

**LOUISIANA-PACIFIC CORPORATION
FINANCE AND AUDIT COMMITTEE**

CHARTER

I. Composition of the Committee

A. Number of Members. The Finance and Audit Committee (the "Committee") of the Board of Directors (the "Board") of Louisiana-Pacific Corporation ("LP") shall consist of three or more directors of LP appointed by the Board. The Board may appoint and remove members of the Committee at any time, including alternate members to act in the place of any absent or disqualified members. A director must meet the qualification and independence requirements of 1.B below in order to be appointed as a regular or alternate member of the Committee, and any such member who ceases to meet such requirements shall then cease to be a member of the Committee. The Committee must have at least three members in order to act. The Board shall appoint a Chairman of the Committee.

B. Qualification; Independence.

1. No director who is or was an officer or employee of LP or any of its subsidiaries and affiliates (collectively, the "Company") may be a member of the Committee until at least five years after that employment relationship has ended.

2. Each member of the Committee must be independent of management and the Company and be free from any relationship that may interfere with the exercise of independent judgment as a Committee member.

3. Each member of the Committee must qualify as an "independent director" under the requirements of Section 303A.02 of the New York Stock Exchange Listed Company Manual (the "Manual"). No Committee member shall qualify as "independent" unless the Board has affirmatively determined that he or she has no material relationship with the Company, either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company and is not disqualified from being independent under the standards set forth in Section 303A.02(b) of the Manual.

4. Each member of the Committee must be financially literate or must become financially literate within a reasonable period of time after appointment to the Committee. The Board will determine, in its business judgment, whether a director meets the financial literacy requirement.

5. The Chairman of the Committee must have accounting or related financial management experience and expertise. The Board will determine, in its business judgment, whether a director meets the foregoing requirements prior to appointing such director as Chairman.

6. No director who is receiving, directly or indirectly, any consulting, advisory, or other compensatory fee from the Company (other than in his or her capacity as a member of the Board and any Board committee) may serve as a member of the Committee.

7. No director who is an "affiliated person" of the Company, as defined in Rule 10A-3 under the Securities Exchange Act of 1934 ("Exchange Act"), may serve as a member of the Committee.

8. No director who simultaneously serves on the audit committees of more than two other companies that file reports under Section 13(a) or 15(d) of the Exchange Act may simultaneously serve as a member of the Committee unless the Board has affirmatively determined that such services on other audit committees would not impair the ability of the director to effectively serve on the Committee. If any such determination is made, it shall be disclosed in the subsequent annual proxy statements of LP.

II. Meetings of the Committee

A. Regular Meetings. The Committee shall hold at least four face-to-face meetings per year. The Chairman of the Committee will, in consultation with the other members of the Committee, LP's independent auditor and the appropriate officers of LP, be responsible for calling such meetings, establishing the agenda therefor and supervising the conduct thereof.

B. Special Meetings. Special face-to-face or telephonic meetings may be called at any time by the Chairman of the Committee or any two members of the Committee. The person or persons calling any such meeting shall establish the agenda therefor, and the Chairman of the Committee shall supervise the conduct thereof.

C. Minutes. The Committee shall keep minutes of all of its meetings showing all matters considered by it and the actions taken thereon, and shall provide to the Board a report of each meeting at the next regular meeting of the Board.

D. Quorum and Manner of Acting. A majority of the members of the Committee shall be present in person at any meeting of the Committee in order to constitute a quorum for the transaction of business at such meeting. The affirmative vote of a majority of the members of the Committee present at a meeting at which a quorum is present, or the written consent of all of the members of the Committee without a meeting, shall be the act of the Committee.

III. Purpose of the Committee

A. Oversight. The Committee shall assist the Board in fulfilling its oversight responsibilities relating to the integrity of LP's financial statements, the Company's compliance with legal and regulatory requirements, the independent auditor's qualifications and independence, the performance of LP's internal audit function and independent auditors, and the adequacy of LP's accounting and internal control systems. Subject to the specific responsibilities that are set forth in this charter, it is not the responsibility of the Committee to plan or conduct audits or to determine that LP's financial statements are complete and accurate or are in compliance with generally accepted accounting principles ("GAAP"), which are responsibilities of management and the independent auditor, or to resolve disputes, if any, between management and the independent auditor.

B. Annual Proxy Report. The Committee shall prepare the report of the Committee that is required by the rules of the Securities and Exchange Commission to be included in LP's annual proxy statements.

IV. Responsibilities and Duties of the Committee

A. Independent Auditor and Audit Matters. With respect to matters relating to LP's independent auditor and audit matters, the Committee shall:

1. Selection of Auditor. Have the sole authority and responsibility (subject to shareholder ratification, if applicable) to select, retain, oversee and replace LP's independent auditor firm (the "Auditor") to be employed to perform the annual audits of LP's financial statements and reviews and audits of LP's financial, accounting, auditing and internal control systems and internal controls over financial reporting. The Auditor shall report directly to the Committee, shall be ultimately accountable to the Committee and the Board, and shall have unrestricted access to the Committee and the Board.

2. Compensation and Services of Auditor. Have the sole authority to determine and approve all compensation to be paid to LP's Auditor for audit services and legally-permitted non-audit services performed on LP's behalf and the terms of all engagements for such services. All such audit and non-audit services shall be approved by the Committee in advance of their performance. The Committee may delegate to one or more designated members of the Committee the authority to grant such preapprovals, provided that any such preapproval shall be presented to the full Committee at its next scheduled meeting.

3. Annual Evaluation of Auditor. At least annually obtain and review a written report by the Auditor firm describing (a) the Auditor's internal quality-control procedures, (b) any material issues raised by the most recent internal

quality-control review, or peer review, of the Auditor or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the Auditor, and any steps taken to deal with any such issues, and (c) all relationships between the Auditor and the Company. The Committee shall annually evaluate the Auditor's qualifications, performance and independence, based on its review of the foregoing report and the Auditor's work throughout the year, and will present the results of each such evaluation to the full Board.

4. Auditor Report on Accounting Issues. Require the Auditor to timely report to the Committee (a) all critical accounting policies and practices to be used, (b) all alternative treatments of financial information within GAAP that have been discussed with Company management, the ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the Auditor and (c) other material written communications between the Auditor and Company management, such as any management letter or schedule of unadjusted differences.

5. Review of Audit Results. Periodically meet with the Auditor and management to (a) review and discuss the results of the audits and reviews described in IV.A.1 above, (b) review and discuss the annual audited financial statements and quarterly financial statements, including LP's specific disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations" and (c) review and approve in advance annual audit plans of the Auditor.

6. Audit Issues and Disagreements. Regularly meet with the Auditor, which meetings may include management, to review any audit problems or difficulties and management's responses, including any restrictions on the scope of the Auditor's activities or on access to requested information and to resolve any disagreements with management and the Auditor regarding financial reporting. The review shall include any significant disagreements between the Auditor's LP audit team and its national office regarding auditing or accounting issues arising from the audit. The review shall also include a discussion of the responsibilities, budget and staffing of LP's internal audit function.

7. Review of Periodic Reports. Require that the Auditor review the financial information in LP's quarterly reports on Form 10-Q prior to filing such reports with the Securities and Exchange Commission and that appropriate reconciliations and descriptions of any adjustments to the quarterly information previously reported on a Form 10-Q for any quarter be made and be reviewed by the Auditor.

8. Review of Auditor Opinions. Review the opinions to be rendered by the Auditor in connection with its audits of LP's financial statements and its attestation and report on management's internal control report.

9. Employment of Auditors for Subsidiaries. Request LP's subsidiary and affiliated companies to employ such independent auditors (all of which shall be accountable to the Committee and the Board) as the Committee deems appropriate to audit the respective financial statements of such subsidiary and affiliated companies.

10. Annual Proxy Report of Committee. Prepare an annual report of the Committee, for inclusion in LP's annual proxy statement, stating whether the Committee has:

- reviewed and discussed the audited financial statements with management
- discussed with the Auditor the matters required to be discussed by Statement on Auditing Standards No. 61
- received the written disclosures and the letter from the Auditor required by Independence Standards Board Standard No. 1, and discussed with the Auditor the Auditor's independence
- based upon the foregoing, recommended to the Board that the audited financial statements be included in LP's Annual Report on Form 10-K for the last fiscal year

B. Internal Audit Function and Control Systems. With respect to matters relating to LP's internal audit function and internal control systems, the Committee shall:

1. Regularly review the scope, coverage and objectivity of the audits performed by LP's Internal Audit Department and its annual internal audit plans, as well as the responsibilities, budget, resources, internal charter and staffing for LP's internal audit function.

2. Ensure that LP's Director of Internal Audit and LP's internal auditors have unrestricted access to the Committee. Discuss with management any proposed appointment, replacement or dismissal by LP of LP's Director of Internal Audit.

3. Periodically review the adequacy and effectiveness of the Company's internal legal compliance programs, internal control systems, disclosure controls and procedures and internal controls over financial reporting, including any special audit steps adopted in light of any material control deficiencies.

4. Periodically review LP's guidelines, policies and programs with respect to risk assessment and risk management, including the steps being taken by management to monitor and control LP's major financial risk exposures.

C. Financial and Financial Reporting Matters. With respect to financial and financial reporting matters, the Committee shall:

1. Make recommendations to the Board on matters relating to the financial affairs and policies of the Company including, without limitation, capital structure issues, dividend policy, treasury stock purchases, acquisitions and divestitures, external financing, complex financial transactions and investment and debt policies.

2. Review and discuss with management the status of significant legal and tax matters and the potential financial implications thereof.

3. Review and discuss with management (a) major issues regarding accounting principles and financial statement presentations, including any significant changes in LP's selection or application of accounting principles and the effects, if any, of such changes on LP's financial statements, (b) significant financial reporting issues and judgments made in connection with the preparation of LP's financial statements, including the effects of alternative GAAP methods on the financial statements, and (c) the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, if any, on LP's financial statements.

4. Review and discuss with management, in advance, the financial results to be included in LP's Annual Report to Stockholders and in filings with the Securities and Exchange Commission.

5. Review and discuss with management, in advance, LP's earnings press releases (paying particular attention to any use of "pro forma," or "adjusted" non-GAAP, information) as well as financial information and earnings guidance, if any, provided to analysts and rating agencies.

6. Discuss with LP management significant risk management failures, if any, including management's responses thereto.

D. Other Responsibilities and Duties.

1. In order to effectively perform its oversight responsibilities and duties, the Committee shall meet separately, periodically, with LP management, with LP's internal auditors, and with the Auditor.

2. In the course of fulfilling its duties the Committee shall, as it deems appropriate, obtain advice and assistance from outside legal, accounting or other

advisors and shall have the authority to engage independent counsel and other advisors without approval from the Board or LP management as the Committee determines necessary to carry out its duties.

3. The Committee shall establish for LP clear hiring policies with respect to employees or former employees of any current or past independent auditor for LP.

4. The Committee shall, on at least a quarterly basis, review with the Board any issues that arise with respect to the quality or integrity of LP's financial statements, the Company's compliance with legal or regulatory requirements, the performance and independence of the Auditor, or the performance of LP's internal audit function.

5. The Committee shall establish 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 the Company of concerns regarding questionable accounting or auditing matters.

6. The Committee shall annually review and reassess the adequacy of the Committee's Charter.

7. The Committee shall have such other responsibilities and perform such other duties as may be assigned to the Committee from time to time by the Board.

E. Performance Evaluation of the Committee. The Committee shall annually conduct a self-evaluation of its effectiveness and its compliance with the Committee's Charter and applicable rules of regulatory bodies. The Committee shall report its findings and conclusions to the Board at the next regular Board meeting following completion of each such evaluation.

Dated: January 29, 2005