



May 4, 2010

Dear Shareholder:

**Re: Small Shareholder Selling Program for Holders of 99 or Fewer Common Shares**

Norbord Inc. (the "Corporation") has established a Small Shareholder Selling Program (the "Program") for registered and beneficial holders of 99 or fewer Common Shares of the Corporation as of **April 29, 2010**. The Program will begin on **May 4, 2010** and end at the close of business on **July 30, 2010**, unless extended.

The Program gives registered and beneficial holders of 99 or fewer Common Shares ("odd lot") the opportunity to sell all, but not less than all, of their Common Shares without incurring brokerage commissions. The Corporation shall arrange, through its transfer agent CIBC Mellon Trust Company, for orders received under the program to be sent to a participating organization of The Toronto Stock Exchange ("Broker") for execution after clearance of such orders for trading. Orders received and cleared for execution shall be placed with the Broker no later than 12:00 p.m. on the next business day for execution on the TSX. Orders may be aggregated, but not netted, by the Corporation or the Broker. The price received by shareholders for their Common Shares will be the average price received on all orders placed with the Broker for execution on a given day, regardless of when any individual orders are executed on that day. The Broker is required to obtain the best available price for all odd-lot orders.

The Corporation values each of its shareholders, but feels that the Program can benefit both shareholders selling small holdings in the Corporation by minimizing their cost and inconvenience, and the Corporation, by reducing its administrative costs.

**The Board of Directors of the Corporation makes no recommendation as to whether any particular shareholder should sell pursuant to the Program.** The Program is entirely voluntary and you are advised to contact your broker or other financial adviser as to the advisability of participating.

Additional information concerning this Program is set out in the Questions and Answers guide and Letter of Transmittal accompanying this letter. **Please read the enclosed material carefully.** If you wish to participate and are a registered holder, complete the enclosed Letter of Transmittal and send or deliver it, along with your share certificate(s), to CIBC Mellon Trust Company at the address shown on the enclosed Letter of Transmittal. If you wish to participate and are a beneficial holder, please contact your broker or nominee. Should you have any questions about the Program, please contact CIBC Mellon Trust Company, at Tel: (416) 643-5500, or toll free 1-800-387-0825, or e-mail [inquiries@cibcmellon.com](mailto:inquiries@cibcmellon.com).

Yours very truly

**NORBORD INC.**

A handwritten signature in blue ink that reads "Elaine G. Toomey".

Elaine G. Toomey  
Assistant Corporate Secretary

Encls.

**Norbord Inc.**      **Main Tel (416) 365-0705**  
Suite 600                      Main Fax (416) 777-4419  
One Toronto Street                      [www.norbord.com](http://www.norbord.com)  
Toronto, Ontario  
M5C 2W4

**NORBORD INC.  
SMALL SHAREHOLDER SELLING PROGRAM  
LETTER OF TRANSMITTAL**

If you are a registered shareholder (shares are registered in your name) and wish to participate in Norbord's Small Shareholder Sell Program (the "Program"), please complete, date and sign this Letter of Transmittal, attach your **unsigned** share certificate(s) and return same in the enclosed return envelope to the address set out below. If you are a beneficial shareholder (shares are held in the name of a broker or bank or trust company holding the Common Shares as registered holder on your behalf), arrangements must be made through your nominee to complete this Letter of Transmittal and deliver same to the address set out below:

***For Delivery by Mail:***

CIBC Mellon Trust Company  
Attention: Corporate Restructures  
P.O. Box 1036  
Adelaide Street Postal Station  
Toronto, Ontario  
M5C 2K4

***For Delivery by Hand, by Courier or by Registered Mail:***

CIBC Mellon Trust Company  
Attention: Corporate Restructures  
199 Bay Street, Securities Level  
Commerce Court West  
Toronto, Ontario  
M5L 1G9

IF YOU ARE UNABLE TO LOCATE YOUR SHARE CERTIFICATE(S), PLEASE SIGN THE **AFFIDAVIT OF LOST or DESTROYED CERTIFICATE** ACCOMPANYING THIS LETTER OF TRANSMITTAL BY USING THE RETURN ENVELOPE ENCLOSED.

The Corporation shall arrange for orders received pursuant to the program to be sent to a participating organization of The Toronto Stock Exchange (the "Broker") for execution immediately after clearance of such orders for trading. Orders received and cleared for execution shall be placed with the Broker no later than 12:00 p.m. on the next business day for execution on the TSX. Orders may be aggregated, but not netted, by the Corporation or the Broker. The price received by shareholders for their Common Shares will be the average price received on all orders placed with the Broker for execution on a given day, regardless of when any individual orders are executed on that day. The Broker is required to obtain the best available price for all odd-lot orders.

**TO: NORBORD INC. AND CIBC MELLON TRUST COMPANY**

The undersigned hereby surrenders for sale the following certificate(s) representing Common Shares of Norbord, pursuant to the Program, described in the letter to Norbord Inc. shareholders dated **May 4, 2010**, receipt of which is hereby acknowledged. The undersigned represents full authority to sell and transfer the Common Shares transmitted hereby and that the purchaser will acquire good and marketable title thereto, free and clear of all liens, claims and encumbrances. The undersigned further represent that he or she or the person on whose behalf they are transmitting the Common Shares, owned on **April 29, 2010**, 99 or fewer Common Shares, all of which are being submitted herewith. The undersigned agrees to execute any additional documents necessary or desirable to complete the sale and transfer of the transmitted Common Shares.

Certificate Number	Number of Pre-Consolidation Shares*	Number of Post-Consolidation Shares	Registered in the Name of

\* Note that certificates representing pre-consolidation shares will be dated prior to the October 16, 2009 consolidation, and exchange to post-consolidation shares on a 10 old for 1 new basis (all fractions rounded down).

*(Please Turn Over)*

**Please check one of the two boxes below:**

- The undersigned is a participant in Norbord's Dividend Reinvestment Plan ("DRP"). I understand that my participation in the DRP will be terminated and all of my DRP shares in non-certificate form will also be sold, provided that the total number of shares is 99 or less.
- The undersigned is not a participant in Norbord's Dividend Reinvestment Plan ("DRP").

**Please check the box below, if applicable:**

- The undersigned is a U.S. resident and requests proceeds payable in U.S. funds.

The undersigned hereby appoints CIBC Mellon Trust Company to act as agent in the sale of the Common Shares described above in accordance with the terms of the Program and authorizes it to remit the proceeds of such sale by cheque **payable in Canadian funds (or U.S. funds for U.S. residents, where indicated above)**, as follows:

Name	
Address	
Social Insurance Number	Tax Identification Number

Name of Shareholder	Signature of Shareholder (or authorized representative)
Date	Telephone (business hours)

**Guarantor (if required)**

Signature(s) guaranteed by	Name of Guarantor
Date	Telephone (business hours)

## INSTRUCTIONS

1. This Letter of Transmittal should be completed and signed and returned together with the appropriate certificate(s) representing 99 or fewer Common Shares of Norbord Inc. to CIBC Mellon Trust Company at one of the addresses indicated on the front of the Letter of Transmittal.
2. The Corporation reserves the right, if it so elects, in its absolute discretion to instruct CIBC Mellon Trust Company to waive any defect or irregularity contained in any Letter of Transmittal received.
3. Share certificate(s) registered in the name of the person by whom (or on whose behalf) this Letter of Transmittal is signed need not be endorsed or accompanied by a share transfer power of attorney other than the Letter of Transmittal itself. Share certificate(s) not so registered must be endorsed by the registered holder thereof or be accompanied by a share transfer power of attorney duly and properly completed by the registered holder, with the signature guaranteed in either case by a Canadian Schedule 1 chartered bank or a member of a recognized Medallion Program. The signature of the registered holder must correspond in every respect with the name of the registered holder appearing on the face of the share certificate(s).
4. Where the Letter of Transmittal is executed on behalf of a corporation, partnership or association or by an agent, executor, administrator, trustee, tutor, curator, guardian or any person acting in a representative capacity, the Letter of Transmittal must be accompanied by satisfactory evidence of the representative's authority to act.
5. The method of delivery of the Letter of Transmittal and the Common Share certificate(s) to CIBC Mellon Trust Company is at the option and risk of the shareholder but, if delivery by mail is used, registered mail with return receipt requested, properly insured, is recommended.
6. Additional copies of the Letter of Transmittal may be obtained from CIBC Mellon Trust Company at any one of its addresses listed above.
7. If your Common Share certificate(s) has been lost, stolen or destroyed, the Letter of Transmittal should be completed as fully as possible, signed and forwarded to CIBC Mellon Trust Company, together with the enclosed Affidavit of Lost or Destroyed Certificate(s), which must be sworn before a notary public or commissioner for oaths.
8. Any questions should be directed to CIBC Mellon Trust Company at 1-800-387-0825 or (416) 643-5500 in the Toronto area or send an e-mail to **[inquiries@cibcmellon.com](mailto:inquiries@cibcmellon.com)**.

**THIS IS TO BE COMPLETED (TOGETHER WITH THE LETTER OF TRANSMITTAL)  
ONLY IF YOU ARE A REGISTERED SHAREHOLDER AND YOU CANNOT LOCATE YOUR  
NORBORD INC. SHARE CERTIFICATE(S)**

**AFFIDAVIT OF LOST OR DESTROYED CERTIFICATE(S)**

Name and address \_\_\_\_\_

Certificate Number(s)\* \_\_\_\_\_ For \_\_\_\_\_ Common Share(s) (the  
"Shares") of Norbord Inc.

\*If you do not have a record of your certificate number(s), leave line blank.

**My certificate(s) is lost and not presented with the Letter of Transmittal. The certificate(s) not presented will be considered lost and my signature acknowledges that I agree to the terms and conditions of the declaration below.**

The undersigned person(s), being first duly sworn, deposes and says that:

I am the lawful owner of the above described certificate(s) and Shares. The certificate(s) has not been endorsed, cashed, negotiated, transferred, assigned or otherwise disposed of. I have made a diligent search for the certificate(s) and have been unable to find it, and make this Affidavit for the purpose of inducing the liquidation of the certificate(s) without surrender of the certificate(s), and the sale or exchange of Shares represented thereby, hereby agree to surrender the certificate(s) for cancellation should I, at any time, find the certificate(s). I, in consideration of the proceeds of the sale of the Shares represented by the certificate(s), agree to completely indemnify, protect and save harmless NORBORD INC., CIBC MELLON TRUST COMPANY, TRAVELERS GUARANTEE COMPANY OF CANADA and any other party to the transaction (the "Obligees"), from and against all loss, costs and damages, including court costs and attorneys' fees, which they may be subject to or liable for in respect of the cancellation and replacement of the certificate(s). The rights accruing to the Obligees under the preceding sentences shall not be limited by the negligence, inadvertence, accident, oversight or breach of any duty or obligation on the part of the Obligees or their respective officers, employees and agents or their failure to inquire into, contest or litigate any claim, whenever such negligence, inadvertence, accident, oversight, breach or failure may occur or have occurred. I authorize CIBC MELLON TRUST COMPANY to deliver this Affidavit to TRAVELERS GUARANTEE COMPANY OF CANADA, which has underwritten a bond of indemnity to protect the foregoing parties. I acknowledge that a premium fee for this bond of indemnity of \$30, to be incurred by NORBORD INC., will apply in consideration of replacing my missing Shares and will be remitted to TRAVELERS GUARANTEE COMPANY OF CANADA.

NOTE: Signatures are to be sworn before a Notary Public or Commissioner for Oaths.

Signature of the Shareholder(s) \_\_\_\_\_

Sworn before me at the City of \_\_\_\_\_ in the Province of \_\_\_\_\_

this \_\_\_\_\_ day of \_\_\_\_\_, 2010.

(Affix Notarial Seal)

Notary Public or Commissioner for Oaths

Any questions or request for assistance may be directed to the Program Manager, CIBC Mellon Trust Company:

Toll Free: 1-800-387-0825 (In Canada and the United States)

Telephone: (416) 643-5500

e-mail address: [inquiries@cibcmellon.com](mailto:inquiries@cibcmellon.com)

**Questions and Answers  
about the Small Shareholder Selling Program of  
NORBORD INC.**

This document contains answers to some of the questions that may come to mind when you read the accompanying materials. If you have any further questions, please contact:

**CIBC Mellon Trust Company**  
**Toll Free: 1-800-387-0825**  
**or (416) 643-5500**  
**e-mail address: [inquiries@cibcmellon.com](mailto:inquiries@cibcmellon.com)**

or

**Norbord Inc.**  
**Toll Free: 1-877-263-9367**  
**Or (416) 365-0705**  
**e-mail address: [info@norbord.com](mailto:info@norbord.com)**

**1. Who is eligible to participate in the Program?**

All shareholders who, as of **April 29, 2010**, were registered or beneficial holders of 99 or fewer Common Shares (the "Common Shares") of Norbord Inc. (the "Corporation") are eligible to participate. The Program does not apply to Common Shares held under any of the Stock Option Plan, or the Employee Share Savings Plan of the Corporation. The Program is not available in any jurisdiction in which the Program would not be in compliance with the laws of such jurisdiction.

**2. How does the Program benefit me?**

The benefits to you include convenience, no transaction costs, and the receipt of market value for your Common Shares. The Program can save you a brokerage commission and, if you do not already have one, the trouble of opening a brokerage account. However, beneficial owners whose Common Shares are registered in a nominee name will be required to absorb any fee which may be charged by their broker or other nominee.

**3. Will partial transmittals be accepted?**

No. To participate you must submit ALL Common Shares registered in your name.

**4. I have decided to participate in the Program. What do I do now?**

(a) Registered Holders

Complete the Letter of Transmittal; sign the Letter of Transmittal exactly as your name(s) appears on the Common Share certificate(s); if the certificate(s) are held of record by two or more joint holders, all such holders must sign the Letter of Transmittal; attach your Common Share certificate(s) to the Letter of Transmittal and send in your Letter of Transmittal and Common Share certificate(s) in the enclosed return envelope. **Do Not Sign The Back Of Your Common Share Certificate(s).**

If the Letter of Transmittal is signed by a person other than the registered holder of the Common Shares:

- (i) the Common Share certificate(s) must be endorsed, or be accompanied by an appropriate share transfer power of attorney, duly and properly completed by the registered holder; and
- (ii) the signature on such endorsement or power of attorney must correspond exactly to the name on the certificate(s) and must be guaranteed by a Canadian Schedule I chartered bank or a member of a recognized Medallion Program.

If the Letter of Transmittal or certificate(s) or power of attorney is signed by a person on behalf of an executor, trustee, guardian, attorney-in-fact, corporation or otherwise in a fiduciary or representative capacity, such person should so indicate when signing and the Letter of Transmittal must be accompanied by satisfactory evidence of the authority to act.

Each of the Corporation and CIBC Mellon Trust Company have the right to reject any transmittal of Common Shares not received in proper form.

(b) Beneficial Holders

If your Common Shares are held in nominee form (for example, in the name of a broker or bank or trust company holding the Common Shares as registered holder on your behalf) you must instruct your nominee to take the actions set out in the above Registered Holders section on your behalf.

5. **How do I determine how many shares I own?**

If your share certificate(s) is dated prior to the October 16, 2009 share consolidation, the shares represented by your certificate(s) should be divided by 10 to determine the number of post-consolidation shares (with any resulting fractions rounded down to the nearest whole number). If your share certificate(s) is dated on or after October 16, 2009, the shares represented by your certificate(s) are post-consolidation shares.

6. **What about the shares I have in Norbord's Dividend Reinvestment Plan ("DRP")?**

Should you wish to participate in the Program and you are also a participant in the DRP, you must sell any shares in non-certificate form in your DRP account, provided that the total number of shares you hold is 99 or less. If you are such a participant in the DRP, please check the box located on the reverse of the Letter of Transmittal. CIBC Mellon Trust Company will then terminate your participation in the DRP and will arrange to sell **all** of the shares held in your DRP account.

7. **Who administers the Program?**

The Corporation has entered into an agreement with CIBC Mellon Trust Company to administer the Program, and will pay CIBC Mellon Trust Company a fee for its services and reimburse it for out-of-pocket expenses incurred under the Program. The Corporation has made arrangements with CIBC Mellon Trust Company to sell the Common Shares through a broker on the Toronto Stock Exchange, and will pay all brokerage costs associated with the sales.

8. **If I choose to sell, when will I receive my money?**

If you are the registered holder, CIBC Mellon Trust Company will mail you a cheque in Canadian funds, or U.S. funds for U.S. residents, for your Common Shares received in good order approximately five business days after your Common Shares are sold. If your Common Shares are held in the name of a broker or other nominee, the funds will be delivered to the broker or nominee.

9. **When will my Common Shares be sold?**

CIBC Mellon Trust Company will process orders in the market through a broker each business day in respect of all Common Shares received in proper form before the close of business on the preceding day if it has received orders totalling at least 100 Common Shares.

10. **How much will I receive for the sale of my Common Shares?**

The market price of the Common Shares may change between the time you send the requisite documentation to participate in the Program and the time at which the Common Shares are actually sold. The price you will receive will be the average price received on all orders placed with the broker each day, regardless of when any such orders are executed on that day.

11. **What is my relationship with the broker who sells my Common Shares?**

For purposes of the Program only, beneficial and registered holders of Common Shares are deemed to be a customer of the broker agreeing to sell the Common Shares.

12. **How much time do I have?**

The Program will expire on **July 30, 2010**, unless extended. If you wish to participate in the Program, your Common Share certificate(s) and Letter of Transmittal must be received no later than 4:30 p.m. Eastern time on that date. **If you wish to participate, you are urged to respond to the Program as soon as possible.**

13. **Should I participate in the Program?**

It is up to you. There are various reasons that factor into a decision to sell or hold any shares. The Corporation and CIBC Mellon Trust Company make no recommendation as to whether or not you should participate in this Program. You may wish to contact your broker or other financial advisor as to the advisability of participating in the Program.

14. **What if I choose not to participate in the Program?**

The Program is voluntary. You may continue holding your shares of the Corporation by disregarding the Program.

15. **What do I do if my Common Share certificate(s) has been lost, stolen or destroyed?**

If your Common share certificate(s) has been lost, stolen or destroyed, the Letter of Transmittal should be completed as fully as possible, signed and forwarded to CIBC Mellon Trust Company, together with the enclosed Affidavit of Lost or Destroyed Certificate(s), which the shareholder will need to have notarized.

16. **Are there any tax considerations if I participate in the Program?**

Yes. By selling your Common Shares, you may realize a taxable gain or loss. Therefore, you may want to consult your tax advisor regarding the tax consequences of selling your Common Shares.

17. **After I have mailed my Letter of Transmittal, can I change my mind and cancel?**

No. Your authorization is irrevocable. You should therefore carefully consider whether the Program meets your needs at this time. **If in doubt, you should consult with your broker or other financial advisor on the advisability of participating in the Program.**

18. **What if I need assistance in completing the Letter of Transmittal?**

If you have any further questions or need additional information about the Program, please call CIBC Mellon Trust Company at Tel: (416) 643-5500 or toll free at 1-800-387-0825 or e-mail [inquiries@cibcmellon.com](mailto:inquiries@cibcmellon.com). You may also contact Norbord Inc. at Tel: 416-365-0705 or toll free at 1-877-263-9367 or e-mail [info@norbord.com](mailto:info@norbord.com).