

INTERNATIONAL PAPER COMPANY
AUDIT AND FINANCE COMMITTEE CHARTER
(Amended and Restated as of December 11, 2018)

Purpose and Role of Audit and Finance Committee

The Audit and Finance Committee (the “Committee”) is appointed by the Board to assist the Board in five key oversight roles:

- Monitoring the integrity of the financial statements of the Company and financial reporting procedures.
- Reviewing the independent auditor’s qualifications and independence.
- Overseeing the performance of the Company’s internal audit function and independent auditors.
- Coordinating the compliance by the Company with legal and regulatory requirements relating to the use and development of the financial resources of the Company.
- Monitoring the risk of financial fraud involving management and ensuring that controls are in place to prevent, deter and detect fraud by management.

The Committee’s function is one of oversight. The Company’s management is responsible for preparing the Company’s financial statements and the independent auditors are responsible for auditing those financial statements. In adopting this Charter, the Board recognizes that the financial management and the independent auditors of the Company have more knowledge of, and more detailed information on, the Company than do members of the Committee. In carrying out its oversight responsibilities, the Committee is not providing any expert or special assurance as to the Company’s financial statements or any professional certification as to the independent auditor’s work. In addition, each Committee member shall be entitled to rely on the integrity of those persons, both internal and external, providing information to the Committee, and on the accuracy and completeness of such information, absent actual knowledge to the contrary.

Committee Membership

Members of the Committee and the Committee Chair shall be appointed by the Board, upon the recommendation of the Chairman of the Board and the Governance Committee and shall consist of no fewer than three members. All members of the Committee shall meet the independence and experience requirements of the New York Stock Exchange Listed Company Manual, Securities Exchange Act of 1934 (the “Exchange Act”), the rules and regulations of the Securities and Exchange Commission (“SEC”) and such other standards as may be established by the Governance Committee and the Board from time to time. At least one member of the Committee shall, in the judgement of the Board, be an “audit committee financial expert” as defined by the SEC, and at least one member (who may serve as the audit committee financial expert) shall, in the judgment of the Board, have accounting or related financial management expertise in accordance with the New York

Stock Exchange Listed Company Manual. All Committee members shall meet minimum financial literacy requirements.

Meetings

The Committee shall meet as often as it determines, but not less frequently than four times a year. The Committee shall meet periodically with the chief financial officer, the general counsel, the head of internal audit, and the independent auditor in separate executive sessions.

Committee Authority and Responsibilities

The Committee shall have the authority to select or replace the independent auditor. The Committee shall be responsible for the compensation and oversight of the work of the independent auditor. The independent auditor shall report directly to the Committee.

The Committee shall pre-approve all auditing services and permitted non-audit services to be performed for the Company by its independent auditor. The Committee may delegate authority to a subcommittee consisting of one or more Committee members or to the chief financial officer or his/her designee within certain specified limits, when appropriate, including the authority to grant pre-approvals of audit and permitted non-audit services. Decisions of such subcommittee or the chief financial officer or his/her designee relating to pre-approvals shall be presented to the full Committee at its next scheduled meeting.

The Committee shall have the authority, to the extent it deems necessary or appropriate, to retain independent legal, accounting or other advisors. The Company shall provide for appropriate funding, as determined by the Committee, for payment of compensation to the independent auditor for the purpose of rendering or issuing an audit report, or performing other audit, review or attest services for the Company; compensation to any advisors employed by the Committee; and ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties. In accordance with a process established by the Presiding Director, the Committee shall make regular reports to the Board, including reports on the Committee's activities and actions at Board meetings, and through the distribution of the minutes of Committee meetings.

In accordance with a process established by the Presiding Director, the Committee shall annually review and reassess the adequacy of this Charter and recommend any proposed changes to the Board for approval.

In accordance with a process established by the Presiding Director, the Committee shall annually review the Committee's own performance against its Charter and report to the Board on such evaluation.

The Committee shall prepare the report required by the rules of the SEC to be included in the Company's annual proxy statement.

The Committee further shall:

Financial Statement and Disclosure Matters

1. Review and discuss the annual audited financial statements and unaudited quarterly financial statements with management and the independent auditor, including disclosures made in management's discussion and analysis.
2. Discuss with management and the independent auditor significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including 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.
3. Review on a timely basis and discuss with management and the independent auditors:
 - (a) All critical accounting policies and practices that are relevant to the preparation of the Company's financial statements.
 - (b) All alternative disclosures or treatments of financial information within generally accepted accounting principles and/or International Financial Reporting Standards, as may apply, the ramifications of the use of such alternative disclosures or treatments, and the treatment preferred by the independent auditor.
 - (c) The effect of regulatory and accounting initiatives, as well as off-balance sheet transactions and structures, on the Company's financial statements.
 - (d) Other material written communications between the independent auditor and management, such as any management letter or schedule of unadjusted differences.
4. Review and discuss with management any policies relating to, and the types and presentation of information to be disclosed in connection with, the Company's earnings press releases, meetings with rating agencies, analysts, and regulatory bodies, paying particular attention to the use of non-GAAP financial information.
5. Receive and review, in conjunction with the chief executive officer and the chief financial officer of the Company, any disclosure from the Company's disclosure controls and procedures and internal control over financial reporting. The review of internal control over financial reporting shall include whether there are any significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to affect the Company's ability to record, process, summarize and report financial information and any fraud involving management or other employees with a significant role in internal control over financial reporting, and review any special audit steps adopted in light of such material control deficiencies.
6. Discuss with management the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies.

7. Discuss with the independent auditor the matters required to be discussed by the **PCAOB** relating to the conduct of the audit, including any difficulties encountered in the course of the audit work, any restrictions on the scope of activities or access to requested information, and any significant disagreements with management, and resolve, if necessary, any disagreements between management and the auditor regarding the Company's financial reporting.
8. Review disclosures made by the Company's chief executive officer and chief financial officer during their certification process for the Form 10-K and Form 10-Qs.

Oversight of the Independent Auditor

9. Obtain and review a report from the independent auditor at least annually regarding (a) the independent auditor's internal quality-control procedures, including its peer review report, (b) any inquiry or investigation by governmental or professional authorities, within the preceding five years, regarding one or more independent audits carried out by the independent auditor, and any steps taken to deal with any such issue, (c) relationships between the independent auditor and the Company.
10. Evaluate the qualifications, performance and independence of the independent auditor and present its conclusions with respect to the independent auditor to the Board on at least an annual basis.
11. Monitor the rotation of the lead audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit as required by law.
12. Establish policies for the Company's hiring of employees or former employees of the independent auditor who participated in the audit of the Company.

Oversight of the Company's Internal Audit Function

13. Review the organization of the internal audit department and the adequacy of its resources.
14. Review the results of internal auditors' examinations, including summaries of needs improvement audits and fraud investigations.
15. Discuss with the independent auditor and management the internal audit department responsibilities, budget and staffing and any recommended changes in the planned scope of the internal audit.
16. Review and advise on any removal of either the Company's Vice President, Corporate Audit or the chief ethics officer.

Compliance Oversight Responsibilities

17. Obtain from the independent auditor assurance that the Committee has been informed of any illegal act that the independent auditor becomes aware of.
18. Assist the Board with respect to the Company's policies and procedures regarding compliance with applicable laws.
19. 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.

20. Review management's antifraud programs and controls, including management's identification of fraud risks and implementation of antifraud measures.
21. Assess the potential for management override of internal controls or other inappropriate influence over the financial reporting process.
22. Address reports concerning evidence of any material violations of law and Helpline reports regarding questionable accounting or auditing matters.
23. Discuss with management and the independent auditor any correspondence with regulators or governmental agencies and any published reports that may raise material issues regarding the Company's financial statements or accounting policies.

Oversight of the Company's Financial Management

24. Review management's dividend recommendations, and recommend to the Board approval of dividends.
25. Review financing and capital structure plans, taking into consideration current and projected cash positions, proposals for significant new debt or equity issuance or changes in treasury stock.
26. Review the nature of any unusual or significant commitments or contingent liabilities including the Company's plans to manage foreign currency exposure, financing of non-U.S. operations, insurance and asset risk management and hedging strategies.
27. Review and recommend chief executive officer and/or chief financial officer approval authority for capital expenditures, financings, and acquisitions and divestments.
28. Review performance of Board approved capital projects and acquisitions versus projected performance.
29. Review reports from the Fiduciary Review Committee ("FRC") and the 401(k) Committee related to any of the funded retirement or benefit plans.