



Norbord

Code of Business Conduct

January 2009



SUMMARY OF THE CODE

As an employee, when acting on behalf of the Company, you are expected to:

- 1) Comply with all laws, rules and regulations applicable to the Company's businesses.
- 2) Protect the Company's assets, and use them properly and with care for the benefit of the Company, and not for personal use.
- 3) Not offer or accept expensive gifts or other benefits that might influence or be perceived as influencing a business decision.
- 4) Deal fairly with Company's stakeholders and others.
- 5) Comply with the policy of the Company to provide an environment that promotes the health and safety of all employees and is free of discrimination and harassment.
- 6) Obtain permission before joining the board of directors of another organization.
- 7) Avoid all situations in which your personal interests conflict or might conflict with the interests of the Company.
- 8) Help ensure that the Company provides accurate and fair public disclosure.
- 9) Ensure that the books and records of the Company are complete and accurate and report any accounting, auditing or concerns.
- 10) Not use for your own financial gain, or disclose for the use of others, information obtained as a result of your role in the Company that has not been disclosed to the public.
- 11) Report any violation of this Code.

EXPLANATION OF CODE

COMPLY WITH LAW

Compliance With The Law

Many of the Company's activities are subject to complex and changing laws, rules and regulations. Ignorance of the law is not, in general, a defense to an action for contravention of a law. We expect employees to make every reasonable effort to become familiar with laws, rules and regulations affecting their activities and to exert due diligence in complying with them. Our objective is to restrict willful or negligent violations of these laws, rules and regulations.

For example, there are laws for the protection of the environment. The Company's policy is to meet or exceed all applicable governmental requirements regarding the environment. Employees whose activities may affect the environment must be aware of the applicable governmental requirements and report any violations thereof to their superiors, or to a senior officer of the Corporation. Similarly, no employee may make any agreement or enter into any arrangement contrary to antitrust or competition laws. The Corporation's Antitrust Policy sets out its beliefs and practices to ensure compliance with those laws and is available on the Corporation's website at www.norbord.com.

The Company will make information concerning applicable laws available to its employees. If you have any doubts as to the applicability of any law, you should refer the matter to your supervisor or proceed as set out under the "Reports and Complaints" section of this Code.

PERSONAL INTEGRITY

Protecting The Company's Assets

Company assets are to be used only for the purpose of fulfilling your employee responsibilities, not for personal use. All employees of Norbord have a responsibility to protect and safeguard the Company's assets from loss, theft, misuse and waste.

The Company's assets should never be used for personal gain, and you should not allow the Company's assets to be used for illegal activities. If you become aware of theft, misuse or waste of our assets or have any questions about your proper use of them, you should speak with your supervisor. However, if you feel uncomfortable approaching your supervisor with your concern, you may proceed as set out under the "Reports and Complaints" section of this Code.

Misappropriation of the Company's assets is a breach of your duty to the Company and may be an act of fraud against the Company. Taking the Company's property from our facilities without permission is regarded as theft and could result in dismissal. In addition, carelessness or waste of the Company's assets may also be a breach of your duty to the Company and could result in dismissal.

The Company's assets include all memos, notes, lists, records and other documents (and copies of each of these) that you make or compile relating to the Company's businesses. All of these are to be delivered to the Company promptly after your employment ceases, or at any time that the Company requests.

The Company's assets also include electronic data, computer equipment, computer software, company information systems, access to e-mail, the Internet, telephones and other communications equipment. These assets must be safeguarded at all times and should not be used to conduct personal business. Internet use must be conducted in a professional manner, e.g., accessing internet sites containing obscene or offensive material, or sending e-mails that are derogatory or harassing to another person or group of people or chain e-mails, is prohibited. In addition, employees must be vigilant to ensure that electronic information is protected and that network security is maintained.

The Company reserves the right to retrieve and review any business systems information and data stored including any electronic messages composed, sent or received. All information and messaging data may be reviewed at any time.

Opportunities discovered through the use of Company assets or confidential information also belong to the Company.

Employees owe a duty to the Company to advance its legitimate interests whenever possible.

Gifts To or From Persons

The purpose of business entertainment and gifts in a commercial setting is to create good will and a sound working relationship, not to influence a business decision. No entertainment or gift should be offered or accepted by an employee unless it is in accordance with generally accepted ethical business practices and not excessive in value.

Employees whose duties permit them to do so, such as employees in marketing, may offer modest gifts, entertainment or other benefits to persons who have a business relationship with the Company. For example, it is acceptable to take a customer to dinner but it is not acceptable to give a customer cash. A pair of tickets to a baseball game may be accepted from a supplier, but it is unacceptable to take a vacation trip from a supplier.

Any donation or benefit to a public official or political party must be in accordance with the Code. The Company encourages its employees to become involved in political activity acting on their own behalf, but not as representatives of the Company.

Fair Dealing

Employees must behave ethically at all times and with all people. Each employee is to deal fairly with the Company's securityholders, customers, suppliers, competitors and other employees as well as governments and the general public and should not take advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair-dealing practice.

Work Environment

Each employee must comply with the Company's policy of providing an environment that is free of discrimination and harassment based on race, sex, sexual orientation, colour, national or ethnic origin, religion, marital status, family status, age or disability. Harassment may occur in a variety of ways and may, in some circumstances, be unintentional. Regardless of intent, such conduct is not acceptable and may also constitute a violation of human rights legislation.

The Company is committed to ensuring the health and safety of its employees. All employees must comply with applicable occupational health and safety laws and not engage in illegal or dangerous behaviour.

CONFLICTS OF INTEREST

Board Members For Other Organizations

An employee of the Company must obtain permission before joining the board of another organization whose interests may conflict with the Company's interests.

Serving as a director of another organization, even one in which the Company has an interest, may create a conflict of interest. Being a director or serving on a standing committee of some organizations, including government agencies, may also create a conflict.

Before accepting an appointment to the board or a committee of any organization whose interests may conflict with the Company's interests, employees must receive written approval from the Chair of the Board of the Corporation.

Employees are permitted, however, to serve on boards of charities or non-profit organizations or in private family businesses that have no relation to the Company and its businesses. Prior approval is not required for these types of situations. Employees should obtain permission from their supervisor before speaking publicly for a charitable entity on behalf of the Company.

Conflicts Of Interest

A conflict of interest arises where an employee's judgment in acting on behalf of the Company is or may be influenced by an actual or potential personal benefit to the employee or a relative or friend. These benefits may be financial or non-financial, direct or indirect, through family connections or personal associations, or otherwise. Employees have a conflict of interest if they are involved in any activity that prevents them from performing their Company duties properly, or that may create a situation that could affect their judgment or ability to act in the best interests of the Company. For example, no employee should have a significant interest in a business that supplies goods to, or buys goods from, the Company. Employees should also obtain permission from their supervisor before engaging in business activities not related to the Company and make full disclosure of these activities, if any, each year.

DISCLOSURE OF COMPANY INFORMATION

Providing Accurate And Fair Public Disclosure

The Company is required to provide full, fair, accurate, timely and understandable disclosure in reports and documents that we file with, or submit to the Ontario Securities Commission and other securities regulators, the Toronto Stock Exchange, as well as in other public communications made by the Company. All employees who are responsible for the preparation of the Company public disclosures, or who provide information as part of the process, have a responsibility to ensure that disclosures and information made by the Company are made honestly, accurately and in compliance with the Company's disclosure controls and procedures. The Corporation's Disclosure Policy provides guidelines for the disclosure of information and is available on the Corporation's website at www.norbord.com.

Accuracy Of Books And Records

The books and records of the Company must reflect all its transactions in a timely and accurate manner in order to, among other things, permit the preparation of accurate financial statements. All assets and liabilities of the Company must be recorded.

All employees of Norbord have a responsibility to submit good faith questions and concerns regarding accounting, auditing or disclosure matters. Complaints and concerns related to such matters include, among others, actions involving:

- (a) fraud or deliberate errors in the preparation, maintenance, evaluation, review or audit of any financial statement or financial record;
- (b) deficiencies in, or non-compliance with, internal accounting controls;

- (c) misrepresentations or false statements to or by a senior officer or accountant regarding a matter contained in the financial records, financial reports or audit reports; or
- (d) deviations from full and fair reporting of the Company's financial condition.

See "Reports and Complaints" for information on communicating complaints and concerns.

CONFIDENTIALITY OF INFORMATION

Confidential Information

All employees must keep confidential, and not use for themselves or others, all information concerning the Company or its businesses that has not been disclosed to the public, unless such disclosure is authorized by a senior officer of the Corporation. Information is considered to be disclosed to the public if it is in Norbord's annual report, annual information form, management proxy circular, press releases or other communications made by management to the public. For example, no employee who has material confidential information concerning the Company may buy or sell securities of the Corporation until such information has been disclosed to the public. You should refer to the Corporation's Disclosure Policy for additional rules on the disclosure of confidential information.

The obligation not to disclose confidential information also applies to confidential information of employees, customers, suppliers and others. The Norbord Privacy Policy describes the principles the Company follows to ensure protection of personal information and all employees must adhere to this Policy.

This non-disclosure obligation applies both during employment with the Company, and after termination of employment or retirement.

COMPLIANCE WITH CODE

Reports And Complaints

Each employee must act in compliance with, and report any violation of, this Code. In most cases, you should report your concern to your immediate supervisor. However, if you consider that the supervisor is not the appropriate individual to address the matter, or if the supervisor is not dealing with the issues raised in an appropriate manner, you should report the matter to the CEO of the Corporation.

Alternatively, employees, customers, partners and suppliers who witness or have knowledge of potential improper behaviour that contradicts our Code of Conduct can report them using the independent reporting service – Clearview Connects. Reports will be investigated in a fair, unbiased and timely manner, and there is a ‘Sensitive Report’ option that submits your comments directly to the Chair of the Audit Committee. Employees’ identity will be protected. The reporting service can be reached by:

Website: www.clearviewconnects.com

Mail: Clearview Connects – PO Box 90505, Toronto, Ontario, M1J 3N7

North American Hotline: 1 (866) 608-7287 / **European Hotline:** 00 800 9643 9643

Directors should promptly report violations to the Chair of the Board, or to the relevant committee Chair.

There will be no reprisal or other action taken against any employee who, in good faith, brings forward concerns about actual or potential violations of this Code.

Compliance With Code

All Designated Employees of the Company will be provided with a copy of this Code. At the commencement of employment and each year thereafter, each Designated Employee will be required to acknowledge their receipt and their obligation to comply with the Code. Employee acknowledgements will be retained by the Human Resources department.

Designated Employees include:

- i) the President and all Vice-Presidents, Directors, General Managers, Managers and Supervisors;
- ii) all other employees working in finance, accounting, sales, logistics, information systems, environmental, communications, safety, procurement, human resources, payroll, stores and shipping; and
- iii) any other employee specified by an officer of the Corporation.

In addition, all employees must disclose in writing to the head of their departments all activities, investments or businesses that might create, or reasonably be regarded as creating, an actual or potential conflict of interest with their duties for the Company. Each head of a department must ensure that actions are taken so that there will be no conflicts of interest within his or her department.