

Norbord Inc.
CORPORATE GOVERNANCE AND NOMINATING COMMITTEE
TERMS OF REFERENCE

Role of Corporate Governance and Nominating Committee

The role of the Corporate Governance and Nominating Committee is to assist the Board on matters related to the effective governance of the Company, to propose new nominees to the Board and to assess the effectiveness of the Board, its Committees and individual Directors on an annual basis.

Authority and Responsibilities

In carrying out its role, the Corporate Governance and Nominating Committee has the following authority and responsibilities:

1. *Director qualification and nomination* –

- (a) to consider and make recommendations to the Board from time to time on the appropriate size, composition and profile of the Board;
- (b) to establish criteria for the selection of Directors, to review and assess the competencies and skills of persons proposed for appointment or election to the Board and to submit to the Board the names of persons to be nominated for election as Directors at the annual meeting of shareholders, or to be appointed to fill vacancies between annual meetings;
- (c) to retain search firms for the recruitment of Director nominees as necessary;
- (d) to ensure that there is an orientation and education program for new Directors and continuing education for all Directors including making recommendations on methods to improve Directors' knowledge of the Company's activities and their responsibilities as Directors; and
- (e) to recommend qualified Directors for membership on the various Committees of the Board.

2. *Terms of Reference of Board and Committees* –

- (a) to review and make recommendations to the Board at least annually on the terms of reference of the Board;
- (b) to review and make recommendations to the Board at least annually on the role of the Chair, the role of the Chief Executive Officer and the role of the Chair of each standing Committee of the Board; and
- (c) to review and make recommendations to the Board on the terms of reference of the standing Committees of the Board.

3. *Evaluation of Director, Board and Committee performance* –

- (a) to establish a process for annually reviewing Directors' performance, and to provide input to the Chair of the Board, who is charged with the responsibility of carrying out such reviews;
- (b) to review and make recommendations to the Board at least annually on the performance and effectiveness of the Board; and
- (c) to review at least annually the performance of each of the Board Committees and to bring forward recommendations to improve their effectiveness where appropriate.

4. **Director Compensation** - to consider the compensation policies with respect to Directors and submit recommendations to the Board.
5. **Code of Business Conduct** - to review at least annually the Company's Code of Business Conduct and to recommend proposed changes to the Board for approval.
6. **Disclosure Policy** – to review at least annually the Company's Disclosure Policy and to recommend proposed changes to the Board for approval.

Composition and Procedures

1. **Size** – The corporate governance and nominating Committee will consist of a minimum of three Directors. The members of the Committee are appointed by the Board upon the recommendation of the Committee and may be removed by the Board in its discretion.
2. **Qualifications** – All members of the Committee must be “independent” Directors within the meaning of section 1.4 of Multilateral Instrument 52-110.
3. **Meetings** – The Committee will meet at least twice a year and a portion of each meeting will be held without the presence of management.
4. **Evaluation** – The Committee will conduct an annual evaluation of the performance of the Committee and the adequacy of these terms of reference and recommend any proposed change to the Board for approval.