to attend Board meetings, meetings of committees on which they serve and annual meetings of shareholders, and to spend the time needed to properly discharge their responsibilities. Information and data that are important to the Board's understanding of the business to be conducted at a Board or committee meeting should generally be distributed to the directors before the meeting, and directors should review these materials in advance of the meeting.

3. Board Meetings

The Chairman of the Board (in conjunction with the Chief Executive Officer if the Chairman is not the Chief Executive Officer) shall have the authority to call, and establish the agenda for, each Board meeting, in consultation with and subject to the authority of the Presiding Director. If the Chairman is incapacitated, the Presiding Director shall call any such meeting. Each Director is welcome to suggest the inclusion of items on the agenda, and to raise at any Board meeting subjects that are not on the agenda for that meeting.

The Board shall have opportunities to meet and interact with senior management, and encourages the Chairman to invite into Board meetings senior managers who: (a) can provide additional insight into the matters being discussed, and/or (b) would benefit from exposure to the Board.

4. Board Committees

The Company's By-Laws provide that the Board may appoint such committees as they may determine from time to time, and that each committee "shall have such powers as shall be specified by resolution of the Board of Directors." In addition, the Company must satisfy NYSE Listed Company Manual requirements that mandate the establishment of an Audit Committee, a Compensation Committee, and a Nominating/Corporate Governance Committee. The current committees of the Board are: Governance, Audit and Finance, Management Development and Compensation, Public Policy and Environment, and Executive Committees.

All of the members of the Governance, Audit and Finance, and Management Development and Compensation Committees will be "independent" as such term is defined from time to time under applicable regulatory requirements and as set forth under director independence standards approved by the Board.

Committee members and committee chairs will be appointed by the Board upon recommendation of the Chairman of the Board and the Governance Committee, taking

into consideration the desires and qualifications of individual directors. It is the sense of the Board that committee chairs should be rotated periodically, usually every three to five years.

5. Presiding Director Responsibilities

- The Presiding Director shall be elected by the independent members of the Board of Directors based on the recommendation of the Governance Committee and shall serve in that capacity no less than one year. The Governance Committee shall oversee the process for selecting the Presiding Director. It is the sense of the Board that the Presiding Director position should be rotated periodically, usually every three to five years.
- The Presiding Director shall, in consultation with the Governance Committee, determine a schedule and agenda for regular executive sessions in which independent directors meet without management participation, and shall preside over those sessions.
- The Presiding Director shall: (i) preside at meetings of the Board of Directors where the Chairman is not present; (ii) serve as liaison between the Chairman and independent directors; (iii) approve agendas for the Board; (iv) approve information sent to the Board; and (v) approve meeting schedules to assure that there is sufficient time for discussion of all agenda items.
- The Presiding Director shall have the authority to call meetings of independent directors.
- If requested by major shareholders, the Presiding Director shall be available for consultation and direct communication.
- The Presiding Director, in consultation with the Management Development and Compensation Committee, shall organize the process pursuant to which the independent directors shall evaluate the performance of the Chief Executive Officer not less than annually.

The By-Laws provide that the Executive Committee “so far as permitted by law, may be vested with all of the powers of the Board of Directors when the Board of Directors is not in session.” In practice, the Executive Committee has very rarely exercised these powers, and the Board as a whole has acted when needed.

Each committee has its own charter. The charters set forth the purposes, goals and responsibilities of the committees as well as provide for committee structure, including the minimum number of directors, operations and committee reporting to the Board. The charters also provide that each committee will annually evaluate its performance to ensure compliance with its charter.

The Chairman of each committee, in consultation with committee members, determines the frequency and length of the committee meetings consistent with any requirements set forth in the committee's charter. The Chairman of each committee, in consultation with committee members, the Chief Executive Officer and certain members of senior management assigned to support each of the Committees, will develop the committee's agenda. Prior to the beginning of each calendar year, each committee will establish a schedule of agenda subjects to be discussed during the year (to the degree these can be foreseen). The schedule for each committee will be furnished to all directors.

6. Executive Sessions of the Board

The non-management directors will meet in executive session regularly, not less than twice a year, and the Presiding Director will serve as chair of executive sessions. If all non-management directors are not independent, then the Presiding Director will also chair an executive session of independent directors at least once annually.

7. Director Access to Officers and Employees

Board members have complete access to Company management, but it is expected that, absent unusual circumstances or as contemplated by the committee charters, they will advise the Chairman or the Secretary in advance of the subject matter of any specific inquiry which relates to the business operations of the Company. Any meetings or contacts that a director wishes to initiate may be arranged through the Chairman or the Secretary or directly by the director. The directors will use their judgment to ensure that any such contact is not disruptive to the business operations of the Company and will, to the extent not inappropriate, copy the Chief Executive Officer on any written communications between a director and an officer or employee of the Company.

8. Director Access to Independent Advisors

The Board and each Committee shall be entitled to retain independent advisors as it deems necessary or appropriate.

9. Communications and Interactions with Third Parties

The Board believes that the Chief Executive Officer, or, in certain circumstances, an employee designated by the Chief Executive Officer, is in the best position to speak publicly for the Company. Unless legally required, or specifically requested by the Chairman of the Board, Directors should refrain from meeting or otherwise communicating with various constituencies of the Company, including shareholders, analysts, reporters or other media representatives, customers, labor representatives, or government officials concerning Company matters. In the event that one or more major shareholders or institutional investors request to communicate, via telephone or other electronic means, or to meet in person with one or more Directors, or chairs of committees, such communication or meeting shall be arranged through the Presiding Director with assistance from the Secretary to the Board. To the extent both practical and appropriate, the Secretary will participate in any such call, or attend such meeting.

10. Director Compensation

It is the policy of the Company to compensate Directors on a competitive basis with other similarly sized U.S. companies. The amount and form of compensation will be reviewed annually and determined through regular benchmarking with comparable companies. Board members who are employees of the Company receive no compensation for serving on the Board. All non-employee Directors are required to hold equity in the Company equivalent to no less than two times (2X) the annual Board retainer of \$200,000 by 2014, *provided however*, that directors elected in 2010 and later must satisfy this requirement within four years from the time of their first election or appointment to the Board. Shares or units held by a Director under any deferral plan are included in calculating the value of ownership to determine whether this stock ownership requirement has been met.

The form and amount of director compensation will be recommended by the Governance Committee to the full Board for its consideration and approval. The Governance Committee shall recommend any changes to director compensation to the full Board for its consideration and approval.

11. Director Orientation and Continuing Education

All new directors must participate in the Company's Orientation Program, which shall be conducted within six months of the annual meeting at which new directors are first elected. This orientation will include presentations by senior management to familiarize new directors with the Company's strategic plans, its significant financial, accounting and risk management issues, its compliance programs, its *Code of Business Ethics*, its principal officers, and its internal and independent auditors. In addition, the Orientation Program will include visits to Company headquarters and, to the extent practical, certain of the Company's significant facilities. All other directors are also invited to attend the Orientation Program. All directors are encouraged to periodically attend, at Company expense, director continuing education programs offered by various organizations.

12. Chief Executive Officer Selection, Evaluation and Management Succession

The Board selects and if necessary, replaces the Chief Executive Officer. The independent directors shall, prior to the beginning of each calendar year, review and approve the corporate goals and performance objectives of the Chief Executive Officer.

The Presiding Director shall establish a process pursuant to which the Management Development and Compensation Committee shall meet at least once annually to evaluate and report to the independent directors on the performance of the Chief Executive Officer, taking into account such factors as leadership, the Company's strategic goals and objectives, planning, and people development. The Management Development and Compensation Committee shall consider the compensation of the Chief Executive Officer, and make recommendations to the full Board concerning any adjustments. The independent directors shall determine the compensation of the Chief Executive Officer, based on such recommendation.

To assist the Board in identifying the Company's executive candidates, and reviewing executive succession possibilities, the Chief Executive Officer will report annually regarding the Company's succession planning for all key management positions. The Chief Executive Officer shall at all times make available his or her recommendations and evaluations of potential successors, along with a review of any development plans recommended for such individuals. The Board shall also be made aware, on a continuing basis, of the Chief Executive Officer's recommendation as to his/her successor if he/she should unexpectedly become unable to function in that role.

13. Annual Performance Evaluation

The Governance Committee will initiate an annual Board and Committee Self Assessment report as required by NYSE rules. The report will be reviewed with the Governance Committee, and the Governance Committee will report its findings and recommendations, if any, to the Board.