

**LOUISIANA-PACIFIC CORPORATION  
COMPENSATION COMMITTEE**

**CHARTER**

I. Composition of the Committee

A. Number of Members. The Compensation 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. There shall at all times be at least two members of the Committee who meet all of the qualification requirements set forth in IV.D below.

## II. Meetings of the Committee

A. Regular Meetings. The Committee shall hold at least two face-to-face meetings each year. The Chairman of the Committee will, in consultation with the other members of the Committee, 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. Executive Compensation. The Committee shall discharge the Board's responsibilities and exercise all authority of the Board relating to the compensation of the Executive Officers of LP. The term "Executive Officers" for this purpose shall mean the Chief Executive Officer (the "CEO") and the other executive officers of LP who are, from time to time, designated as such by the Board for purposes of Section 16 of the Securities Exchange Act and any other officers of LP who are specifically designated by the Board as being subject to the authority of the Committee set forth herein. "Compensation" for this purpose shall include all forms of compensation including, without limitation, salaries, bonuses, fringe benefits, incentive compensation, equity-based compensation, retirement benefits, and severance pay and benefits, and compensation and benefits in the event of a change in control of LP.

B. Annual Report on Executive Compensation. The Committee shall prepare each year an annual report on executive officer compensation, for inclusion in LP's annual proxy statement, in accordance with the requirements of Item 402 of Regulation S-K of the Securities and Exchange Commission.

## IV. Responsibilities and Duties of the Committee

A. Executive Officer Compensation. The Committee shall, at least annually, review and establish the compensation levels for the CEO and all other Executive Officers of LP. In so doing, the Committee shall review and approve LP corporate goals

and objectives relevant to Executive Officer compensation, evaluate the performance of the CEO and other Executive Officers in light of those goals and objectives and, either as a committee or together with LP's other independent directors (as may be directed by the Board), determine and approve the CEO and other Executive Officer compensation levels based upon this evaluation.

B. Compensation and Benefit Plans. The Committee shall administer each compensation and benefit plan of the Company to the extent that administrative authority with respect to such plan is delegated to the Committee under the terms of the plan or by action of the Board. The Committee shall also make recommendations to the Board from time to time as it deems appropriate regarding proposed amendments to the Company's existing compensation and benefit plans and the proposed adoption of new plans.

C. Incentive and Equity-Based Compensation Plans. Subject to the provisions of IV.D below, the Committee shall administer with full authority each incentive compensation plan and each equity-based compensation plan of the Company with respect to the participation therein of the CEO and Executive Officers. The Committee shall annually review all such incentive and equity-based plans as applicable to all participants and make recommendations to the Board with respect to such plans that are subject to Board approval.

D. Subcommittee for Performance and Equity-Based Compensation. A special subcommittee of the Committee (the "Subcommittee") shall have full authority to approve and administer all "performance based compensation," as defined in Treasury Regulation §1.162-27(e), of the CEO and other Executive Officers whose compensation is, or is expected to be, subject to the limitation on deductibility under Section 162(m) of the Code, and all stock options and other stock-based awards that are intended to be exempt from short-swing profit liability under Rule 16b-3 of the Securities and Exchange Commission. The responsibilities of the Subcommittee shall include, without limitation, establishing, administering, and certifying the attainment of performance goals in connection with such performance based compensation and the establishment of criteria for the granting of stock options and other stock-based awards referred to above. The members of the Subcommittee shall be all of those members of the Committee who fit within the definition of "outside directors" in Treasury Regulation § 1.162-27(e)(3)(l) and the definition of "non-employee director" in Rule 16b-3(b)(3)(i) under the Securities Exchange Act. There shall always be at least two members of the Subcommittee.

E. Compensation Consultants. The Committee in its sole discretion may retain the services of outside compensation consultants to assist the Committee in the evaluation of CEO and other Executive Officer compensation and in making other determinations with respect to compensation matters that are within the authority of the Committee. The Committee shall have the sole authority to retain and terminate such consultants and to approve the fees and other retention terms for such consultants.

F. 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 the completion of each such evaluation.

Dated: January 29, 2005