

LOUISIANA-PACIFIC CORP
Form DEF 14A
March 17, 2011
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to Section 240.14a-12

Louisiana-Pacific Corporation

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement if other than the Registrant)

Payment of Filing Fee (check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

1) Title of each class of securities to which transaction applies:

2) Aggregate number of securities to which transaction applies:

3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

4) Proposed maximum aggregate value of transaction:

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1) Amount Previously Paid:

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3) Filing Party:

4) Date Filed:

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LOUISIANA-PACIFIC CORPORATION
414 Union Street, Suite 2000
Nashville, Tennessee 37219
(615) 986-5600

Proxy Statement and
Notice to Stockholders of
Annual Meeting
May 5, 2011

March 17, 2011

Dear Stockholder:

On behalf of the Board of Directors, I cordially invite you to attend the Annual Meeting of Stockholders of Louisiana-Pacific Corporation. The meeting will be held on Thursday, May 5, 2011, at 1 p.m. at LP's Corporate Headquarters, 414 Union Street, Suite 2000, Nashville, Tennessee. We look forward to personally greeting those stockholders able to be present.

At this year's meeting, you will be asked to vote on the election of three directors, the ratification of the selection of LP's outside independent auditor, and two advisory votes relating to executive compensation and the frequency of such votes. Your Board of Directors unanimously recommends a vote **for** each of the first three proposals and, in the case of the fourth, that advisory votes on executive compensation be held **annually**. Action will also be taken on any other matters that are properly presented at the meeting.

Regardless of the number of shares you own, it is important that they be represented and voted at the meeting whether or not you plan to attend. Accordingly, you are encouraged to vote as soon as possible according to the instructions in the notice you received by mail or in the proxy statement.

The accompanying proxy statement contains important information about the annual meeting and your corporation. On behalf of the Board of Directors, thank you for your continued interest and support.

Sincerely,

Richard W. Frost

Director & Chief Executive Officer

LP is a trademark of Louisiana-Pacific Corporation.

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LOUISIANA-PACIFIC CORPORATION

414 Union Street, Suite 2000

Nashville, Tennessee 37219

(615) 986-5600

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

May 5, 2011

The 2011 Annual Meeting of Stockholders of Louisiana-Pacific Corporation (LP) will be held at LP 's Corporate Headquarters, 414 Union Street, Suite 2000, Nashville, Tennessee, on Thursday, May 5, 2011, at 1 p.m. local time, to consider and vote upon the following matters:

1. Election of three Class II directors.
2. Ratification of the selection of Deloitte & Touche LLP as LP 's independent auditor for 2011.
3. Advisory vote on compensation.
4. Advisory vote on frequency of advisory vote on executive compensation.

Only stockholders of record at the close of business on March 7, 2011, are entitled to notice of and to vote at the meeting.

In accordance with the General Corporation Law of the State of Delaware, a complete list of the holders of record of LP 's Common Stock entitled to vote at the meeting will be open to examination, during ordinary business hours, at LP 's headquarters located at 414 Union Street, Suite 2000, Nashville, Tennessee 37219, for the ten days preceding the meeting, by any LP stockholder for any purpose germane to the meeting.

Admission to the meeting will be by ticket. The notice you received in the mail regarding the meeting will serve as your admission ticket. If you are a stockholder whose shares are held through an intermediary such as a bank or broker and you wish to attend the meeting, you may also obtain an admission ticket by presenting proof of share ownership, such as a bank or brokerage account statement, at the meeting entrance.

/s/ MARK A. FUCHS
MARK A. FUCHS
Secretary

Nashville, Tennessee

March 17, 2011

Whether or not you expect to attend the meeting, please vote as soon as possible according to the instructions in the notice you received by mail or, if you requested a paper copy of the proxy statement, on your enclosed proxy card. If you attend the meeting, you may withdraw your proxy and vote in person.

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On written request, LP will provide, without charge, a copy of its Form 10-K Annual Report for 2010 filed with the Securities and Exchange Commission (including the financial statements and a list briefly describing the exhibits thereto) to any record holder or beneficial owner of LP's Common Stock on March 7, 2011, the record date for the 2011 Annual Meeting, or to any person who subsequently becomes such a record holder or beneficial owner. The reports will be available for mailing in late March 2011. Requests should be sent to: Corporate Affairs, Louisiana-Pacific Corporation, 414 Union Street, Suite 2000, Nashville, Tennessee 37219.

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PROXY STATEMENT

Louisiana-Pacific Corporation, a Delaware corporation (LP), is soliciting proxies on behalf of its Board of Directors to be voted at the 2011 Annual Meeting of Stockholders (including any postponement or adjournment of the meeting). This proxy statement and the accompanying proxy card are being distributed to stockholders beginning on approximately March 17, 2011.

VOTING PROCEDURE

As allowed by rules and regulations of the Securities and Exchange Commission (the SEC), we are providing access to this proxy statement by Internet. You will not receive a paper copy of this proxy statement by mail unless you request it. Instead, you were sent a notice (the Notice) providing instructions on how to view this proxy statement and vote your proxy by Internet.

If you requested a paper copy of this proxy statement, a proxy card is enclosed for your use. To vote by mail, please sign, date, and return the proxy card promptly. For your convenience, a return envelope is enclosed, which requires no postage if mailed in the United States. You may indicate your voting instructions on the proxy card in the spaces provided. Properly completed proxies will be voted as instructed. If you return a proxy without indicating voting instructions, your shares will be voted in accordance with the recommendations of the Board of Directors for Items 1, 2 and 3 listed in the Notice of Annual Meeting of Stockholders, and for a frequency of **one year** with regard to Item 4.

If you vote your proxy prior to the meeting, you may revoke it (1) by filing either a written notice of revocation or a properly signed proxy bearing a later date with the Secretary of LP at any time before the meeting, (2) by voting in person at the annual meeting, or (3) by following the instructions in the Notice.

If shares are held for your account in the Automatic Dividend Reinvestment Plan administered by Computershare Trust Company, N.A., all your shares held in the plan will be voted in the same manner as shares you vote by proxy. If you do not vote by proxy, the shares held for your account in the plan will not be voted.

Only stockholders of record at the close of business on March 7, 2011, are entitled to receive notice of the annual meeting and to vote at the meeting. At the record date, there were 132,145,701 shares of common stock, \$1 par value (Common Stock) outstanding. Each share of Common Stock is entitled to one vote on each matter to be acted upon. A majority of the outstanding shares of Common Stock represented at the meeting will constitute a quorum. Additional information concerning holders of outstanding Common Stock may be found under the heading Holders of Common Stock below.

The Board of Directors has adopted a confidential voting policy which provides that the voting instructions of stockholders are not to be disclosed to LP except (a) in the case of communications intended for management, (b) in the event of certain contested matters, or (c) as required by law. Votes will be tabulated by independent tabulators and summaries of the tabulation will be provided to management.

Banks and brokers acting as nominees for beneficial owners are not permitted to vote proxies with regard to Items 1, 3 and 4 on behalf of beneficial owners who have not provided voting instructions to the nominee (a broker non-vote), making it especially important that, if you hold your shares in street name, you send your broker your voting instructions.

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ITEM 1 ELECTION OF DIRECTORS

Nominees

The three nominees listed below for the Class II director positions to be voted on at the meeting are currently members of the Board of Directors. The term of office for the positions to be voted on will expire at the Annual Meeting of Stockholders in 2014.

The Board of Directors has determined that each of the nominees named below has no material relationship with LP, either directly or as a partner, stockholder, officer or director of an organization that has a relationship with LP, and is not disqualified from being independent under the listing standards adopted by the New York Stock Exchange (the NYSE) and approved by the SEC. The continuing members of the Board of Directors unanimously recommend a vote for each nominee.

E. Gary Cook

Nominee for Term Expiring 2014

E. Gary Cook, age 66, became a director of LP in 2000 and was appointed Chairman of the Board of Directors on November 1, 2004. Currently, Mr. Cook is Chief Executive Officer and Chairman of InEnTec Chemical, LLC. Mr. Cook was Chairman, President and Chief Executive Officer of Witco Corporation, a global specialty chemicals company, from 1996 until his retirement in 1999. Until 1996, he was President, Chief Operating Officer, and a director of Albemarle Corporation, a global specialty chemicals company spun off from Ethyl Corporation in 1994, where Mr. Cook had been a Senior Vice President and director since 1992. Mr. Cook was previously a director of Trimeris Corporation. Mr. Cook was selected to serve as a director because of his leadership abilities and broad experience in specialty and commodity products. Mr. Cook's experience at a number of large publicly traded companies affords him significant expertise in finance, capital markets and mergers and acquisitions. Mr. Cook serves as the nonexecutive Chairman, the Chair of both the Nominating and Corporate Governance Committee and the Executive Committee, and as a member of the Finance and Audit Committee. In these roles he applies his significant leadership capabilities in developing and maintaining a strong, diverse and independent Board with committees that work effectively to protect the integrity of the corporation as well as stockholder interests.

Kurt M. Landgraf

Nominee for Term Expiring 2014

Kurt M. Landgraf, age 64, became a director of LP in 2005. Mr. Landgraf has been President and Chief Executive Officer of Educational Testing Service, a private, nonprofit educational testing and measurement organization based in Princeton, New Jersey, since August 2000. Prior to that, he was Executive Vice President and Chief Operating Officer of E.I. du Pont de Nemours and Company (du Pont), a science and technology company based in Wilmington, Delaware. Mr. Landgraf is also a director of Corning, Inc., a technology manufacturing company. Mr. Landgraf was previously a director of IKON Office Solutions, Inc. He has chaired the National Pharmaceutical Council, United Way of Delaware, the Delaware Association for Rights of Citizens with Mental Retardation, and Delaware CarePlan. He recently completed a term as President of the National Consortium for Graduate Degrees for Minorities in Engineering and Sciences, Inc. Mr. Landgraf was selected to serve as a director because he possesses valuable financial expertise, including extensive experience with capital markets transactions and investment in both public and private companies. He has held director and senior positions in global industrial and technology-dependent businesses, which provides the Company with informed judgment and unique history for risk assessment. His experience on Corning's Finance and Audit Committee and as Chief Financial Officer of du Pont is valuable to the Board. Mr. Landgraf serves on the Finance and Audit Committee and the Compensation Committee.

John W. Weaver

Nominee for Term Expiring 2014

John W. Weaver, age 65, became a director of LP in February 2010. Mr. Weaver served as President and Chief Executive Officer of Abitibi-Consolidated, Inc., a manufacturer of building products and paper products from 1999 until it merged with Bowater, Inc. in October 2007, at which time he became the Executive Chairman of AbitibiBowater, Inc. Mr. Weaver resigned as Executive Chairman of AbitibiBowater, Inc. as of February 1,

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2009 and from the Board of AbitibiBowater, Inc. as of October 31, 2009. AbitibiBowater, Inc. filed for protection and reorganization under the Bankruptcy laws of Canada and the United States in April 2009 and emerged in December 2010. Mr. Weaver held a number of senior executive positions in operations and sales prior to being appointed President and Chief Executive Officer of Abitibi-Consolidated, Inc. He has over 30 years of experience in the forest products industry. Mr. Weaver was a member of the Abitibi-Consolidated, Inc. board of directors, and has been the chair of both the Forest Products Association of Canada and FP Innovations and a director of the U.S. Endowment for Forestry and Communities. Mr. Weaver was selected to serve as a director because he possesses valuable operational expertise in the forest products industry. The Board believes it is important to have an independent director on the Board with direct industry operating knowledge. Further, Mr. Weaver has significant forest products experience in Canada and provides a political, regulatory, and economic perspective in a country where a significant portion of LP's operations take place. Mr. Weaver serves on the Nominating and Corporate Governance Committee and the Environmental and Compliance Committee.

Your shares represented by a properly completed and returned proxy card will be voted FOR the election of the three nominees named above unless authority to vote is withheld (Item 1 on the proxy card). If any nominee becomes unavailable to serve (which is not anticipated), your proxy will be voted for a substitute nominee designated by the Board of Directors. The three nominees receiving the highest total number of votes will be elected. Shares not voted for the election of directors, whether because authority to vote is withheld, the record holder fails to return a proxy, or a broker non-vote, will not count in determining the total number of votes for each nominee.

Continuing Directors

The current members of the Board of Directors whose terms of office will continue beyond the 2011 Annual Meeting of Stockholders are listed below. The Board of Directors has determined that each continuing director named below, except for our CEO, Mr. Frost, has no material relationship with LP, either directly, or as a partner, stockholder, officer or director of an organization that has a relationship with LP, and is not disqualified from being independent under the NYSE's listing standards.

*Lizanne C. Gottung**Current Term Expires 2013*

Lizanne C. Gottung, age 54, became a director of LP in 2006. Ms. Gottung has been Senior Vice President of Human Resources of Kimberly-Clark Corporation since 2002. She has held a variety of human resources, manufacturing and operational roles of increasing responsibility with Kimberly-Clark Corporation over the past 25 years. The Board selected Ms. Gottung to serve as a director based on her valuable experience in labor relations and human resources in a large publicly held corporation. Ms. Gottung has extensive experience in leading, designing and implementing human capital strategies, including compensation and benefits, both domestically and globally, talent management, diversity and inclusion, organizational effectiveness and corporate health services. Ms. Gottung is a member of the Environmental and Compliance Committee and the Compensation Committee. Ms. Gottung provides valuable insight and advice to the Board in evaluating a variety of labor and employment issues, encourages diverse perspectives, and provides advice regarding LP's employment compliance matters.

*Dustan E. McCoy**Current Term Expires 2013*

Dustan E. McCoy, age 61, became a director of LP in 2002. Mr. McCoy has been Chairman and Chief Executive Officer and a director of Brunswick Corporation, a recreation products company headquartered in Lake Forest, Illinois, since December 2005. He joined Brunswick Corporation in September 1999 as its Vice President, General Counsel and Corporate Secretary and became President of Brunswick Boat Group in 2000, which position he held until December 2005. He was previously Executive Vice President of Witco Corporation, a global specialty chemical company headquartered in Greenwich, Connecticut, from January to September 1999 and was Witco's Senior Vice President, General Counsel and Corporate Secretary from July 1996 until December 1998. Mr. McCoy is also a director of Freeport-McMoran Copper & Gold Inc. The Board selected Mr. McCoy to serve as a director because of his extensive experience in legal and compliance matters generally,

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and more specifically his experience in corporate governance and disclosure matters for publicly traded companies. Mr. McCoy's more recent experience serving as Chairman and Chief Executive Officer of a large, global company provides him with a broad understanding of the operational, financial and strategic issues facing our company. Mr. McCoy provides leadership and oversight in LP's compliance matters as Chair of the Environmental and Compliance Committee and as a member of the Nominating and Corporate Governance Committee. Also, having worked in leadership roles for companies producing both commodity and specialty products, he provides valuable strategic advice to the Board and management in advancing LP's interests.

*Colin D. Watson**Current Term Expires 2013*

Colin D. Watson, age 69, became a director of LP in 2000. Mr. Watson was President and Chief Executive Officer of Vector Aerospace Corporation, a company providing aviation overhaul and repair services with executive offices in Toronto, Ontario, Canada, from November 2003 until he retired in December 2004. Previously, he was Vice Chairman of the Board of Spar Aerospace Limited, an aviation services company with headquarters in Toronto, Ontario, Canada, from December 1999 until his retirement from the Spar Aerospace board in January 2002. He also served as Chief Executive Officer of Spar Aerospace from December 1999 to December 2000, and President and Chief Executive Officer from 1996 to November 1999. From 1979 to 1996, Mr. Watson was President and Chief Executive Officer of Rogers Cable TV, Ltd. Mr. Watson is also a director of Rogers Communications Inc., a diversified Canadian communications and media company, and was previously a director of Arpeggio Acquisition Corporation and Rhapsody Acquisition Corp. The Board selected Mr. Watson to serve as a director because of his extensive financial and investment experience in addition to his experience in operations in Canada. Mr. Watson is a citizen of Canada and he assists the Board in assessing the political and economic situation in Canada, where a significant portion of LP's operations are located. Mr. Watson's experience in senior leadership roles and as a board member in a publicly traded company, along with his various roles in a number of private companies, affords significant financial and leadership capabilities. Mr. Watson is a member of the Finance and Audit Committee and is the Chair of the Compensation Committee.

*Archie W. Dunham**Current Term Expires 2012*

Archie W. Dunham, age 72, became a director of LP in 1996. Until September 30, 2004, he was Chairman of the Board and a director of ConocoPhillips, an international, integrated energy company. He served in various senior executive positions with Conoco Inc., including most recently as Chairman, President and Chief Executive Officer, for more than five years prior to its merger with Phillips Petroleum Company in 2002. Mr. Dunham is currently a director of Pride International, Inc., and Union Pacific Corporation, and previously served as a director of Phelps Dodge Corporation until it merged with Freeport-McMoran Copper & Gold Inc. Mr. Dunham was selected to serve as a director because of his leadership abilities and experience in volatile commodity markets. He has significant financial, investment and acquisition experience. He has led international operations and is uniquely qualified to provide a global political and economic perspective and assists the Board in assessing risk and global growth opportunities. Mr. Dunham serves as the Chair of the Finance and Audit Committee and as a member of the Compensation Committee and Executive Committee.

*Daniel K. Frierson**Current Term Expires 2012*

Daniel K. Frierson, age 69, became a director of LP in 2003. Mr. Frierson has been Chairman and Chief Executive Officer of The Dixie Group, Inc., a manufacturer and distributor of high-end carpet and rugs headquartered in Chattanooga, Tennessee, for more than 15 years. He is also a director of Astec Industries, Inc., a leading manufacturer of road-building equipment, and was previously a director of Wellman, Inc. Mr. Frierson was selected to serve as a director because he possesses valuable operational expertise in a specialty products based industry that sells into LP's primary outlets of distribution: residential construction and residential repair/remodel. Mr. Frierson assists the Board in risk evaluation and sales and market influences. Further, Mr. Frierson's experience as a CEO in a publicly traded organization provides significant perspective and guidance in corporate governance, disclosure and communications to stockholders and regulatory matters. Mr. Frierson serves on the Nominating and Corporate Governance Committee and the Environmental and Compliance Committee.

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Richard W. Frost

Current Term Expires 2012

Richard W. Frost, age 59, has been a director and Chief Executive Officer of LP since November 1, 2004. He is also a director of Tractor Supply Company, an operator of retail farm and ranch stores headquartered in Nashville, Tennessee. He was selected to serve as a director of LP because he is the Chief Executive Officer. Mr. Frost, who joined LP in 1996, previously held a number of important positions in the company including Executive Vice President, Commodity Products, Procurement and Engineering, Executive Vice President, OSB, Procurement and Engineering, and Vice President, Timberlands and Procurement in which he undertook the development of LP's centralized procurement program, led the expansion of OSB into South America, and was in charge of the operations in LP's largest business segments. Mr. Frost has an expansive knowledge of the forest products industry in North and South America, and brings a unique and valuable perspective to the Board. He also acts as the primary liaison between the Board and management. Mr. Frost is a member of the Environmental and Compliance Committee and Executive Committee.

Principles of Corporate Governance

Strong corporate leadership of the highest ethics and integrity has long been a major focus of LP's Board of Directors and management. The key tenets of LP's corporate governance principles include the following:

A majority of the directors and all members of the Finance and Audit, Compensation, and Nominating and Corporate Governance Committees must be independent. To be considered independent under the corporate governance principles, a director must meet applicable standards imposed by the SEC and the NYSE, as well as additional requirements. The additional requirements are that the director: (1) is free of any relationship that may interfere with the exercise of his or her independent judgment as a director, and (2) has not been an officer or employee of LP (including its subsidiaries or affiliates) at any time in the past five years. The Board has determined that each current director other than Mr. Frost is independent under these standards. The two committees on which Mr. Frost serves are the Executive Committee and the Environmental and Compliance Committee. LP's independence standards are available on its website together with the rest of the corporate governance standards, as summarized below.

LP separated the position of Chairman of the Board and Chief Executive Officer in 2004 in order to more clearly distinguish the roles and duties of each position and enhance the independence of the Board. As a result, the Chairman of the Board has been designated to preside at Board meetings and executive sessions so long as he or she is an independent director. In the Chairman's absence, the Board would designate another independent director to preside at these meetings.

The independent directors meet in executive session without management present in connection with each quarterly Board meeting.

Following any material change in employment or business association, a director must tender his or her resignation for consideration by the Board, which may choose not to accept it.

Directors must retire as of the date of the next annual meeting of stockholders after attaining age 75.

Directors are provided with orientation and continuing education opportunities relating to performance of their duties as directors.

The composition, structure, purpose, responsibilities and duties of each of the standing Board committees other than the Executive Committee are set forth in written charters approved from time to time by the Board.

The Board and Board committees have authority to engage outside advisors, including outside legal counsel, who are independent of management to provide expert or legal advice to the directors.

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The Nominating and Corporate Governance Committee oversees annual evaluations of the effectiveness of the Board and operations of Board committees, and communicates the results of these evaluations to the full Board.

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LP has adopted a Code of Business Conduct and Ethics applicable to all directors, officers, and employees and a separate Code of Ethics for Senior Financial Officers, including the Chief Executive Officer, which relates to conflicts of interest and full, fair and accurate financial reporting. The Code of Business Conduct and Ethics addresses, among other matters, conflicts of interest, corporate opportunities, confidentiality, fair dealing, protection and proper use of company assets, legal and regulatory compliance, and reporting of illegal or unethical behavior. Waivers of either code with respect to directors and executive officers may be made only by the Board or a Board committee to which this responsibility is delegated, and will be promptly disclosed to LP's stockholders by posting on LP's website at www.lpcorp.com. In 2010, there were no waiver requests.

LP's Chief Executive Officer is responsible for maintaining a succession planning process with respect to top management positions and to report to the Board annually regarding specific assessments and recommendations.

The Board adopted stock ownership guidelines for both outside directors and executive officers. The guidelines specify target amounts of share ownership. Each outside director is expected to acquire and hold a number of shares equal in value to five times the regular annual cash retainer for directors within five years of joining the Board. The guidelines for executive officers are discussed under the heading "Additional Policies and Guidelines Affecting Executive Compensation" starting on page 32.

LP's Insider Trading Policy prohibits LP's directors, executive officers, senior management and certain other key managers from engaging in hedging or speculative transactions involving LP common stock, including buying or selling put or call options or entering into forward sale contracts.

Current copies of LP's corporate governance principles, Code of Business Conduct and Ethics, and Code of Ethics for Senior Financial Officers are available on LP's website at www.lpcorp.com by clicking on "About LP", then "Investor Relations", then "Corporate Governance". Any amendments to either code will also be posted at www.lpcorp.com. Copies of any of these documents may also be obtained free of charge by writing to Corporate Affairs, Louisiana-Pacific Corporation, 414 Union Street, Suite 2000, Nashville, Tennessee 37219.

Leadership Structure and Oversight of Risk

Board Leadership Structure

The Board has nine members with a diverse set of skills and experiences. All of the members, except the Chief Executive Officer, are independent. In 2004, the Board determined, for the purpose of enhancing the Board's independence and effectiveness, that it was in the best interests of LP and its stockholders to separate the Chairman position from the CEO. An independent director, Gary Cook, was elected by the Board to be the nonexecutive Chairman. The Board continues to also have full access to the experience and insight of the CEO, as he is a member of the Board. If in the future, the Board determines that it is then in the best interests of LP and its stockholders to combine the Chairman and CEO positions, it will disclose its reasoning for modifying this structure.

The Chairman's duties include: preparing agendas for Board meetings in consultation with other directors and management, chairing meetings of the Board and executive sessions of the independent directors, chairing meetings of the Executive Committee, leading the independent directors in periodic reviews of the performance of the CEO, keeping directors informed by timely distribution of information, serving as liaison between independent directors and the CEO, and recommending independent outside advisors who report directly to the Board on material issues.

Oversight of Risk

The directors are elected representatives of the stockholders and act as fiduciaries on their behalf. In performing its general oversight function, the Board reviews and assesses LP's strategic and business planning as well as management's approach to addressing significant risks. While the full Board meets at least quarterly, it has delegated much of its risk oversight activities to various committees (discussed below). All committees

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report directly to the Board regularly and all committee minutes are distributed for review by the entire Board. Additionally, the Board and committees are authorized to retain independent advisors, including attorneys and other consultants, to assist in their oversight activities.

As set out in LP's Corporate Governance Principles, it is the responsibility of the CEO, and of senior management under the CEO's direction, to operate the business of LP on a day-to-day basis in a competent and ethical manner to produce value for the stockholders, and to regularly inform the Board of the status of LP's business operations. Management's responsibilities include strategic planning, preparation of annual operating plans and budgets, risk management and financial reporting. The Board fulfills its oversight responsibilities as set out in the Corporate Governance Principles on behalf of the stockholders and in furtherance of LP's long-term health. The Board's role does not involve managing the daily complexities of business transactions. The current leadership structure provides directors with significant information related to risks faced by LP, as well as an opportunity to synthesize, discuss and consider these risks independent of management and to provide guidance to management.

As part of its oversight responsibilities, the Board and its committees are involved in the oversight of risk management of LP. It does so in part through its review of findings and recommendations by LP's Risk Management Council, the participants of which are executives and/or functional department leaders in the areas of Risk Management, Finance, Audit, Legal, Environmental, Product Quality, and Compliance, all of whom supervise day-to-day risk management throughout LP. The purpose of the Risk Management Council is to help the CEO assess the effectiveness of LP's handling of financial and business risks. The Board or its Committees have direct access to financial and compliance leaders on a quarterly basis or as needed. Further, LP's Treasurer and Risk Manager periodically presents to the Finance and Audit Committee, or the Board, a comprehensive report as to the Council's risk mapping efforts, as well as management's efforts to mitigate and transfer risk.

The Board committees consider the risks within their areas of responsibilities under each of their charters. The Finance and Audit Committee considers operational and financial risk on a quarterly basis and reviews various guidelines for cash, credit and liquidity measures. It also reviews risks related to financial disclosures, and reporting and reviews the audit risk assessment identifying internal controls and risks that directs the audit plan for the coming year. The Nominating and Corporate Governance Committee reviews the various regulatory changes and trends related to corporate governance, including Board member selection and maintaining appropriate corporate governance principles and guidelines, as well as conducting annual evaluations to ensure Board and committee effectiveness. The Environmental and Compliance Committee reviews quarterly each compliance function and considers the various allegations, disciplinary actions and training statistics, and annually reviews the entire ethics program and any waivers of the program. The Compensation Committee reviews LP's overall compensation programs and their effectiveness at linking executive pay to long-term performance, as well as aligning the interests of management with stockholders. Each director is informed of the oversight activities of each committee through regular reports by the Committee Chairs to the entire Board.

Board and Committee Meetings

During 2010, each director attended at least 75% of the aggregate of the total number of meetings of the Board and meetings held by all committees of the Board on which he or she served during his or her tenure on the Board or such committees. The Board of Directors held four regular quarterly meetings in 2010. LP does not have a policy regarding attendance by directors at the annual meeting of stockholders. In 2010, seven of nine directors attended the annual meeting.

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The Board's committees and membership on each committee as of March 17, 2011, are set forth in the table below. Except as otherwise noted, each committee member also served as shown in the table throughout 2010. Each committee shown below other than the Executive Committee has a written charter delineating its membership, duties and functions. Copies of the charters are available on LP's website as described above under Principles of Corporate Governance and may also be obtained by writing to the address listed above.

Name of Director	Nominating and				
	Finance and Audit	Compensation	Corporate Governance	Environmental and Compliance	Executive
E. Gary Cook	X		X*		X*
Archie W. Dunham	X*	X			X
Daniel K. Frierson			X	X	
Richard W. Frost				X	X
Lizanne C. Gottung		X		X	
Kurt M. Landgraf	X	X			
Dustan E. McCoy			X	X*	
Colin D. Watson	X	X*			
John W. Weaver			X	X	

X = Committee member; * = Chairman

Finance and Audit Committee

The Finance and Audit Committee (the Audit Committee) held nine meetings during 2010. Four of these meetings included education and training sessions on financial, accounting and disclosure issues currently applicable to LP. The training sessions, in some cases, were conducted by the independent auditor and in other cases by experts on particular issues. In order to effectively perform its oversight responsibilities and duties, the Audit Committee holds separate sessions from time to time with LP's management, internal auditors, and the independent auditor.

The Audit Committee has sole authority and responsibility to select, retain, oversee, and replace LP's independent auditor and to approve its compensation. The Audit Committee is responsible for pre-approving all audit services and legally-permitted non-audit services. The Audit Committee reviews the annual audit plan of the independent auditor and performs an annual evaluation of the auditor's qualifications, performance and independence. The Audit Committee also reviews reports by the auditor regarding discussions with management relating to critical accounting policies, alternative treatments of financial information under generally accepted accounting principles, and other significant accounting issues, the results of the audits and the quarterly and annual financial statements, the opinion to be rendered by the auditor in connection with LP's audited financial statements, and its audit of internal control over financial reporting. The Audit Committee meets with the auditor to discuss any audit problems or difficulties and management's responses. The Audit Committee is responsible for reviewing and discussing with the auditor all matters that are required to be reviewed and discussed with the auditor under applicable legal, regulatory and corporate governance rules.

The Audit Committee also oversees LP's internal audit function and internal control systems, including reviewing LP's internal audit plans, the scope, coverage and objectivity of the internal audits performed, and the adequacy and the effectiveness of certain internal legal compliance programs. The Audit Committee also oversees LP's disclosure controls and procedures and internal controls over financial reporting, and its guidelines, policies and programs with respect to financial risk assessment and risk management. The Director of Internal Audit attends and regularly reports to the Audit Committee quarterly, as well as on an as-needed-basis, and also meets with the Audit Committee separate from management.

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With respect to financial and financial reporting matters, the Audit Committee makes recommendations as appropriate to the Board of Directors regarding capital structure issues, dividend policy, treasury stock purchases, acquisitions and divestitures, external financing, complex financial transactions, and investment and debt policies. The Audit Committee also reviews and discusses with management the status and potential financial implications of significant legal and tax matters, major issues regarding accounting principles, significant financial reporting issues, the effect of regulatory and accounting initiatives and off-balance sheet transactions on LP's financial statements, the financial results to be included in LP's reports filed with the SEC, and LP's earnings press releases and other financial information provided to the public. Additionally, the Audit Committee regularly meets with the Corporate Treasurer, Risk Manager and General Counsel to review various credit, operational and legal/compliance risks and methods of risk mitigation, including insurance coverage and limits.

The Audit Committee is also responsible for reviewing transactions between LP and certain related persons as described under the heading Related Person Transactions on page 49. The Audit Committee conducts an annual self-evaluation of its performance and satisfaction of its responsibilities under its charter and various regulatory requirements and reports its findings to the Board.

Audit Committee Financial Experts

The Board of Directors has determined that each member of the Audit Committee, Messrs. Cook, Dunham, Landgraf, and Watson, is financially literate, as that term is used in the NYSE's listing standards, and an audit committee financial expert, as defined in the SEC's rules and regulations. The Board of Directors has also determined that each member of the Audit Committee meets the independence requirements for audit committee membership mandated by the Sarbanes-Oxley Act of 2002 and incorporated into the NYSE's listing standards.

Compensation Committee

The Compensation Committee, which met three times in 2010, exercises the authority of the Board of Directors with respect to the compensation of LP's executive officers, including salaries, cash incentive compensation, equity-based compensation, deferred compensation, retirement benefits, and severance pay and benefits. It is responsible for administering LP's 1997 Incentive Stock Award Plan (the Stock Award Plan), as well as its Amended and Restated Annual Cash Incentive Award Plan (the Cash Incentive Plan) with respect to awards to LP's executive officers. In addition, the Compensation Committee administers LP's other compensation and benefit plans covering officers and employees to the extent authorized under the terms of the plan or by action of the Board of Directors, including the participation in each plan by LP's executive officers. Neither the Compensation Committee nor the Board, however, administers any ERISA or other pension plans.

The Compensation Committee is also responsible for making recommendations to the Board of Directors as to existing and proposed compensation and benefit plans. The Compensation Committee conducts an annual self-evaluation of its performance and satisfaction of its responsibilities under its charter and various regulatory requirements.

In order to ensure compliance with special rules affecting the deductibility of executive compensation under the Internal Revenue Code of 1986, as amended (the Internal Revenue Code), and the short-swing profit liability provisions of the federal securities laws, certain compensation decisions with respect to LP's executive officers are made by a special subcommittee of the Compensation Committee. Presently, each member of the Compensation Committee is also a member of the subcommittee. The subcommittee is responsible for decisions relating to (1) performance goals associated with performance-based compensation, including under the Cash Incentive Plan, and (2) criteria for equity-based awards under the Stock Award Plan.

Under its charter, the Compensation Committee has the authority in its sole discretion to retain the services of outside consultants to assist it in making decisions regarding executive compensation and other compensation matters for which it is responsible. The Compensation Committee also has sole authority to terminate its consultants and to approve the fees and other terms of their engagement. The Compensation Committee has retained the firm of Frederic W. Cook & Co., Inc. (Frederic Cook) as the committee's compensation consultant.

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The Compensation Committee approved a list of measures intended to ensure Frederic Cook's status as an independent consultant to the Committee, including that the consultant will report to the committee and have unrestricted access to the Chairman, the consultant will attend executive sessions with the committee, any services requested of the consultant by management are subject to prior approval by the Chairman, and the Chairman will receive a copy of all invoices sent to LP by the consultant.

A managing director of Frederic Cook generally participates in the Compensation Committee's meetings, including the executive sessions. Frederic Cook provides advice to the committee regarding individual performance objectives for target awards to certain executive officers under the Cash Incentive Plan, the composition of the peer group and benchmarks for purposes of analyzing LP's competitive position with respect to executive compensation, market survey data supporting compensation packages for new and existing executive officer positions, and the effect of SEC rules on LP's disclosures regarding the committee and executive compensation in LP's proxy statements.

Members of LP's management, including its Chief Financial Officer, Vice President, Human Resources, and Vice President, General Counsel and Corporate Secretary, generally attend each Compensation Committee meeting. However, no LP officers or employees attend the executive sessions held by the committee in conjunction with each of its regular quarterly meetings, and LP executives are excused during committee discussions and determinations regarding their individual compensation.

In connection with its review and approval of various elements of LP's executive compensation program, the Compensation Committee reviews and analyzes appropriate information prepared by the committee's outside consultant and LP's management, including compensation benchmark data compiled by Frederic Cook, quarterly reports provided by management regarding stock transactions and ownership levels of LP's executive officers, descriptions of perquisites provided to executive officers, and profiles for each executive officer showing a breakdown of key components of executive compensation and total amounts paid or accrued by LP.

Members of LP's management, including its Chief Executive Officer, Chief Financial Officer, and Vice President, Human Resources, made recommendations to the Compensation Committee concerning various elements of LP's compensation program during 2010, including elements of the program that apply to executive officers. Such recommendations related to base salary levels for LP's executive officers and target bonus amounts under the Cash Incentive Plan, the allocation between corporate performance goals and individual performance goals for the target bonuses, identification and calculation of the corporate performance goal, and establishment of individual performance goals for each executive officer. Those members of management also made recommendations regarding the terms, size, and value of proposed grants of restricted stock and stock-settled stock appreciation rights (SSARs) under the Stock Award Plan. LP's Chief Executive Officer provides the committee with an evaluation to assist the committee in assessing the performance of executive officers other than himself, as described under the heading "Compensation of Executive Officers - Compensation Discussion and Analysis - Achievement of Performance Goals for 2010" on page 27.

Environmental and Compliance Committee

The Environmental and Compliance Committee, which met four times during 2010, is responsible for reviewing the effectiveness of LP's environmental management systems and ethics and compliance programs, product quality management systems, other legal compliance programs, and non-financial compliance audit work performed by LP's internal audit group. The Environmental and Compliance Committee receives quarterly written reports directly from functional leaders responsible for compliance, including the Vice President of Environmental Health & Safety, the Director of Internal Audit Department, the Director of Quality, and the Director of Compliance. Additionally, these leaders report in person annually to the committee on a rotating basis and are generally available for other committee meetings.