

Norbord Inc.
ENVIRONMENTAL, HEALTH & SAFETY COMMITTEE
TERMS OF REFERENCE

Role of Environmental, Health and Safety Committee

Sustainable economic development is the principal operating philosophy of the Company. It means: “meeting the needs of the present without compromising the ability of future generations to meet their own needs.” All employees, including all levels of management and the Board, must actively participate in making this philosophy part of daily decisions. The role of the Environmental, Health and Safety Committee is to assist the Board in overseeing the commitment of the Company to environmental, health and safety matters and to ensure that policies and procedures are in place so that the Company manages its responsibilities in these areas effectively.

Authority and Responsibilities

In carrying out its role, the Environmental, Health and Safety Committee has the following authority and responsibilities:

1. **Policies** - to review and make recommendations to the Board on environmental, health and safety policies of the Company (the “Policies”).
2. **Compliance** - to ensure:
 - (a) Programs and procedures are in place to effectively monitor the implementation and consistency of the Policies;
 - (b) Any non-compliance with the Policies is brought to the Board’s attention and corresponding action plans are handled in accordance with the Policies;
 - (c) Corporate assets and human resources are protected and multiple use and regeneration of natural resources is promoted;
 - (d) All material environmental, health and safety matters are brought to the Board’s attention, addressed and resolved;
 - (e) Environmental, health and safety charges or convictions or any that are threatened are brought to the Board’s attention; and
 - (f) A suitable environment, health and safety communication program is developed and implemented.

Composition and Procedures

1. **Size** – The Environmental, Health and Safety Committee will consist of a minimum of three Directors. The members of the Committee are appointed by the Board upon the recommendation of the Corporate Governance and Nominating 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.

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Environmental, Health & Safety Committee
Terms of Reference*

3. **Meetings** – The Committee will meet at least three times each 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.