

LOUISIANA-PACIFIC CORP  
Form DEF 14A  
March 20, 2014  
Table of Contents

**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)

Edgar Filing: LOUISIANA-PACIFIC CORP - Form DEF 14A

(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:

5) Total fee paid:

## Edgar Filing: LOUISIANA-PACIFIC CORP - Form DEF 14A

- .. Fee paid previously with preliminary materials.
  
- .. Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

**Table of Contents**

**LOUISIANA-PACIFIC CORPORATION**

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

Proxy Statement and  
Notice to Stockholders of  
**Annual Meeting**  
**May 1, 2014**

March 20, 2014

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 1, 2014, at 4:30 p.m., local time, 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 (1) the election of three directors, (2) the ratification of the selection of LP's outside independent auditor, (3) an advisory vote relating to executive compensation, and (4) the approval of our Annual Cash Incentive Award Plan. Your Board of Directors unanimously recommends a vote **for** each of the four proposals. Action may 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,

Curtis M. Stevens

*Director & Chief Executive Officer*

LP is a trademark of Louisiana-Pacific Corporation.

**Table of Contents**

**LOUISIANA-PACIFIC CORPORATION**

414 Union Street, Suite 2000

Nashville, Tennessee 37219

(615) 986-5600

***NOTICE OF ANNUAL MEETING OF STOCKHOLDERS***

**May 1, 2014**

The 2014 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 1, 2014, at 4:30 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 2014.
3. Advisory vote on executive compensation.
4. Approval of the Annual Cash Incentive Award Plan.

Only stockholders of record at the close of business on February 28, 2014, 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 20, 2014

**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.**

**Table of Contents****TABLE OF CONTENTS**

On written request, LP will provide, without charge, a copy of its Form 10-K Annual Report for 2013 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 February 28, 2014, the record date for the 2014 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 2014. Requests should be mailed via first class U.S. postage to: Corporate Affairs, Louisiana-Pacific Corporation, 414 Union Street, Suite 2000, Nashville, Tennessee 37219.

	<b>Page</b>
<u>VOTING PROCEDURE</u>	1
<u>ITEM 1 ELECTION OF DIRECTORS</u>	2
<u>Nominees</u>	2
<u>Continuing Directors</u>	3
<u>Principles of Corporate Governance</u>	5
<u>Leadership Structure and Oversight of Risk</u>	6
<u>Board and Committee Meetings</u>	7
<u>Finance and Audit Committee</u>	8
<u>Audit Committee Financial Experts</u>	9
<u>Compensation Committee</u>	9
<u>Environmental and Compliance Committee</u>	10
<u>Nominating and Corporate Governance Committee</u>	11
<u>Consideration of Director Nominees</u>	11
<u>Stockholder Nominations for Election as Director</u>	12
<u>Communications Between the Board and Stockholders, Employees, or Other Interested Parties</u>	12
<u>ITEM 2 RATIFICATION OF SELECTION OF INDEPENDENT AUDITOR</u>	13
<u>Pre-Approval of Audit and Permissible Non-Audit Services of Independent Auditor</u>	13
<u>ITEM 3 ADVISORY VOTE ON EXECUTIVE COMPENSATION</u>	15
<u>ITEM 4 APPROVAL OF ANNUAL CASH INCENTIVE AWARD PLAN</u>	16
<u>OTHER BUSINESS</u>	20
<u>FINANCE AND AUDIT COMMITTEE REPORT</u>	20
<u>HOLDERS OF COMMON STOCK</u>	21
<u>Five Percent Beneficial Owners</u>	21
<u>Directors and Executive Officers</u>	21
<u>SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE</u>	22
<u>COMPENSATION OF EXECUTIVE OFFICERS</u>	23
<u>Compensation Committee Report</u>	23
<u>Compensation Committee Interlocks and Insider Participation</u>	23
<u>Compensation Discussion and Analysis</u>	23
<u>Compensation of Executive Officers</u>	37
<u>Potential Payments Upon Termination or Change of Control</u>	45
<u>Equity Compensation Plan Information</u>	50
<u>DIRECTORS' COMPENSATION</u>	51
<u>RELATED PERSON TRANSACTIONS</u>	51
<u>STOCKHOLDER PROPOSALS</u>	52
<u>GENERAL</u>	52
<u>APPENDIX</u>	A-1

**Table of Contents**

**PROXY STATEMENT**

Louisiana-Pacific Corporation, a Delaware corporation ( LP ), is soliciting proxies on behalf of its Board of Directors to be voted at the 2014 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 20, 2014.

**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, 3 and 4 listed in the Notice of Annual Meeting of Stockholders.

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 February 28, 2014, are entitled to receive notice of the annual meeting and to vote at the meeting. At the record date, there were 141,260,223 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.

**Table of Contents****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 2017.

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) other than his or her service as a director of LP, and is not disqualified from being independent under the listing standards adopted by the New York Stock Exchange (the NYSE). The continuing members of the Board of Directors unanimously recommend a vote for each nominee.

*E. Gary Cook**Nominee for Term Expiring 2017*

E. Gary Cook, age 69, became a director of LP in 2000 and was appointed Chairman of the Board of Directors on November 1, 2004. Mr. Cook was Chairman, President and Chief Executive Officer of Witco Corporation from 1996 until his retirement in 1999. Until 1996, he was President, Chief Operating Officer, and a director of Albemarle Corporation. Prior to the spinoff of Albemarle from Ethyl Corporation, he served as President of the Chemicals Group, Senior Vice President and director of Ethyl. Mr. Cook was a long time employee and officer of the DuPont Company. Mr. Cook was selected to serve as a director because of his leadership abilities and broad experience in specialty and commodity products. The Board also believes that Mr. Cook's significant expertise in finance, capital markets and mergers and acquisitions, as well as 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, make him particularly well-suited to serve as a director of LP. Mr. Cook serves as the non-Executive 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.

*Kurt M. Landgraf**Nominee for Term Expiring 2017*

Kurt M. Landgraf, age 67, became a director of LP in 2005. Mr. Landgraf was President and Chief Executive Officer of Educational Testing Service from August 2000 until his retirement on December 31, 2013. Prior to that, he was Executive Vice President and Chief Operating Officer of E.I. DuPont de Nemours and Company ( DuPont ) where he previously held a number of senior leadership positions, including Chief Financial Officer. Mr. Landgraf is also a director of Corning, Inc. Mr. Landgraf was previously a director of IKON Office Solutions, Inc. until it merged with Ricoh Company Ltd. on October 31, 2008. 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 and operations skills and experience, represented by his positions as the Chief Financial Officer and Chief Operating Officer of DuPont. His knowledge and skills also provide the Company significant experience with capital markets transactions and investment in both public and private companies. The Board also considered his prior experience with global industrial and technology-dependent businesses, which provides the Company with informed judgment and a unique history for risk assessment, that makes him particularly well-suited to serve as a director of LP. Mr. Landgraf serves as the Chair of the Finance and Audit Committee and as a member of the Compensation Committee.

*John W. Weaver**Nominee for Term Expiring 2017*

John W. Weaver, age 68, became a director of LP in February 2010. Mr. Weaver served as President and Chief Executive Officer of Abitibi-Consolidated, Inc., 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, 2009 and from the Board of AbitibiBowater, Inc.



**Table of Contents**

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. and 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 based on a number of considerations, including his operational expertise in the forest products industry and the political, regulatory, and economic perspective his Canadian forest products experience provides. 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 you specify otherwise (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. Each nominee who receives the affirmative vote of a majority of the total votes cast on his election will be elected. Shares not voted on the election of a nominee, whether because authority to vote is withheld, the record holder fails to return a proxy, or a broker non-vote occurs, will not count in determining the total number of votes cast on his election.

**Continuing Directors**

The current members of the Board of Directors whose terms of office will continue beyond the 2014 Annual Meeting of Stockholders (subject to Mr. Dunham's retirement at such meeting) are listed below. The Board of Directors has determined that each continuing director named below, except for Mr. Stevens, our Chief Executive Officer, 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. Archie W. Dunham, age 75, is retiring at the Annual Shareholder meeting on May 1, 2014.

*Daniel K. Frierson*

*Current Term Expires 2015*

Daniel K. Frierson, age 72, 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. Mr. Frierson was selected to serve as a director based upon a number of considerations, including his operational experience in a specialty products based industry that sells into LP's residential construction and repair/remodel customer base, his experience dealing with corporate governance, disclosure, investor relations and regulatory compliance matters, and his ability to assist in assessing risk and market influences. Mr. Frierson serves on the Nominating and Corporate Governance Committee and the Environmental and Compliance Committee.

*Curtis M. Stevens*

*Current Term Expires 2015*

Curtis M. Stevens, age 61, became a Director of LP in 2012. Mr. Stevens has been CEO of LP since May 4, 2012. Mr. Stevens served as the Chief Operating Officer of LP from December 5, 2011 to May 4, 2012, and prior to that position served as Executive Vice President Administration and Chief Financial Officer of LP since 2002 and Chief Financial Officer of LP since 1997. Prior to joining LP, Mr. Stevens served for 14 years in various financial and operational positions at Planar Systems, Inc. Mr. Stevens is also a director of Quanex Building Products, a publicly traded OEM for residential and commercial construction markets. Mr. Stevens holds a B.A. in Economics and an M.B.A in Finance from the University of California at Los Angeles. The Board of Directors selected Mr. Stevens to serve as a director based upon a number of considerations, including his appointment as Chief Executive Officer of LP, his prior performance as an executive at LP, his long history and deep familiarity with LP's financial and operational matters, and his satisfaction of relevant criteria included in LP's corporate governance principles. The Board of Directors also considered, in particular, Mr. Stevens' expansive knowledge of the forest products industry in North America and South America, together with his knowledge and experience

**Table of Contents**

in finance, accounting, capital markets, information technology and international business operations. The Board also believes he is an effective liaison between the Board and management. Mr. Stevens serves on the Executive Committee and the Environmental and Compliance Committee.

*Lizanne C. Gottung*

*Current Term Expires 2016*

Lizanne C. Gottung, age 57, became a director of LP in 2006. Ms. Gottung has been Senior Vice President and Chief Human Resources Officer 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 upon a number of considerations, including her experience in labor relations and human resources in a large publicly held corporation. The Board believes that her 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 make her particularly well-suited to serve as a director of LP. Ms. Gottung is a member of the Environmental and Compliance Committee and the Compensation Committee.

*Dustan E. McCoy*

*Current Term Expires 2016*

Dustan E. McCoy, age 64, became a director of LP in 2002. Mr. McCoy has been Chairman and Chief Executive Officer and a director of Brunswick Corporation since December 2005. He joined Brunswick Corporation in September 1999 and has also served as Vice President, General Counsel and Corporate Secretary until October 2000, and served as President of the Brunswick Boat Group from October 2000 to December 2005. In 1999 he was Executive Vice President of Witco Corporation, and prior to that served as Witco's Senior Vice President, General Counsel and Corporate Secretary. 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, and more specifically his experience in corporate governance and disclosure matters for publicly traded companies. The Board believes that Mr. McCoy's broad understanding of the operational, financial and strategic issues facing large global companies, his leadership and oversight in LP's compliance matters, his leadership roles for companies producing both commodity and specialty products, and his valuable strategic advice to the Board and management in advancing LP's interests make him particularly well-suited to serve as a director of LP. Mr. McCoy serves as Chair of the Environmental and Compliance Committee and as a member of the Nominating and Corporate Governance Committee.

*Colin D. Watson*

*Current Term Expires 2016*

Colin D. Watson, age 72, became a director of LP in 2000. Mr. Watson was President and Chief Executive Officer of Vector Aerospace Corporation from November 2003 until he retired in December 2004. Previously, he was a Director and CEO of Spar Aerospace Limited from December 1999 until his retirement from the Spar Aerospace board in January 2002. He also served as Chief Executive Officer and President and Chief Executive Officer of Spar Aerospace. From 1979 to 1996, Mr. Watson was President and Chief Executive Officer of Rogers Cable TV, Ltd. Mr. Watson was also a director of Rogers Communications Inc., until April 2012. The Board selected Mr. Watson to serve as a director because of his extensive financial and investment experience as well as his experience in operations in Canada. Mr. Watson is a citizen of Canada and he assists the Board in assessing the political and economic systems in Canada. The Board believes that his significant financial and leadership capabilities obtained from his senior leadership roles in a publicly traded company, along with his various roles in a number of private companies, make him particularly well-suited to serve as a director of LP. Mr. Watson is a member of the Finance and Audit Committee and is the Chair of the Compensation Committee.

## **Table of Contents**

### **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. Stevens is independent under these standards. The two committees on which Mr. Stevens 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 an independent compensation consultant and outside legal counsel, who are independent of management to provide expert or legal advice to the directors.

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

The Board amended the Bylaws in February 2014 to provide for majority voting in uncontested elections of directors.

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

## Edgar Filing: LOUISIANA-PACIFIC CORP - Form DEF 14A

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](http://www.lpcorp.com). In 2013, there were no waiver requests.

---

## **Table of Contents**

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 has 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. All current outside directors meet the guidelines. The guidelines for executive officers are discussed under the heading **Additional Policies and Guidelines Affecting Executive Compensation**.

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](http://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](http://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 members of the Board have a diverse set of skills and experiences and all of the members, except the Chief Executive Officer, are independent. The Board currently has nine members and, following Mr. Dunham's retirement at the 2014 Annual Meeting of Stockholders, will have eight members. 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 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 Board committees (discussed below). All committees 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 or 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

## **Table of Contents**

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, Information Technology, 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 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 affect 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 assess 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 as well as reviewing the minutes of each committee meeting.

## **Board and Committee Meetings**

During 2013, 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 seven meetings in 2013. LP does not have a policy regarding attendance by directors at the annual meeting of stockholders. In 2013, seven of nine directors attended the annual meeting.

**Table of Contents**

The Board's committees and membership on each committee as of March 3, 2014, are set forth in the table below. Except as otherwise noted, each committee member also served as shown in the table throughout 2013. 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. The Board will review the committee memberships at its regular quarterly meeting in May 2014 to address necessary changes due to Mr. Dunham's retirement.

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	
Curtis M. Stevens				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 seven meetings during 2013. Two of these meetings included education and training sessions on financial, accounting and disclosure issues currently applicable to LP. In order to effectively perform its oversight responsibilities and duties, the Audit Committee holds, in addition to executive sessions, 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 meetings of and reports to the Audit Committee quarterly, as well as on an as-needed-basis, and also meets with the Audit Committee separate from management.

## **Table of Contents**

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 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 LP's Treasurer and Risk Manager and LP's General Counsel and Compliance Officer 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. The Audit Committee conducts an annual self-evaluation of 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 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 four times in 2013, 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 two stock award plans as they relate to officers and employees: LP's 1997 Incentive Stock Award Plan, under which no new awards will be made, and LP's 2013 Omnibus Stock Plan (the Stock Award Plan), which was approved by shareholders at the May 2013 Annual Meeting and replaces the 1997 Incentive Stock Award Plan. It also administers the Amended and Restated Annual Cash Incentive Award Plan (the Cash Incentive Plan) with respect to awards to management. 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, which is comprised of independent directors, is also responsible for developing and implementing 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 and reports its findings to the Board.

In order to facilitate 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



## **Table of Contents**

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 independent compensation consultant to assist the committee in the discharge of its responsibilities, and to provide such services to the committee in relation thereto as the committee may from time to time request.

Prior to selecting Frederic Cook as its independent compensation consultant, and as required by its Charter, the Compensation Committee considered various factors relevant to Frederic Cook's independence from LP's management. Based upon this assessment, the committee is not aware of any conflict of interest that would prevent Frederic Cook from providing independent advice concerning executive compensation matters. The consultant has unrestricted access to the committee Chair, attends executive sessions with the committee and reports directly to the committee. Further, any services requested of the consultant by management are subject to prior approval by the committee Chair, and the committee Chair will receive a copy of all invoices sent to LP by the consultant. No management services were requested in 2013.

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 Executive Officer, 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 2013, 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 2013.

## **Environmental and Compliance Committee**

The Environmental and Compliance Committee, which met four times during 2013, 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

## **Table of Contents**

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 as needed. The Director of Compliance is a regular participant in committee meetings. The Environmental and Compliance Committee conducts an annual self-evaluation of its performance and satisfaction of its responsibilities under its charter and reports its findings to the Board.

### **Nominating and Corporate Governance Committee**

The Nominating and Corporate Governance Committee (the Nominating Committee), which met three times in 2013, is authorized to establish procedures for selecting and evaluating potential nominees for director and to recommend to the Board of Directors qualifications for membership on the Board, including standards of independence for outside directors. The Nominating Committee also considers and makes recommendations to the Board regarding the size and diversity of the Board of Directors and Board committees, the selection of candidates for director, and the compensation of directors, including annual retainers, meeting fees, deferred compensation, stock and option grants, and pension or retirement plans. It develops and recommends for consideration by the Board principles, guidelines, and procedures for other matters of corporate governance that may arise. The Nominating Committee periodically reviews LP's Code of Business Conduct and Ethics, which covers directors, officers and employees and addresses conflicts of interest, reporting of illegal or unethical behavior and related issues, and makes any recommendations to the Board for changes as it deems appropriate. It also oversees annual evaluations of the effectiveness of the Board of Directors, the operations of Board committees (including itself), and the contributions of individual directors.

Compensation for outside directors, including, annual cash retainers, meeting fees, and annual equity-based grants, are described below under Directors Compensation. The Nominating Committee may request advice from Frederic Cook, its independent compensation consultant, regarding the types and amount of compensation provided to LP's outside directors.

### **Consideration of Director Nominees**

LP's corporate governance principles approved by the Nominating Committee and adopted by the Board provide that directors must be persons of integrity, with significant accomplishments and recognized business stature, who will bring a diversity of perspectives to the Board. Although the Board has not adopted a specific policy with regard to considering diversity in identifying director nominees, it believes that appropriate expertise, gender, cultural and geographical diversity should be reflected on the Board. Directors must also be able to commit the necessary time to prepare for and attend all regularly scheduled meetings of the Board and committees on which they serve, except when there are unavoidable business or personal conflicts. At least one outside director should have significant experience in the types of industries and business in which LP operates. The Nominating Committee uses the results of annual evaluations of the Board and Board committees in evaluating the skills and attributes desired in new director candidates. The Nominating Committee believes it to be desirable for all new outside directors (as is true of all current outside directors) to qualify as independent under the NYSE's listing standards. Experience in some capacity with publicly traded companies is also a desirable attribute. Additionally, the corporate governance principles recognize that LP's Chief Executive Officer will normally be a director and that other senior officers may be elected to the Board in appropriate circumstances as long as a majority of directors are independent as determined by the Board of Directors in accordance with the NYSE's listing standards.

The Nominating Committee is authorized by its charter to retain a third-party search firm to assist in identifying director candidates. Ideally, each individual proposed as a director candidate will be known by at least one existing director who can assist in evaluating the candidate's reputation for integrity and ethical conduct in business dealings.

As part of its annual self-assessment process, the Board and its committees determine the specific skill sets and necessary characteristics for an effective committee and the Board as a whole. If the Board, generally through the Nominating Committee, determines that a necessary skill set or perspective is absent, the Board will authorize an increase in the number of Board members. In the event of a vacancy resulting from retirement or

## **Table of Contents**

this annual self assessment process, the Nominating Committee determines which skills should be sought in filling the vacancy and then each current director is asked to suggest names of potential director candidates based on the applicable criteria. As part of the process, the Nominating Committee considers a potential candidate's ability to contribute to the diversity of personal and professional experiences, opinions, perspectives and backgrounds on the Board. Once the potential candidates are identified, the Nominating Committee designates one or more directors to screen each potential candidate for further consideration based on the relevant criteria.

Following that screening process, the Nominating Committee (or a subcommittee) conducts in-person or telephone interviews with candidates warranting further consideration. Following those interviews, the Nominating Committee recommends a candidate to the full Board for election, as well as alternative candidates that the Board may wish to consider.

The Nominating Committee will consider stockholders' recommendations concerning nominees for director. Any such recommendation, including the name and qualifications of a nominee, may be submitted to LP at its corporate offices: Louisiana-Pacific Corporation, 414 Union Street, Suite 2000, Nashville, Tennessee 37219, to the attention of the Chairman of the Nominating Committee. Stockholder-recommended candidates will be evaluated by the same criteria described above.

### **Stockholder Nominations for Election as Director**

LP's bylaws provide that nominations for election to the Board of Directors may be made by the Board or by any stockholder of record entitled to vote for the election of directors. Notice of a stockholder's intent to make such a nomination must be given in writing, by personal delivery or certified mail, postage prepaid, to the Chairman of the Board and must include the following:

The name and address of the stockholder and each proposed nominee;

A representation that the stockholder is a record holder of Common Stock and intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice;

A description of any arrangements or understandings pursuant to which the nominations are to be made;

The signed consent of each proposed nominee to serve as a director if elected; and

Such other information regarding each nominee as would be required to be included in LP's proxy statement if the person had been nominated by the Board of Directors.

The notice must be delivered at least 45 days prior to the first anniversary of the initial mailing date of LP's proxy materials for the preceding year's annual meeting. For the 2015 annual meeting, this notice must be received by LP no later than February 3, 2015.

### **Communications Between the Board and Stockholders, Employees, or Other Interested Parties**

LP will promptly forward to the Chairman of the Board any letter or other written communication sent to the Board or any individual director or group of directors, as long as the communication is delivered by certified mail or courier service addressed to LP's Corporate Secretary at its corporate offices: Louisiana-Pacific Corporation, 414 Union Street, Suite 2000, Nashville, Tennessee 37219, and contains the name and address of the sender. If the communication is addressed to an individual director, it will first be sent to that individual for a determination as to whether it relates to a personal matter rather than an LP or an LP Board matter. The Chairman of the Board, in his or her sole discretion, will determine how to handle each communication, including forwarding it for consideration by the full Board, the non-management directors or independent directors only, a Board committee, or an individual director.

**Table of Contents****ITEM 2 RATIFICATION OF SELECTION OF INDEPENDENT AUDITOR**

The Audit Committee has appointed Deloitte & Touche LLP as LP's outside independent auditor to audit its consolidated financial statements for 2014. Although LP is not required to seek stockholder approval of this appointment, the Board has determined it to be sound corporate governance practice to submit the appointment for ratification by LP's stockholders. If the appointment is not ratified by stockholders, the Audit Committee will investigate the possible basis for the negative vote and will reconsider the appointment in light of the results of its investigation.

Representatives of Deloitte & Touche LLP are expected to attend the annual meeting where they will be available to respond to questions and, if they desire, may make a statement.

**Pre-Approval of Audit and Permissible Non-Audit Services of Independent Auditor**

The Audit Committee has pre-approved all audit services provided by LP's independent auditor, Deloitte & Touche LLP, for the years ended December 31, 2012 and 2013. The Audit Committee also pre-approved all audit-related and permissible non-audit services provided by LP's independent auditor during 2012 and 2013 and concluded that the provision of those services by Deloitte & Touche LLP was compatible with the maintenance of that firm's independence in the conduct of its auditing functions.

The Audit Committee has adopted a policy for the pre-approval of services provided by the independent auditor. Under the policy, pre-approval is generally provided for up to one year. Each pre-approval is detailed as to the particular service or category of services and is subject to a specific budget. In addition, the Audit Committee may pre-approve particular services on a case-by-case basis. For each proposed service, the independent auditor must provide a statement that such service is consistent with the SEC's rules on auditor independence. The Audit Committee may delegate pre-approval authority to one or more of its members. Such a member must report any decisions to the Audit Committee at its next scheduled meeting. Unless specified otherwise by the Audit Committee, the Chairman of the Audit Committee has been delegated pre-approval authority under the pre-approval policy.

The aggregate fees, including expenses, billed to LP for the years ended December 31, 2012 and 2013 by LP's principal accounting firm, Deloitte & Touche LLP, the member firms of Deloitte Touche Tohmatsu, and their respective affiliates, were as follows:

	2013	2012
Audit Fees	\$ 1,990,464	\$ 1,758,400
Audit-Related Fees	317,618	325,962
<b>Total Audit and Audit-Related Fees</b>	<b>2,308,082</b>	<b>2,084,362</b>
Tax Fees	72,637	42,025
All Other Fees	1,500	1,500
<b>Total Fees</b>	<b>\$ 2,382,219</b>	<b>\$ 2,127,887</b>

*Audit Fees.* Includes fees for audit services involving the audit of LP's consolidated financial statements, review of interim quarterly statements, the audit of LP's internal control over financial reporting as required by Section 404 of the Sarbanes-Oxley Act of 2002, any other procedures required to be performed by LP's independent auditor in order to render its opinion on LP's consolidated financial statements, and services in connection with statutory audits and financial audits for certain of LP's subsidiaries.

*Audit-Related Fees.* Includes any fees for assurance and related services that are traditionally performed by the independent auditor and are not reported as audit fees. These audit-related services may include due diligence services pertaining to potential business acquisitions or dispositions, due diligence procedures related to debt or equity offerings, accounting consultations related to accounting, financial reporting, or disclosure matters not classified as audit services, assistance with understanding and implementing new accounting and financial

**Table of Contents**

reporting guidance from rulemaking authorities not classified as audit services, financial audits of employee benefit plans, and assistance with internal control reporting requirements. Audit-related fees for 2012 primarily include fees for audits of employee benefit plans and review of reports issued in connection with lender and regulatory requirements. Audit-related fees for 2013 primarily include fees for audits of employee benefit plans, review of reports issued in connection with lender and regulatory requirements, and due diligence procedures.

*Tax Fees.* Includes any fees for tax services, including tax compliance and planning services. Tax fees for 2012 and 2013 primarily include fees for assistance related to international and state tax services and preparation of tax form 990 related to certain of LP's Health and Welfare Plans.

*All Other Fees.* Amounts represent fees for a license to use a financial accounting technical research database.

**The Board recommends a vote FOR the ratification of the Audit Committee's appointment of Deloitte & Touche LLP as LP's principal independent auditor (Item 2 on the proxy card).**

**Table of Contents**

**ITEM 3 ADVISORY VOTE TO APPROVE EXECUTIVE COMPENSATION**

The Board of Directors recognizes the interest of stockholders in executive compensation matters. We are providing our stockholders an opportunity to cast an advisory vote on the compensation of our named executive officers, as described in this proxy statement. Although the vote is non-binding, we value continuing and constructive feedback from our stockholders on compensation and other important matters. In the past three years, stockholders' votes in favor of our compensation policies and programs have exceeded 90%.

As described in the Compensation Discussion and Analysis section of this proxy statement, we believe that our compensation packages provide competitive compensation that enables us to attract, retain and motivate a high-performance executive management team, link individual performance to corporate financial performance, and align the interests of management and stockholders by promoting ownership of LP common stock. For more details on our compensation philosophy, please read the Compensation Discussion and Analysis relating to our executive compensation programs, including specific information about compensation of our named executive officers for 2013.

On behalf of the stockholders, the Compensation Committee continually reviews current market practices and data, and our compensation programs and ancillary policies, in addition to actual executive compensation. The Compensation Committee seeks to achieve the desired goals of aligning our executive compensation structure with our stockholders' interests. As a result of the committee's review in 2013, the committee took several important actions and maintained existing practices that represent strong corporate governance:

Compensation packages were monitored and modified where appropriate, with the assistance of our independent compensation consultant, so that each executive officer is within a competitive range of the median market value (50th percentile) of total compensation for executives in comparable positions at peer group companies. The actions taken include:

The target value of annual long-term incentive grants to two named executive officers was reduced based on the benchmark analysis conducted by the independent compensation consultant.

We continued to provide only limited perquisites to our CEO and other executive officers that we believe provide direct benefits to LP. We entered into change in control agreements with two senior vice presidents and did not include any tax gross ups consistent with our prior decision to no longer provide this benefit in new agreements.

The committee reviewed the compensation packages of two new executive officers and, based on the market analysis regarding competitive practices, determined that participation in the company's supplemental executive retirement program would not be offered to these executives.

Our annual incentive compensation plans were aligned between our executives and all other employees to ensure unified effort toward the achievement of our goals and objectives.

We place a strong emphasis on variable compensation. Our short-term incentive program is designed so that the payout opportunity is directly linked to the achievement of pre-determined financial performance metrics, and other individual performance goals approved by the committee, with upside opportunities for exceeding pre-determined goals.

Our long-term incentive program is designed to align our senior leaders with the financial interests of our stockholders and to achieve the long-term strategic objectives of the company.

With the assistance of our independent compensation consultant, we reviewed and amended our Peer Group to more consistently and accurately reflect our industry compensation comparisons.



## **Table of Contents**

We believe that proper administration of our executive compensation programs should result in the development of a management team motivated to lead our company to improved fundamental financial performance in furtherance of the long-term interests of LP and its stockholders. For these reasons, we **recommend that stockholders vote, on an advisory basis, FOR the following resolution:**

**Resolved, that the compensation paid to our named executive officers, as disclosed in this proxy statement pursuant to Item 402 of Regulation S-K adopted by the SEC, including the Compensation Discussion and Analysis, executive compensation tables and accompanying footnotes and narrative discussion, is hereby approved.**

The above-referenced disclosures appear under the heading "Compensation of Executive Officers" in this proxy statement.

The above resolution will be deemed to be approved if it receives the affirmative vote of a majority of the total votes cast on Item 3 at the annual meeting. Abstentions and broker non-votes are not considered to be votes cast and, accordingly, will have no effect on the outcome of the vote. As this vote is an advisory vote, the outcome is not binding on us with respect to future executive compensation decisions, including those relating to our named executive officers. Our Compensation Committee and Board of Directors will, however, take the outcome of the vote into account in making future executive compensation decisions, as they did in 2013 and prior years.

At LP's 2010 annual meeting of stockholders, a majority of the votes cast on an advisory basis as to the frequency with which LP should conduct an advisory stockholder vote on the compensation of LP's executive officers (a "say-on-pay" vote) were cast in favor of conducting a say-on-pay vote annually. Accordingly, LP presently intends to conduct a say-on-pay vote annually until the next required advisory vote on the frequency of say-on-pay votes.

## **ITEM 4 APPROVAL OF THE AMENDED AND RESTATED ANNUAL CASH INCENTIVE AWARD PLAN**

### **Background**

In 2009, LP's stockholders approved modified performance goals under LP's Amended and Restated Annual Cash Incentive Award Plan (the "Current Cash Incentive Plan"), to be used for cash incentive awards to executive officers of LP. The Current Cash Incentive Plan allows LP to grant annual cash incentive opportunities based upon meeting or exceeding performance goals. On January 30, 2014, the Board amended and restated the Current Cash Incentive Plan (the "Cash Incentive Plan") to again modify the performance goals set forth in the Current Cash Incentive Plan. The Board is submitting for stockholder approval the Cash Incentive Plan.

LP's principal reason for submitting the Cash Incentive Plan to stockholders for approval is to enable LP to continue to structure certain annual cash incentive opportunities under the Cash Incentive Plan so that they may qualify as "qualified performance-based compensation" for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code"). If annual incentive awards under the Cash Incentive Plan qualify as qualified performance-based compensation for purposes of Section 162(m) of the Code, then LP may be able to receive a federal income tax deduction for certain compensation paid to its Chief Executive Officer and the other three most highly compensated executive officers (other than LP's Chief Financial Officer) in excess of \$1 million for any taxable year. While LP believes it is in the best interests of LP and its stockholders to have the ability to grant qualified performance-based compensation under Section 162(m) of the Code, it may decide to grant compensation that will not qualify as qualified performance-based compensation for purposes of Section 162(m) of the Code. Moreover, even if LP intends to grant compensation that qualifies as qualified performance-based compensation for purposes of Section 162(m) of the Code, it cannot guarantee that such compensation ultimately will be deductible by LP.



---

## **Table of Contents**

With respect to annual incentive awards, in order to satisfy the qualified performance-based compensation exception to the deduction limitation of Section 162(m) of the Code, the payout of the award must be contingent solely on the attainment of one or more performance goals determined by a committee of two or more outside directors. The award must also be granted pursuant to a stockholder approved plan containing (1) the material terms of the performance criteria pursuant to which the performance goals may be established, (2) the individuals eligible to receive awards under the plan, and (3) a specified limit on the maximum awards that a participant may receive within a certain time period or periods. Stockholder approval of this proposal is intended to satisfy the stockholder approval requirements under Section 162(m) of the Code.

### **Summary of the Cash Incentive Plan**

A summary description of the entire Cash Incentive Plan, as amended and restated as of January 30, 2014, is set forth below. The summary of the Cash Incentive Plan is not intended to be exhaustive and is qualified in its entirety by the terms of the Cash Incentive Plan. A complete copy of the Cash Incentive Plan, as proposed for approval, is attached to this proxy statement as Appendix A.

If approved by LP's stockholders, the Cash Incentive Plan will be effective for the fiscal year beginning on January 1, 2014 and for each fiscal year beginning after that date until terminated.

**Administration.** The Compensation Committee of the Board (or Compensation Committee) will administer the Cash Incentive Plan. For each annual performance period, the Compensation Committee will approve target awards for all participants and will approve performance goals and achievement percentages with respect to such goals. At the end of the annual performance period, the Compensation Committee will certify the extent to which the performance goals have been achieved. In addition, the Compensation Committee will have exclusive authority to establish the performance goals, weighting percentages and achievement percentages with respect to such goals, to certify achievement, and to take all other actions with respect to awards for LP's Chief Executive Officer and any other participant that it determines may be subject to Section 162(m) of the Code.

**Miscellaneous Provisions.** A participant's benefits under the Cash Incentive Plan cannot be sold, transferred, anticipated, assigned, pledged, hypothecated, seized by legal process, subjected to claims of creditors in any way, or otherwise disposed of. Nothing in the Cash Incentive Plan will provide a guarantee of continued employment with LP to any participant or interfere with LP's right to terminate any participant's employment at any time. The Compensation Committee may terminate or amend the Cash Incentive Plan at any time and in any manner deemed advisable.

**Eligibility.** A Participant must continue Employment with Corporation until the end of a Plan Year in order to be entitled to receive an Award for that Plan Year. Participant will be selected from this group to participate in the Cash Incentive Plan for all or a portion of a calendar year. Currently, approximately 353 individuals[, **including our executive officers,**] are expected to be eligible to participate in the Cash Incentive Plan.

**Target Incentive Awards.** Participants for a plan year will be selected by the Compensation Committee and will be granted an award opportunity for the plan year. Each award opportunity will specify a targeted incentive opportunity (or target award) expressed either as a dollar amount or as a percentage of the participant's regular annualized base salary.

**Performance Goals and Targets.** The performance goals that will be used to measure a participant's award achievement will consist of one or more of the following:

corporate performance goals measuring financial performance related to LP as a whole; or

business unit performance goals measuring financial or strategic performance of an identified business unit for which a participant has responsibility; or

individual performance goals measuring success in developing and implementing particular tasks assigned to an individual participant.

## Table of Contents

Corporate performance goals may include one or more measures related to earnings, profitability, efficiency, or return to stockholders and may include earnings, earnings per share, operating profit, stock price, costs of production, cash flow, revenue growth, return on equity, return on assets, return on invested capital, or other measures, whether expressed as absolute amounts, as ratios, or percentages of other amounts. Success regarding these corporate performance goals may be measured against various standards, including budget targets, improvement over prior years, and performance relative to other companies or industry groups.

Strategic business unit performance goals may include one or a combination of objective factors related to success in implementing strategic plans or initiatives, introducing products, constructing facilities, or other identifiable objectives.

Financial business unit performance goals may include the degree to which the business unit achieves one or more measures related to its revenue growth, earnings, profitability, efficiency, operating profit, costs of production, cash flow, return on equity, return on assets, return on invested capital, or other measures, whether expressed as absolute amounts or as ratios or percentages, which may be measured against various standards, including budget targets, improvement over prior years, and performance relative to other companies or business units.

Individual performance goals will naturally vary depending upon the responsibilities of individual participants and may include, without limitation, goals related to success in developing and implementing particular management plans or systems, reorganizing departments, establishing business relationships, or resolving identified problems.

Each performance goal will be weighted as a percentage so that the total weighted percentages for all performance goals regarding a participant's award is 100%. Each performance goal will also specify an achievement percentage (ranging from 0% to 200%) to be used in computing the payout for the award based upon the extent to which the particular performance goal is achieved. Achievement percentages for a particular performance goal may be based on: (1) an all or nothing measure that provides for a specified achievement percentage if the performance goal is met and a zero achievement percentage if the performance goal is not met; (2) several levels of performance or achievement (such as a threshold, target and maximum level) that each correspond to a specified achievement percentage; or (3) continuous or numerical measures that define a sliding scale of achievement percentages.

**Determining Final Award Payouts.** The amount paid for each award will be equal to the product of: (1) the total achievement percentage for the participant for the applicable performance goals for the plan year; and (2) the participant's target award for the plan year. In no event, however, may a participant's award payment for any plan year exceed the lesser of (A) 200% of the participant's target award and (B) \$3,000,000.

As soon as possible after the completion of the plan year, the award payout will be determined for each participant based on determination of (1) the extent to which the applicable performance goals were achieved, and (2) the weighted achievement percentages for the applicable performance goals. A participant must generally continue his or her full or part-time employment with LP until the end of the plan year to be entitled to receive an award payout for the plan year (and the Compensation Committee may approve additional requirements regarding continued employment with respect to award payouts). However:

if a participant terminates his or her employment with LP before the end of the plan year due to death or disability, the participant (or his or her beneficiary or estate) will be entitled to 100% of his or her target award;

if a participant terminates his or her employment with LP due to an approved retirement prior to the end of the plan year, the participant will receive a pro-rata award payout based on actual performance for the plan year and the number of days during the plan year during which the participant was employed by LP; otherwise

if a participant terminates his or her full or part-time employment with LP before the end of the plan year for a reason other than death, disability or approved retirement, the participant will not be entitled to receive payout for his or her award for the plan year.

**Table of Contents**

For these purposes, a participant's disability means being permanently unable to perform his or her duties for LP by reason of a medically determinable physical or mental impairment that can be expected to result in death or that has lasted or can be expected to last for a continuous period of at least 12 months, and a participant's approved retirement means his or her termination of employment with LP after attaining age 60 that is approved by LP's Chief Executive Officer.

**Payment of Awards.** Each participant's award payout will be made in cash in a lump sum within 30 days after the final payout amount has been determined (subject to any additional restrictions or limitations expressly provided for under the Louisiana-Pacific Corporation Management Incentive Plan and applied to the participant's award).

**New Plan Benefits**

In February 2014, the Compensation Committee established the target amounts of cash incentive award opportunities for 2014 based on the salary of each of the participants. The target amount was set at 55% of base salary for the executive team except the Chief Executive Officer. The target amount for LP's Chief Executive officer was set at 100% of his base salary. Satisfaction of corporate business unit, and individual performance goals will be determined by the Compensation Committee following the end of 2014 and cash payments, if any, will be made as soon as practicable after the determination of the amount of the award. The targeted amounts of award opportunities for 2014 that have been approved are as follows:

New Plan Benefits*Amended and Restated Annual Cash Incentive Plan*

Name and Position	Dollar Value (\$) (1)
Curtis M. Stevens	
<i>Chief Executive Officer</i>	\$ 850,000
Sallie B. Bailey	
<i>Chief Financial Officer</i>	\$ 242,000
Richard S. Olszewski	
<i>Executive Vice President, Sales and Marketing &amp; South America</i>	\$ 220,000
Jeffrey N. Wagner	
<i>Executive Vice President, Oriented Strand Board</i>	\$ 195,250
W. Bradley Southern	
<i>Senior Vice President and General Manager, Siding</i>	\$ 173,250
All Executive Group	\$ 2,686,982
Non-executive Officer Employee Group	\$ 9,917,029

(1) Performance goals for executive officers for 2014 are based 60% on LP's corporate performance as measured by Adjusted EBITDA (as defined by the Compensation Committee) for the year ending December 31, 2014, and 40% on objective individual and business unit goals unique to each participant. Depending on satisfaction of performance goals, the amount paid for 2014 awards may range from 0% to 200% of the amount shown with respect to corporate performance goals and 0% to 120% with respect to individual and business unit goals.

With respect to other grants under the Cash Incentive Plan, it is not possible to determine the specific amounts of awards that may be granted in the future because awards are discretionary and payout amounts are based on actual future performance and the discretion of the plan administrator.



**Table of Contents**

**Board Voting Recommendation**

The Board of Directors is asking stockholders to approve this proposal as outlined above. In the event stockholders do not approve this proposal, no further awards will be made to executive officers under the Cash Incentive Plan in the future and the Compensation Committee will, in its discretion, consider other methods of providing appropriate compensation to executive officers.

Approval of the terms of the modified performance goals will require the affirmative vote of a majority of the total votes cast on this item. Abstentions and broker non-votes are not considered to be votes cast and, accordingly will have no effect on the outcome of the vote.

The Board of Directors recommends a vote FOR the modified performance goals under the Cash Incentive Plan. (Item 4 on the proxy card).

**OTHER BUSINESS**

At the time this proxy statement was printed, management knew of no matters to be presented at the annual meeting other than the items of business listed in the Notice of Annual Meeting of Stockholders. If any matters other than the listed items properly come before the meeting, the proxies named in the accompanying form of proxy will vote or refrain from voting on such matters in accordance with their judgment.

**FINANCE AND AUDIT COMMITTEE REPORT**

In discharging its responsibilities, the Audit Committee and its individual members have met with management and LP's independent auditor, Deloitte & Touche LLP, to review LP's accounting functions and the audit process and to review and discuss LP's audited consolidated financial statements for the year ended December 31, 2013. The Audit Committee discussed and reviewed with its outside auditing firm all matters that the firm was required to communicate and discuss with the Audit Committee under applicable auditing standards and all other legal, regulatory and corporate governance standards, including those described in Statement on Auditing Standards No. 61, as amended, regarding communications with audit committees. Deloitte & Touche has also provided to the Audit Committee the written disclosures and the letter required by applicable requirements of the Public Company Accounting Oversight Board regarding communication with the Audit Committee concerning independence. The Audit Committee discussed with Deloitte & Touche the firm's independence.

Based on its review and discussions with management and LP's outside auditor, the Audit Committee recommended to the Board of Directors that LP's audited consolidated financial statements for the year ended December 31, 2013, be included in LP's Annual Report on Form 10-K filed with the SEC.

Respectfully submitted,

Kurt M. Landgraf, Chairman

E. Gary Cook

Archie W. Dunham

Colin D. Watson

**Table of Contents****HOLDERS OF COMMON STOCK****Five Percent Beneficial Owners**

The following table provides information concerning the beneficial ownership of Common Stock by the persons known to LP to beneficially own 5% or more of the outstanding Common Stock as of February 28, 2014:

<b>Name and Address</b>	<b>Common Stock Beneficially Owned</b>	<b>Approximate Percent of Class</b>
BlackRock, Inc. 40 East 52 <sup>nd</sup> Street,  New York, NY 10022	18,477,221	13.10%
The Vanguard Group, Inc. 100 Vanguard Blvd.,  Malvern, PA 19355	9,022,578	6.39%
Dimensional Fund Advisors L.P. Palisades West,  Building One, 6300 Bee Cave Road,  Austin, TX 78746	8,252,621	5.85%
Wellington Management Co. 75 State Street, #1800,  Boston, MA 02109	7,722,696	5.47%

**Directors and Executive Officers**

The following table summarizes the beneficial ownership of Common Stock of LP's directors, nominees for director, and executive officers included in the Summary Compensation Table below:

<b>Name</b>	<b>Common Stock Beneficially Owned As of March 4, 2014(1)</b>	<b>Approximate Percent of Class</b>
Sallie B. Bailey(2)(3)(5)	140,615	0.10%
E. Gary Cook(2)(4)	74,235	0.05%
Archie W. Dunham(2)(4)	704,176	0.50%
Daniel K. Frierson(2)(4)	56,063	0.04%
Lizanne C. Gottung(2)(4)	55,127	0.04%
Kurt M. Landgraf(2)(4)	69,854	0.05%
Dustan E. McCoy(2)(4)	75,713	0.05%
Richard S. Olszewski(2)(3)(5)	359,852	0.25%
Curtis M. Stevens(2)(5)	1,215,992	0.86%
W. Bradley Southern (2)(5)	216,662	0.15%
Jeffrey N. Wagner(2)(3)(5)	564,481	0.40%
Colin D. Watson(2)(4)	60,079	0.04%
John W. Weaver(2)(4)	39,600	0.03%

## Edgar Filing: LOUISIANA-PACIFIC CORP - Form DEF 14A

All directors and executive officers as a group

3,632,449

2.57%

- (1) Shares are shown as beneficially owned if the person named in the table has or shares the power to vote or direct the voting of, or the power to dispose of, or direct the disposition of, such shares. Inclusion of shares in the table does not necessarily mean that the persons named have any economic beneficial interest in shares set forth opposite their respective names.
- (2) Includes shares reserved for issuance under immediately exercisable options and options which will become exercisable within 60 days after March 4, 2014, as follows: Ms. Bailey, 84,439 ; Mr. Cook, 47,592 shares;

**Table of Contents**

Mr. Dunham, 47,097 shares; Mr. Frierson, 45,003 shares; Ms. Gottung, 42,184 shares; Mr. Landgraf, 44,645 shares; Mr. McCoy, 47,361 shares; Mr. Olszewski, 258,514 shares; Mr. Southern, 155,808; Mr. Stevens, 830,353 shares; Mr. Wagner, 446,444 shares; Mr. Watson, 47,309 shares; Mr. Weaver, 23,355 shares; and all current directors and executive officers as a group, 2,120,104 shares.

- (3) Includes shares held by the LP Salaried 401(k) and Profit Sharing Plan and beneficially owned as follows: Ms. Bailey 892 shares; Mr. Olszewski, 55 shares; and Mr. Wagner, 3,985 shares.
- (4) Includes restricted shares granted under the 2000 Non-Employee Director Restricted Stock Plan and the 2013 Omnibus Plan as to which the following directors have the power to vote: Mr. Cook, 7,828 shares; Mr. Dunham, 7,828 shares; Mr. Frierson, 7,828 shares; Ms. Gottung, 7,828 shares; Mr. Landgraf, 7,828 shares; Mr. McCoy, 7,828 shares; and Mr. Weaver, 5,695. In addition, the following individuals hold restricted stock units covering the numbers of shares indicated that are not included in the amounts shown in the table because they do not presently have voting or disposition power over the shares issuable upon vesting of the units: Mr. Cook, 4,086 shares; Mr. Dunham, 4,086 shares; Mr. Frierson, 4,086 shares; Ms. Gottung, 4,086 shares; Mr. Landgraf, 4,086 shares; Mr. McCoy, 4,086 shares; Mr. Weaver, 4,086 shares and Mr. Watson 14,223 shares.
- (5) Includes restricted shares issued under the 2013 Omnibus Stock Award Plan and LP's 1997 Incentive Stock Award Plan or the 2013 Omnibus Plan as restricted stock awards, as to which the following executive officers have the power to vote: Ms. Bailey, 55,284 shares; Mr. Olszewski, 31,343 shares; Mr. Southern 26,226; Mr. Stevens, 143,608 shares; and Mr. Wagner, 25,968 shares.

**SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

Section 16 of the Securities Exchange Act of 1934 ( Section 16 ) requires that reports of beneficial ownership of Common Stock and changes in such ownership be filed with the SEC and the NYSE by LP's officers, directors, and certain other reporting persons. Based solely upon a review of copies of Forms 3, 4, and 5 (and amendments thereto) filed by LP's reporting persons and written representations by such persons, to LP's knowledge, all Section 16 reporting requirements applicable to such persons were complied with for the period specified in the SEC's rules governing proxy statement disclosures.



---

**Table of Contents**

**COMPENSATION OF EXECUTIVE OFFICERS**

**Compensation Committee Report**

In accordance with its written charter adopted by the Board of Directors, the Compensation Committee (the Committee) has oversight of compensation policies designed to align compensation with our overall business strategy, values and management initiatives. In discharging its oversight responsibility, the Committee has retained an independent compensation consultant, Frederic W. Cook & Co. Inc. (Frederic Cook), to advise the Committee regarding market and general compensation trends.

The Committee has affirmed the independence of its consultant through review of the firm's independence policy and is not aware of any conflict of interest that would prevent the consultant from providing independent advice to the Committee regarding executive compensation matters. The consultant is responsible solely to the Committee and undertook no work with or for the management of the company. The consultant is not the beneficial owner of any shares of Louisiana-Pacific Corporation common stock, and fees payable by Louisiana-Pacific to Frederic Cook during 2013 were less than 1% of the firm's gross revenues.

The Committee has reviewed and discussed the Compensation Discussion and Analysis with our management, which has the responsibility for preparing the Compensation Discussion and Analysis. Based upon this review and discussion, the Committee recommended to the Board that the Compensation Discussion and Analysis be included in this proxy statement and incorporated by reference in our Annual Report on Form 10-K filed with the Securities and Exchange Commission for the fiscal year ended December 31, 2013.

Respectfully submitted,

Colin D. Watson, Chairman

Archie W. Dunham

Lizanne C. Gottung

Kurt M. Landgraf

**Compensation Committee Interlocks and Insider Participation**

During 2013, each member of the Committee was an independent director, and none of them were employees or officers or former employees or officers of LP. During 2013, none of LP's executive officers served on the Board of Directors or Compensation Committee (or its equivalent) of any other entity, one of whose executive officers served on the Board of Directors or the Committee.

**Compensation Discussion and Analysis**

This Compensation Discussion and Analysis is intended to provide investors with an understanding of our policies and decisions regarding compensation of our named executive officers for 2013 and 2014. Our named executive officers are:

Curtis M. Stevens	Chief Executive Officer
Sallie B. Bailey	Executive Vice President and Chief Financial Officer
Richard S. Olszewski	Executive Vice President, Sales and Marketing and South America
Jeffrey N. Wagner	Executive Vice President, Oriented Strand Board (OSB)
W. Bradley Southern	Senior Vice President and General Manager

**Executive Summary**

We continue to see the housing market improve; however, the market is not yet normalized based on historic levels. We implemented changes to our executive compensation that addressed short-term economic conditions and at the same time were supportive of our key strategic goals and objectives to support long-term value creation.

## Edgar Filing: LOUISIANA-PACIFIC CORP - Form DEF 14A

When determining policies and making decisions in relation to the compensation of the company's executive officers, the Committee considers the results of stockholder advisory votes. In the past two years,

## **Table of Contents**

shareholders have shown their support of the Committee's approach on executive compensation with approximately 95% of the votes cast in 2013, and approximately 92% of the votes cast in 2012. The Committee views these approvals as an endorsement of the Committee's philosophy, objectives and methodologies in regards to executive compensation.

### *Committee Assessment of 2013 Performance*

The Committee believes that management, in 2013, not only performed well, but continued to build a foundation for further improved long-term performance. In establishing goals for 2013, we considered the key financial and operating performance measures for the business. We approved a budget for the company that would be EBITDA positive at a time when the market is rebounding following a long weakened economy. We believe that through the market downturn, the company has positioned itself for the long-term benefit of our stockholders. The Committee noted significant areas of financial and operational achievement including:

Exceeded budgeted performance in EBITDA, Adjusted EBITDA, and cash flow;

Grew the Siding business revenue by 15%;

Continued strong safety performance, including being named One of America's Safest Companies for 2013 by EHS Today;

Completed phase one of our implementation of a new ERP system; and

Positioned the company to acquire Ainsworth Lumber Company.

### *Establishment of 2013 Total Direct Compensation*

Under LP's executive compensation program, total direct compensation consists of annual cash compensation and long-term equity incentive compensation.

### *Key Executive Compensation Decisions in 2013*

As part of its ongoing review of our executive compensation program in comparison to developing trends, the Committee took several important actions and maintained existing practices that represent strong corporate governance in 2013, including:

Compensation packages were monitored with the assistance of our independent compensation consultant so that each executive officer is within a competitive range of the median market value (50th percentile) of total compensation for executives in comparable positions at peer group companies.

We continued to provide only limited perquisites to our CEO and other executive officers that we believe provide direct benefits to LP. We discontinued the tax gross-up provision in the financial counseling perquisite beginning in 2012.

Our annual incentive compensation plans were aligned between our executives and other employees to ensure unified effort toward the achievement of our goals and objectives.

## Edgar Filing: LOUISIANA-PACIFIC CORP - Form DEF 14A

We place a strong emphasis on variable compensation. Our short-term incentive program is designed so that the payout opportunity is directly linked to the achievement of pre-determined financial performance metrics, and other individual performance goals approved by the Committee, with upside opportunities for exceeding pre-determined goals.

Our long-term incentive program is designed to align our senior leaders with the financial interests of our stockholders and to achieve the long-term strategic objectives of the company.

We implemented a change to our peer group, effective for 2014, to ensure that it continues to provide an appropriate benchmark for competitive pay analysis.

## Table of Contents

We conducted a risk analysis of executive pay practices to ensure that no executive compensation policy or practice is reasonably likely to have a material adverse effect on the company.

As part of our governance, we conducted a Request for Information for an Executive Compensation consultant to advise the Committee. It was determined that Frederic Cook would remain the Committee's adviser.

The Committee believed these measures were appropriate in light of the current economic environment. Additional details regarding the Committee's actions are described throughout the Compensation Discussion and Analysis.

### Compensation Philosophy and Objectives

LP's executive compensation philosophy is to provide a competitive total compensation package that aligns the interests of management with those of stockholders. We believe that effective executive compensation programs are critical to LP's long-term success.

In accordance with its charter, the Committee has adopted executive compensation policies that are designed to achieve the following objectives:

*Pay-for-Performance.* Support a performance-oriented environment that rewards achievement of our financial and non-financial goals.

*Retention.* Attract and retain executives whose abilities are considered essential to our long-term success and competitiveness.

*Focus on Long-Term Success and Stockholder Alignment.* Reward executives for long-term strategic management and enhancement of stockholder value. Align the long-term financial interests of our executives with those of stockholders.

*Reduction of Risk.* Discourage executives from excessive risk-taking that could have a significant negative effect on the company.

**Table of Contents**

**Elements of Executive Compensation Program**

For 2013, there were no new elements of compensation provided to the named executive officers. The following table provides information regarding the objectives and purposes of each element of the company's executive compensation program:

<b>Element</b>	<b>Objectives</b>	<b>Purpose</b>	<b>Target Competitive Position</b>
Base salary	Attract and retain quality talent	Provide annual cash income based on:  level of responsibility, performance and experience	Median of competitive market  Actual base salary will vary based on the individual's performance and experience in the position
Annual cash incentive	Pay-for-performance	comparison to market pay information Motivate and reward achievement of the following annual performance goals:  corporate key financial goals	Median of competitive market  Actual payout will vary based on actual corporate and business unit or individual performance
Long-term equity incentive	Stockholder alignment  Focus on long-term success  Pay-for-performance  Retention  Facilitate stock ownership by employees	Provide an incentive to preserve and enhance stockholder value and to achieve our long-term objectives, through awards of:  restricted stock or restricted stock units  stock-settled stock appreciation rights (SSARs)	Median of competitive market  Actual payout will vary based on actual stock performance
Retirement benefits	Attract and retain quality talent	Performance shares	

		Provide retirement plan benefits through pension plans, 401(k) plan, SERP (grandfathered for select executives) and other defined contribution plans consistent with market practice	Benefits comparable to those of competitive market
Post-termination compensation (severance and change of control)	Attract and retain quality talent	Facilitate attraction and retention of executives critical to our long-term success and competitiveness consistent with market practice	Subject to review and approval by the Committee to align with market practice

**Table of Contents**

When setting compensation for our executive officers, the Committee considers total direct compensation, which consists of base salary, annual target cash incentive, and long-term equity incentive compensation elements described above. While the Committee reviews each of these compensation elements, the Committee's decisions regarding a particular element are not necessarily impacted by other elements, other than to the extent that they affect total direct compensation. See "Total Direct Compensation" below.

**Review of Peer Group and Survey Data for Comparison Purposes**

To ensure that our compensation programs are reasonable and competitive in the marketplace, the Committee compares our programs to those at other similar companies who were selected from the Forest Products and Building Products industry classifications, as well as in relation to benchmark data from a broader group of general industry companies. For 2013, the peer group included the following:

American Woodmark	Norbord
A. O. Smith	Owens Corning
Armstrong World Industries	Quanex Building Products
Builders Firstsource	Simpson Manufacturing
Canfor	Universal Forest Products, Inc.
Gibraltar Industries	USG
Griffon	West Fraser Timber Co. Ltd.

**Lennox International**

At its August 2013 meeting, the Compensation Committee approved changes to the peer group for the purposes of evaluating compensation for 2014. We believe that our peer group companies reflect similarities in channels, business cycles, and manufacturing expertise, thus providing appropriate benchmark data. The new peer group includes the following companies:

American Woodmark	Masco
A. O. Smith	Nortek
Armstrong World Industries	Owens Corning
Boise Cascade	Ply Gem Holdings
Builders FirstSource	Quanex Building Products
Fortune Brands Home & Security	Simpson Manufacturing Company
Gibraltar Industries	Universal Forest Products
Griffon	USG

**Lennox International**

The peer group was developed in consultation with Frederic Cook without consideration of individual company compensation practices, and no company has been included or excluded from our peer group because they are known to pay above-average or below-average compensation. The



## Edgar Filing: LOUISIANA-PACIFIC CORP - Form DEF 14A

Committee, in conjunction with its independent compensation consultant, will continue to periodically review the peer group, and the peer group will be revised as appropriate to ensure that it continues to represent similar US organizations with which we compete for executive talent in the marketplace.

The compensation data provided to the Committee also includes size-appropriate compensation data extracted by the Committee's independent compensation consultant from several independent survey sources. The survey data presents compensation figures based on information from companies across a broad range of industries without reference to individual companies.

Frederic Cook reviewed three confidential, third-party surveys in order to benchmark LP's executive compensation. All three surveys were general industry surveys, from which aggregate results were compiled using the appropriate revenue bands. Data was then interpolated to LP's 3-year average revenue of approximately \$1.3 billion (3-year average revenues were considered to account for significant volatility in revenues experienced in the industry over the last few years). A similar methodology was used for LP's business unit executives using size-appropriate revenue bands and 3-year average LP business unit revenues. The survey

**Table of Contents**

participants were not considered on an individual basis and the names were not disclosed to the Committee. Additional information on each survey is below:

The first survey consisted of approximately 360 participants; data was collected from two revenue bands: \$500 million \$1 billion and \$1 \$2.5 billion.

The second survey consisted of approximately 410 participants; data was collected from two revenue bands: less than \$1 billion and \$1 \$3 billion.

The third survey consisted of approximately 1,010 participants; data was collected from two revenue bands: \$500 million \$2 billion and \$2 \$5 billion.

The results from the three surveys were then averaged and blended with peer group compensation data to develop a market consensus.

The compensation comparative data reviewed by the Committee for its deliberations in early 2013 for the coming year was based 50% on information from the then current peer group and 50% on survey data (benchmark data). The benchmark data compared each executive's base salary, total cash compensation opportunities (salary and target cash incentive award opportunities), and total direct compensation opportunities (salary, target cash incentive award opportunities, and equity-based awards) for 2013 against projections for 2013 of equivalent items for similar categories of officers from the peer group and survey data. The benchmark data was summarized at the 50<sup>th</sup> percentile (the target median) for each category of compensation. The Committee believes that use of blended benchmark data improves the quality of comparison because it may be difficult to identify an appropriate match for some officer positions within the peer group alone. In addition, the blended benchmark data reflects the broader industries with which LP competes for management talent.

**Total Direct Compensation**

In setting 2013 compensation for our executive officers, including our Chief Executive Officer, the Committee focused on total direct compensation, which consists of annual cash compensation (base salary and annual target cash incentive) and long-term equity incentive compensation (restricted stock and SSARs). The Committee considers annual cash and long-term equity incentive compensation both separately and as a package to help ensure that our executive compensation objectives are met.

Consistent with its approach to total direct compensation, the Committee established 2013 targets for the named executive officers. The Committee evaluates both market data provided by Frederic Cook and information on the performance of each executive officer for prior years. In order to remain competitive in the marketplace for executive talent, the target levels for the executive officers' compensation elements, including our Chief Executive Officer, are compared to the median of the benchmark data described above. In order to reinforce a pay-for-performance culture, targets for individual executive officers may be set above or below this median depending on the individual's performance in prior years and experience in the position, as well as any applicable retention concerns. The Committee believes that comparing target levels to the median and providing incentive compensation opportunities that will enable executives to earn above or below target compensation depending on whether they deliver above-target or below-target performance on their established goals, are consistent with the objectives of our compensation policies. In particular, the Committee believes that this approach enables us to attract and retain skilled and talented executives to guide and lead our businesses and supports a pay-for-performance culture.

The total direct compensation targets for 2013 for our named executive officers are listed below.

Name	Position	2013 Total Direct	
			Compensation Target
Curtis M. Stevens	Chief Executive Officer	\$	3,500,000
Sallie B. Bailey	Executive Vice President, Chief Financial Officer	\$	1,311,075
Richard S. Olszewski	Executive Vice President, Sales and Marketing and South America	\$	1,052,950

Edgar Filing: LOUISIANA-PACIFIC CORP - Form DEF 14A

Jeffrey N. Wagner	Executive Vice President, OSB	\$	858,200
W. Bradley Southern	Senior Vice President and General Manager	\$	700,000

## **Table of Contents**

As shown in the Summary of Compensation tables, performance-based compensation (annual cash incentive, performance shares and SSARs) constituted a significant portion of our named executive officers' total direct compensation targets. Similarly, a large percentage of the total direct compensation targets were in the form of equity (restricted stock, performance shares and SSARs).

### *Annual Cash Compensation*

In order to attract and retain high caliber executives, we pay our executives an annual cash amount that is considered by the Committee to be competitive in the marketplace. The cash compensation is comprised of base salary and an annual cash incentive payment.

*Base Salary.* Individual salaries for executive officers are reviewed annually, and salary adjustments are generally effective on March 1 of each year. In determining individual salaries, the Committee considers the market levels of similar positions at our benchmark companies and survey data, the individual executive's performance and experience in the position, and our salary increase guidelines. These guidelines permit annual salary increases depending on the executive's individual performance during the prior year against results-based objectives established at the beginning of each year, and the executive's leadership performance as measured against the following nine leadership competencies:

Propensity to Lead

Conceptual Thinking/Decision Making

Passion for Results

Adaptability

Learning Agility

Authenticity

Communicates for Impact

People Management

Collaboration/Teamwork

In addition, executives and other employees may receive an additional increase if warranted because of promotion, retention concerns, or market conditions. In general, an experienced executive who is performing at a satisfactory level will receive a base salary at or around the competitive median of our benchmark companies and survey data. Executives may be paid above or below the median depending on their experience and performance.

The base salaries paid to our named executive officers in 2013 can be found in the Summary Compensation Table below.

At its February 2013 meeting, the Committee approved base salary increases to the executive officers for the first time since 2008, except for increases associated with promotions. Based on the Committee's compensation philosophy and the Company's former peer group and industry data, Mr. Stevens' salary was increased by 15% (reflecting the first full year as our Chief Executive Officer and to bring him closer to the market median), Ms. Bailey, Mr. Olszewski, and Mr. Wagner received a 4% increase, and Mr. Southern received a 7% increase.

## Edgar Filing: LOUISIANA-PACIFIC CORP - Form DEF 14A

*Annual Cash Incentives.* Consistent with our compensation objective to support a performance-oriented environment, our executive compensation program includes an annual cash incentive program to motivate and reward executives for their efforts in achieving our annual financial performance objectives and individual performance goals.

*Target Payout Levels.* The target level for these annual payments is a percentage of the executive's base salary, which is compared to the target median of the benchmark data described above and is set as described

**Table of Contents**

under Total Direct Compensation. The range of possible payouts is expressed as a percentage of the target level and is determined based on competitive factors and the goal of encouraging a performance-oriented environment. The range of possible payouts for 2013 was 0 -168% of the target payment amounts as follows:

	<b>Target</b>
	<b>Payment Amount</b>
Chief Executive Officer	100% of base salary
Executive Vice Presidents	55% of base salary
Senior Vice President	50% of base salary

*Establishment of performance goals.* Under the program, the annual cash incentive is dependent on performance measured against corporate goals and individual goals established by the Committee and communicated to participants at the beginning of each year. These performance goals are derived from the financial and strategic goals of the company.

Each year, the Committee determines the appropriate split between corporate and individual performance goals. For 2013, the Committee established a 60/40 split between corporate and individual goals. The Committee established this allocation to strike an appropriate balance between aligning the executives with our overall corporate objectives and with individual accountability for each executive's area of responsibility.

For the five years, 2009-2013, our performance exceeded the target level four times (2009, 2010, 2012 and 2013) and was below the target level one time (2011). We achieved the maximum performance level in two years (2009 and 2012). From 2009 through 2012, total payout percentages (including individual performance goals) for the current named executive officers ranged from 0% to 168% of the participant's target award opportunity, with an average payout percentage over the past five years of 112%.

*Achievement of Performance Goals for 2013*

*Corporate key financial goal.* In 2013, to continue to drive participant behavior to meet key strategic goals, LP's annual cash incentive plan focused on Adjusted EBITDA, defined as LP's Adjusted EBITDA for continuing operations for the year ending December 31, 2013, as reported on LP's Form 10K. EBITDA from continuing operations is income (loss) from continuing operations before interest expense, taxes and depreciation and amortization. Adjusted EBITDA from continuing operations is EBITDA further adjusted to exclude other operating credits and charges, gain (loss) on sale or impairment of long lived assets, stock based compensation expense, depreciation included in equity in (income) loss of unconsolidated affiliates and investment income. No amounts would be payable under the corporate components of target award unless the minimum threshold was achieved.

For the year ended December 31, 2013, LP's adjusted EBITDA exceeded its budgeted target by 96%. Information regarding adjusted EBITDA for the year ended December 31, 2013 is set forth in LP's Form 10-K for the year ended December 31, 2013.

*Individual performance goals.* The Compensation Committee establishes individual performance goals under the Cash Incentive Plan that are intended to challenge the executives to meet or exceed the objectives for the business unit or staff functions for which they have responsibility. Following the end of the year, the executive's performance is analyzed to determine whether performance toward the goals was above target, on target or below target. Following a recommendation from our Chief Executive Officer (other than for himself), the Committee then determines a payout percentage for the executive based on this performance assessment. The Committee has the authority, in its sole discretion, to reduce or eliminate the payout of annual cash incentives, despite its determination that performance was at or above target levels, if it finds that paying the awards would result in undue hardship to the company or is not in the best interests of the company.

The individual performance goals established for our Chief Executive Officer for 2013 were as follows:

Meet or exceed the safety, compliance and LSS targets for all businesses.

Meet or exceed budgeted Adjusted EBITDA target for 2013.



**Table of Contents**

Ensure available cash at budgeted level for 2013 at year-end.

Be the Executive Owner of the SAP Implementation Project and manage to be on time, within scope and on budget.

Oversee the work of the Title and Leveling Committee and Capital Project Management System Committee to ensure that any increase in hiring or capital expenditures are in line with the Company's strategic plan and budget.

Set the tone at the top for the highest ethical standard for the Company through communications; overseeing LP's compliance, safety, internal audit and quality strategy; and assuring that LP's approach to internal controls, ethics and disclosure are aligned and consistent.

Lead the efforts for succession planning for all senior management positions to ensure that plans are in place to meet both short-term and long-term goals of the organization.

The individual performance goals established for our Chief Financial Officer for 2013 were as follows:

Meet or exceed budgeted Adjusted EBITDA target for 2013.

Ensure available cash at budgeted level for 2013 at year-end.

Ensure that LP remains in compliance with all financial covenants and has adequate liquidity to execute identified strategic plans.

Meet all regulatory and compliance deadlines and requirements.

Set the tone at the top for the highest ethical standard for the Company.

Oversee the SAP Implementation Project as part of the Executive Steering Committee, ensuring that the project is on time and stays within scope and budget.

Participate on the Title and Leveling Committee and Capital Project Management System Committee to ensure that any increase in hiring or capital expenditures are in line with the Company's strategic plan and budget.

Performance goals for the other Executive Officers include achievement of EBITDA, Safety, Quality and Compliance targets, as well as other business specific objectives.

The performance goals described above were based on financial targets, budgets, and operational goals for LP that the Committee believed could be achieved at the 100% level through strong performance by the executive or the company, as applicable, consistent with management's expectations for 2013.

Our Chief Executive Officer provides the Committee with an assessment of each individual's performance against established goals, other than for himself. At its meeting on January 31, 2014, the Committee determined that the Company exceeded the Adjusted EBITDA target, and that Mr. Stevens and other named executives had exceeded other individual goals.

*Payouts for 2013.* The following table summarizes the payout opportunities for our named executive officers and the actual incentive payouts paid in 2014 reflecting performance in 2013:



	Annual Incentive Target		Annual Incentive Maximum		2013 Annual Actual Incentive Payout	
	% of		% of		% of	
	Base Salary	Amount	Target	Amount	Target	Amount
Curtis M. Stevens	100%	\$ 750,000	168%	\$ 1,260,000	162%	\$ 1,212,000
Sallie B. Bailey	55%	\$ 234,575	168%	\$ 394,086	160%	\$ 374,382
Richard S. Olszewski	55%	\$ 213,950	168%	\$ 359,436	160%	\$ 341,464
Jeffrey N. Wagner	55%	\$ 189,200	168%	\$ 317,856	160%	\$ 301,963
W. Bradley Southern	50%	\$ 148,800	168%	\$ 249,984	164%	\$ 243,437

## Table of Contents

### Long-Term Equity Incentive Compensation

The Committee awards long-term equity incentive grants to executive officers as part of their overall compensation package. These awards are consistent with the Committee's objectives of aligning our senior leaders with the financial interests of our stockholders, focusing on our long-term success, supporting our performance-oriented environment, and offering competitive compensation packages.

The Committee (in its capacity as the subcommittee for purposes of complying with Section 162(m) of the Internal Revenue Code and short-swing profit liability laws) has determined that awards to executive officers under the Stock Award Plan will be one-third in the form of restricted stock and two-thirds in the form of stock appreciation rights, based on the relative grant date fair values of the two types of awards. Additionally, performance shares will be used in certain situations.

Our primary product is OSB, which is subject to commodity pricing pressures that also have a major influence on our stock price. As a result, stock appreciation rights may have little or no economic value for substantial periods of time when market prices drop below the exercise or base price of the awards, while restricted stock will retain some of its value, thereby serving as a significant executive retention tool. On the other hand, stock appreciation rights have a greater sensitivity to changes in our stock value, thereby aligning the interests of executives more closely with those of our stockholders.

When determining the amount of long-term equity incentive plan awards to be granted to executives, the Committee takes into account the competitive range of the market median data provided by Frederic Cook, individual responsibilities and market factors, as well as total direct compensation, compensation mix, and market practices. For grant purposes, the Committee used discretion in determining the grants, taking into account the Black-Scholes pricing model, the number of shares available for grant and the burn rate (defined as number of shares granted on an annual basis), the value of the grant compared to previous grants, and the market median for competitive positions.

The Committee periodically reviews the valuation method used to calculate the value of equity-based awards. For several years, including 2013, the Committee has relied on the Black-Scholes valuation method for SSARs. In 2012, the Committee relied on a valuation based upon weighted probability of the attainment of certain performance goals for Mr. Stevens' performance shares. In future years, it may consider alternative valuation methods. Information regarding performance shares, restricted stock, and SSARs granted to our named executive officers can be found under Summary Compensation Table and Grants of Plan-Based Awards for 2013.

### Retirement Benefits

LP's retirement plans are designed to provide retirement benefits at a competitive level compared to the benchmark data and the general manufacturing industry and to serve as a significant retention tool in light of the cyclical nature of LP's commodity business. All full-time salaried U.S. employees participate in LP's 401(k) Plan and, if hired prior to January 1, 2010, LP's Retirement Account Plan. Employees who are in the top two levels of LP's management, including executive officers, participate in LP's Executive Deferred Compensation Plan. Under the plan, participants may defer the receipt of up to 90% of base salary and annual bonuses for income tax purposes. In addition, the plan enables executives and other highly-compensated employees to obtain benefits comparable to those available under the 401(k) plan without being subject to the limits imposed by the Internal Revenue Code on tax-qualified plans.

In February 2009, LP suspended matching contributions under the Executive Deferred Compensation Plan, due to economic conditions and LP's desire to conserve cash. These matching contributions were reinstated January 1, 2013. In addition, annual contribution credits to the Retirement Account Plan were discontinued effective January 1, 2010, and no further contributions will be made under this plan.

LP maintains a Supplemental Executive Retirement Plan (SERP) that provides supplemental retirement pension benefits to selected senior executives. The SERP benefits generally do not vest until an officer has been a participant for five years, and are reduced by the value of employer contributions under LP's other retirement

---

## Table of Contents

plans and the Executive Deferred Compensation Plan, as well as a portion of a participant's Social Security benefits.

Additional information about LP's retirement plans is provided in connection with the Summary Compensation Table, the Pension Benefits table, and the Nonqualified Deferred Compensation table. The Committee believes that the retirement benefit plans described above are important parts of our compensation program. These plans are consistent with those maintained by the benchmark companies and are therefore necessary in order to remain competitive with them for recruiting and retaining executive talent. Additionally, these plans help encourage retention of our senior executives because their retirement benefits under these plans generally increase for each year they remain employed by us.

### Other Compensation

We provide our executive officers with limited perquisites, consisting of retirement and life insurance benefits, personal estate and financial planning services provided by independent providers, and an executive health screening program where the Chief Executive Officer can receive a comprehensive physical examination from an independent health care provider. The Committee believes that the good health of the CEO is important to the organization and helps minimize risk to the Company. The personal estate and financial planning program is designed to provide executives with access to knowledgeable resources that understand our compensation and benefit plans and can assist our executives in efficiently and effectively managing their estate, financial and tax planning issues, thus facilitating a more productive use of the executive's time, allowing for greater focus on company activities. The Committee eliminated the tax gross-up provision for the personal estate and financial planning beginning in 2012. An annual allowance was established and is only available to those executives who are eligible for and use the financial planning services. Personal benefits provided to LP's executive officers are discussed in more detail in note 5 to the Summary Compensation Table.

### Executive Change of Control Agreements

Change of Control Employment Agreements with our executive officers provide for the payment of severance compensation and other benefits if the officer's employment is terminated for specified reasons within three years following the occurrence of a change of control of LP. Such reasons include (a) termination by LP other than for cause and (b) termination by the officer because, among other things, his/her assigned duties, position, or authority are diminished in a material way, his/her compensation is substantially reduced, he/she is required to move his/her workplace more than 50 miles, or he/she has substantially increased travel requirements. Key severance benefits under the agreements include:

A cash payment in an amount equal to three times the sum of the officer's annual base salary and the officer's target bonus amount;

Enhanced benefits under LP's retirement plans; and

Vesting of equity awards.

The Change of Control agreements (other than Ms. Bailey's and Mr. Southern's) include a modified excise tax gross-up, under which severance benefits can be reduced up to 10% to avoid any excise tax under Section 280G of the Internal Revenue Code (280G). If a larger reduction would be required to come within the 280G safe harbor, the agreements provide for LP to reimburse the employee in full for all 280G excise taxes and related income taxes imposed on the severance payments.

The Committee believes these agreements are important to motivate our named executive officers to continue to work in the best interests of LP and its stockholders in a potential change of control situation, and to evaluate any possible transactions with the maximum degree of independence and objectivity.

The terms of the agreements are described in more detail under the heading Potential Payments Upon Termination or Change of Control.

**Table of Contents**

In 2010, the Committee determined that any future Change of Control agreements shall not include excise tax gross-up provisions. Therefore, the Change of Control agreements for Ms. Bailey, which was entered into in 2011, and Mr. Southern, which was entered into in 2013, do not contain such a provision.

LP does not have any agreements or plans in place that would provide the named executive officers with severance benefits for termination unrelated to a change of control.

**Executive Compensation for 2014**

In determining policies and making decisions in relation to the compensation of the company's executive officers subsequent to May 3, 2013, the Committee has considered the results of the stockholder advisory vote on executive compensation that was taken on that date, in which approximately 95% of the votes cast were votes to approve the compensation paid to the company's named executive officers in 2013. The Committee views the results of the stockholder advisory vote as an endorsement of the Committee's philosophy, objectives and methodology in relation to the compensation of the company's executive officers. Accordingly, the Committee's consideration of these voting results has not significantly changed the Committee's approach, policies or decision in relation to the compensation of the company's executive officers, although the Committee continuously seeks to improve the Company's compensation program. The Committee authorized an executive compensation program for 2014 that is designed to achieve our executive compensation objectives. Consistent with our pay-for-performance philosophy, a significant portion of the 2014 total direct compensation targets for the named executive officers consists of performance-based compensation in the form of annual cash incentives and long-term equity incentive compensation.

*Base Salary:* In its review of executive compensation with the independent compensation consultant, and in light of the peer group analysis, and in light of the Company's performance for 2013 which included exceeding the adjusted EBITDA target by 96%, the Committee approved an increase in base salaries for 2014.

<b>Name</b>	<b>2014 Base Salary</b>
Curtis M. Stevens	\$ 850,000
Sallie B. Bailey	\$ 440,000
Richard S. Olszewski	\$ 400,000
Jeffrey N. Wagner	\$ 355,000
W. Bradley Southern	\$ 315,000

*Annual Cash Incentives.* In January 2014, the Committee also established objectives for 2014 annual cash incentives payable in 2015 to our executive officers. Depending on actual performance in 2014 against the financial and non-financial goals, 2014 incentive payments could range from zero to 200 % of the corporate portion and zero to 120% of the individual portion of the named executive officers' target payments.

As discussed in *Annual Cash Compensation Annual Cash Incentives* above, the Committee sets the appropriate split between corporate key financial goals and individual performance goals each year. In 2014 incentive payments will be based 60% on corporate performance and 40% on attainment of individual goals. In addition, individual goals have been established for each named executive officer relating to his or her specific staff function or business unit. Payouts for 2014 for the individual performance are dependent upon the achievement of the corporate goal. The Committee approved an increase in the cash incentive target for Mr. Southern from 50% to 55%.

The Committee awards long-term equity incentive grants to executive officers as part of their overall compensation package. These awards are consistent with the Committee's objectives of aligning our senior leaders with the financial interests of our stockholders, focusing on our long-term success, supporting our performance-oriented environment, and offering competitive compensation packages.

The Committee (in its capacity as the subcommittee for purposes of complying with Section 162(m) of the Internal Revenue Code and short-swing profit liability laws) has determined that awards to executive officers under the Stock Award Plan will be one-third in the form of restricted stock and two-thirds in the form of stock appreciation rights, based on the relative grant date fair values of the two types of awards.

**Table of Contents**

When determining the amount of long-term equity incentive plan awards to be granted to executives, the Committee takes into account the competitive range of the market median data provided by Frederic Cook, individual responsibilities and market factors, as well as total direct compensation, compensation mix, and market practices. Individual values are subject to a performance adjustment factor based upon the performance of the executive against identified performance goals and our business performance that increases or decreases the value based on these subjective assessments of the executive's performance. The 2014 long-term equity values were established in February 2014. For grant purposes, the Committee used discretion in determining the grants, taking into account the Black-Scholes pricing model, the number of shares available for grant and the burn rate (defined as number of shares granted on an annual basis), the value of the grant compared to previous grants, and the market median for competitive positions.

2014 long-term incentive equity plan award values are listed below.

<b>Name</b>	<b>2014 Award Values</b>
Curtis M. Stevens	\$ 2,700,000
Sallie B. Bailey	\$ 650,000
Richard S. Olszewski	\$ 400,000
Jeffrey N. Wagner	\$ 325,000
W. Bradley Southern	\$ 300,000

**Additional Policies and Guidelines Affecting Executive Compensation**

*Use of Independent Compensation Consultant.* The Committee engaged Frederic Cook as its independent consultant to assist it in determining the appropriate executive officer compensation in 2013 pursuant to our compensation policies described above. Frederic Cook had no other business relationship with LP and received no payments from us other than fees for services to the Committee and the Nominating Committee. See Corporate Governance Compensation Committee for additional information about the use of compensation consultants.

*Timing of Long-Term Equity Grants.* Our policies and Stock Award Plan require options and SSARs to be granted with an exercise price equal to the closing price of our Common Stock on the date of grant. The Committee's practice is to make equity awards at its first Committee meeting in a given year (generally in the last week of January or the first week of February). Committee meeting dates are set by the Committee at least one year in advance.

The Committee administers the 2013 Omnibus Stock Award Plan (the Stock Award Plan), approved by the shareholders on May 3, 2013. Special stock grants and recruiting and retention grants have been made under the Stock Award Plan. Annual grants are made each year at a meeting of the Committee, as described above.

*Policy on Incentive Compensation Claw-back.* As described above, a significant percentage of our executive officer compensation is incentive-based. The determination of the extent to which the incentive objectives are achieved is based in part on the Committee's discretion and in part on our financial results. The Committee has the right to reassess its determination of the performance awards if the financial statements on which it relied are restated. The Committee has the authority to direct LP to seek to recover from any executive officer any amounts determined to have been inappropriately received by the individual executive officer. In addition, the Sarbanes-Oxley Act of 2002 mandates that the chief executive officer and the chief financial officer reimburse us for any bonus or other incentive-based or equity-based compensation paid to them in a year following the issuance of financial statements that are later required to be restated as a result of misconduct. The Committee intends to update its policies following the issuance of rules by the SEC to implement applicable provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

*Stock Ownership Guidelines.* We strongly believe that the financial interests of our executives should be aligned with those of our stockholders. Accordingly, the Committee has established stock ownership guidelines for our executive officers.

## Table of Contents

Executive officers are expected to own our Common Stock in an amount equivalent to a multiple of their annual base salary. The target amount is a number of shares equal in value to the following multiples of each officer's annual base salary: for Mr. Stevens, five times; for Ms. Bailey, Mr. Olszewski and Mr. Wagner three times; and for Mr. Southern two times.

The Committee amended the guidelines to include a provision whereby no shares of Common Stock may be sold by the executive officer until guidelines are achieved, except for shares withheld to cover taxes upon a vesting event. Further, until an executive officer meets the threshold ownership requirement at least 40% of the after-tax proceeds received upon the exercise of stock options and SSARs must be held in the form of Common Stock and may not be sold. Restricted shares and restricted stock units granted under the Stock Award Plan that have not yet vested count toward the ownership guidelines, but shares subject to outstanding stock options and SSARs do not. With the exception of Ms. Bailey, who just completed her second year with the company, all executives have met their ownership requirements.

*Insider Trading.* Our Insider Trading policy mandates that insiders, including executive officers, review transactions involving our securities with our Chief Financial Officer or legal department prior to entering into the transactions and prohibits a covered officer from pledging or engaging in transactions for the purpose of hedging the economic risk of his or her current or future ownership of shares.

*Tax Deduction for Executive Compensation.* The federal income tax laws generally limit the deductibility of compensation paid to the chief executive officer and each of the three highest-paid executives (other than the chief financial officer) to \$1,000,000 per year. An exception to this general rule exists for performance-based compensation that meets certain regulatory requirements. Several types of executive compensation, including option and SSAR awards to executive officers, are designed to meet the requirements for deductibility. Other classes of executive compensation, including the restricted stock grants described above, may be subject to the \$1,000,000 deductibility limit.

Although tax deductibility of compensation is preferred, deductibility is not a primary objective of our compensation programs. In the view of the Committee, meeting the compensation objectives set forth above is more important than the benefit of being able to deduct the compensation for tax purposes.

## Risk Assessment of Executive Pay Policies and Practices

The Committee conducted a review of LP's pay practices in 2013 to determine if there were any policies and practices that would be reasonably likely to have a material adverse effect on the company. The review included non-executive and executive pay policies and practices. The non-executive pay practices were reviewed by LP's Risk Council and reviewed by the Committee. In addition, the Committee reviewed executive pay policies and practices. The Committee's independent consultant participated in that review and discussion. The Committee found no policies or practices that were reasonably likely to have a material adverse effect on LP and that the design of our programs encourages the achievement of both our short-term and long-term operational and financial goals.

**Table of Contents****Compensation of Executive Officers***Summary Compensation Table*

The table below summarizes the various elements of compensation paid to or earned by each of the named executive officers listed in the table for the three years ended December 31, 2013. Cash incentive awards paid under LP's Amended and Restated Annual Cash Incentive Award Plan (the Cash Incentive Plan) are included in the Non-Equity Incentive Plan Compensation column, which covers non-equity awards that require the satisfaction of pre-established performance goals.

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Awards(1) (\$)	Awards(2) (\$)	Non-Equity Incentive Plan Compensation(3) (\$)	Change in Pension Value and Nonqualified Deferred Compensation(4) (\$)	All Other Compensation(5) (\$)	Total (\$)
Curtis M. Stevens Chief Executive Officer	2013	\$ 730,769		\$ 660,003	\$ 1,339,965	\$ 1,212,000	\$ 1,034,391	\$ 65,987	\$ 5,043,115
	2012	\$ 595,769	\$ 172,478	\$ 1,896,322	\$ 1,114,665	\$ 586,424	\$ 1,051,004	\$ 29,759	\$ 5,446,421
Sallie B. Bailey(6) Executive Vice President and Chief Financial Officer	2011	\$ 473,532	\$	\$ 280,500	\$ 569,499	\$ 0	\$ 772,812	\$ 30,934	\$ 2,127,277
	2013	\$ 423,327		\$ 214,510	\$ 435,489	\$ 374,382	\$ 312,590	\$ 48,255	\$ 1,808,553
	2012	\$ 410,000	\$ 92,650	\$ 202,949	\$ 435,489	\$ 230,010	\$ 34,596	\$ 82,861	\$ 1,488,555
	2011	\$ 23,654	\$	\$ 88,560	\$ 78,700	\$ 0	\$ 0	\$ 0	\$ 190,914
Richard S. Olszewski Executive Vice President, Sales and Marketing and South America	2013	\$ 386,115		\$ 148,491	\$ 301,488	\$ 341,464	\$ 255,589	\$ 46,710	\$ 1,479,857
	2012	\$ 374,000	\$ 61,710	\$ 148,503	\$ 301,501	\$ 209,814	\$ 509,129	\$ 28,822	\$ 1,633,479
	2011	\$ 374,000	\$	\$ 156,745	\$ 318,252	\$ 0	\$ 365,967	\$ 30,630	\$ 1,245,594
Jeffrey N. Wagner, Executive Vice President, Oriented Strand Board (OSB)	2013	\$ 341,452		\$ 123,760	\$ 251,242	\$ 301,963	\$ (162,435)	\$ 44,776	\$ 900,758
	2012	\$ 330,750	\$ 54,574	\$ 123,751	\$ 251,248	\$ 209,814	\$ 532,320	\$ 28,409	\$ 1,530,866
	2011	\$ 330,750	\$	\$ 132,005	\$ 267,999	\$ 0	\$ 499,283	\$ 29,261	\$ 1,259,298
W. Bradley Southern(7) Sr. VP & General Manager	2013	\$ 296,154		\$ 232,480	\$ 167,498	\$ 243,437	\$ 3,806	\$ 41,553	\$ 984,928
	2012	\$ 280,000	\$ 36,414	\$ 83,158	\$ 168,841	\$ 126,235	\$ 29,909	\$ 27,256	\$ 751,813

## Edgar Filing: LOUISIANA-PACIFIC CORP - Form DEF 14A

- (1) The amounts shown reflect the aggregate grant date fair value of the awards with respect to awards of performance share awards, restricted stock and incentive shares (restricted stock units) under LP's 1997 Incentive Stock Award Plan (the "Stock Award Plan"). Assumptions used in calculating the fair value are described in Note 14 to LP's audited financial statements included in its Annual Report on Form 10-K filed with the SEC on February 28, 2014 (the "2013 Form 10-K"), except that assumptions regarding forfeitures are ignored. Additional details regarding the terms of awards under the Stock Award Plan are described in the tables headed "Grants of Plan-Based Awards for 2014" and "Outstanding Equity Awards at December 31, 2013".
- (2) The amounts shown reflect the aggregate grant date fair value of the awards with respect to grants of stock-settled stock appreciation rights ("SSARs") under the Stock Award Plan. Assumptions used in calculating fair value are described in Note 14 to LP's audited financial statements included in its 2013 Form 10-K, except that assumptions regarding forfeiture are ignored. Additional details regarding the terms of SSARs granted under the Stock Award Plan are described in the tables headed "Grants of Plan-Based Awards for 2013" and "Outstanding Equity Awards at December 31, 2013".
- (3) The amounts shown reflect the annual cash incentive awards under the Cash Incentive Plan based on performance for the year shown and paid in the first quarter of the following year.
- (4) Amounts shown in this column represent the aggregate increase in the actuarial present value of benefits under LP's defined benefit retirement plans (the SERP and the Retirement Account Plan), based on the assumptions discussed in the table entitled "Pension Benefits for 2013".
- (5) Amounts shown in this column for 2013 represent the sum of the amounts attributable to personal benefits and other items of compensation listed in the table below. In addition to the benefits listed below, LP provided medical, vision and dental insurance benefits.



**Table of Contents**

(6) 2012 amounts shown for Ms. Bailey in the Bonus column reflects a discretionary bonus in addition to a one-time sign on bonus in connection with the commencement of her employment as Chief Financial Officer effective December 5, 2011.

(7) Mr. Southern became an executive officer of LP in May of 2012.

	<b>Curtis M. Stevens</b>	<b>Sallie B. Bailey</b>	<b>Richard S. Olszewski</b>	<b>Jeffrey N. Wagner</b>	<b>W. Bradley Southern</b>
Estate Planning Services(a)					
Perquisite Allowance(b)	\$ 21,060	20,994	\$ 21,060	\$ 21,060	21,060
Life Insurance Premiums(c)	\$ 6,209	3,916	\$ 3,572	\$ 3,159	2,392
Annual Physical Expenses(d)					
Employer Contributions to Defined Contribution Plans(e)	\$ 38,718	23,345	\$ 22,078	\$ 20,557	18,101
Relocation Assistance(f)					
<b>Total</b>	<b>\$ 65,987</b>	<b>\$ 48,255</b>	<b>\$ 46,710</b>	<b>\$ 44,776</b>	<b>\$ 41,553</b>

(a) Officers may obtain reimbursement for estate planning services once every five years.

(b) Executive officers receive a perquisite allowance which is used for expenses associated with financial and tax planning consulting services.

(c) LP pays the annual group term life insurance premiums for coverage provided to each named executive officer in an amount equal to four times his/her annual base salary level.

(d) LP pays for costs associated with an annual physical for the CEO, which is not covered under our medical program. There were no payments in 2012 or 2013.

(e) Prior to February 2009, LP made discretionary annual profit sharing contributions for all participants in its 401(k) Plan, annual matching contributions based on employee contributions into its 401(k) Plan; annual matching contributions based on employee contributions into its non-qualified Executive Deferred Compensation Plan (the EDCP ); and annual supplemental and make-up credits contributed under the EDCP. All matching contributions were suspended effective February 1, 2009. In 2010, a partial matching contribution was reinstated in the qualified 401(k) Plan. In 2013, matching contributions were reinstated in both the qualified 401(k) and the EDCP to levels prior to February 2009. Benefits under the EDCP are described in greater detail under Nonqualified Deferred Compensation for 2013 . Also included is a supplemental contribution connected to attaining 2013 performance targets under the 401(k) plan s profit sharing component.

(f) Includes payment or reimbursement of relocation-related travel, meals, household moving and storage, temporary housing and new house purchase closing costs and expenses paid in 2013.

**Table of Contents***Grants of Plan-Based Awards for 2013*

The table below provides information regarding annual cash incentive awards under the Cash Incentive Plan and grants of restricted stock and SSARs under the Stock Award Plan to LP's executive officers during 2013.

Name	Grant Date	Estimated Possible Payouts			All Other	All Other	Grant Date	Fair Value	
		Under Non-Equity Incentive Plan	Stock	Option	Awards(1)	Awards(2)			
		Grant	Threshold	Target	Maximum	Units(3)	Options(4)	Awards(5)	Awards(6)
		(\$)	(\$)	(\$)	(\$)	(#)	(#)	(\$/Sh)	(\$)
Curtis M. Stevens	2/7/2013	\$ 360,000	\$ 750,000	\$ 1,260,000					
	2/7/2013						114,726	\$ 20.49	\$ 1,339,965
	2/7/2013					32,211			\$ 660,003
Sallie B. Bailey	2/7/2013	\$ 112,596	\$ 234,575	\$ 394,086					
	2/7/2013						37,286	\$ 20.49	\$ 435,489
	2/7/2013					10,469			\$ 214,510
Richard S. Olszewski	2/7/2013	\$ 102,696	\$ 213,950	\$ 359,436					
	2/7/2013						25,813	\$ 20.49	\$ 301,488
	2/7/2013					7,247			\$ 148,491
Jeffrey N. Wagner	2/7/2013	\$ 90,816	\$ 189,200	\$ 317,856					
	2/7/2013						21,511	\$ 20.49	\$ 251,242
	2/7/2013					6,040			\$ 123,760
W. Bradley Southern	2/7/2013	\$ 71,424	\$ 148,800	\$ 249,984					
	2/7/2013						14,341	20.49	\$ 167,498
	2/7/2013					11,346			\$ 232,480

- (1) The table shows threshold, target and maximum payouts under awards made in 2013 under the Cash Incentive Plan. The threshold amount represents the amount payable assuming that the Adjusted EBITDA threshold was reached and individual performance goals were achieved at the 100% level. The target amount represents a payout based on achievement of individual performance goals at the 100% level and attainment of the Adjusted EBITDA threshold, resulting in payment of 100% of the target award for corporate performance. In 2013 the maximum award for executives under the corporate performance portion is 200% of the target award.
- (2) Reflects awards of restricted stock or restricted stock units under the Stock Award Plan. The awards will vest in full on the third anniversary of the date of grant. Vesting will accelerate upon a change of control of LP. Prior to vesting, participants have voting rights and receive cash dividends at the same rate as unrestricted shares of Common Stock. In the event of a stock split or stock dividend, the participant is entitled to receive additional restricted shares.
- (3) Reflects grants of SSARs which vest in three equal annual installments beginning one year after the date of grant and expire 10 years after the date of grant. Vesting will accelerate upon a change of control of LP. Upon exercise, a participant will receive shares of Common Stock with a value equal to the difference between the base price and the market price on the date of exercise multiplied by the number of SSARs exercised.
- (4) The base price is equal to the closing sale price of the Common Stock on the NYSE on the date of grant.
- (5)

## Edgar Filing: LOUISIANA-PACIFIC CORP - Form DEF 14A

The amounts shown represent the grant date fair value of the restricted stock, performance shares and SSAR awards. Assumptions used in calculating the grant date fair value of performance share awards and SSARs are described in Note 14 to LP's audited financial statements included in its 2013 Form 10-K, except that assumptions regarding forfeiture are ignored.

**Table of Contents**

*Outstanding Equity Awards at December 31, 2013*

The table below provides information regarding stock options, SSARs, restricted stock and incentive shares held by the named executive officers at December 31, 2013.

Name	Option Awards		Stock Awards				Equity
	Number of Securities Underlying Unexercised Options(1) Exercisable	Number of Securities Underlying Unexercised Options(1) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options	Option Exercise Price	Grant Date	Expiration Date	Equity Incentive Plan Awards: Number of Shares or Units of Stock That Have Not Vested
	(#)	(#)	(#)	(\$)	Date	Date	(\$)
Curtis M. Stevens	39,000			\$ 21.27	1/31/2004	1/31/2014	\$ 5,553,000
	30,000			\$ 27.49	2/4/2005	2/4/2015	
	42,730			\$ 28.68	2/2/2006	2/2/2016	
	97,510			\$ 22.99	2/1/2007	2/1/2017	
	242,442			\$ 2.17	2/13/2009	2/13/2019	
	154,654			\$ 7.00	2/4/2010	2/4/2020	
	66,863	33,431		\$ 10.30	2/3/2011	2/3/2021	
	47,704	95,406		\$ 8.84	2/2/2012	2/2/2022	
	29,074	58,148		\$ 8.96	5/4/2012	5/4/2022	
		114,726	\$ 20.49	2/7/2013	2/7/2023		
Sallie B. Bailey	13,334	6,666		\$ 7.87	12/5/2011	12/5/2021	\$ 803,834
	29,338	58,675		\$ 8.84	2/2/2012	2/2/2022	
		37,286		\$ 20.49	2/7/2013	2/7/2023	
Richard S. Olszewski	15,000			\$ 19.02	10/2/2006	10/2/2016	\$ 726,777
	66,200			\$ 22.99	2/1/2007	2/1/2017	
	128,560			\$ 15.27	1/31/2008	1/31/2018	
		18,682		\$ 10.30	2/3/2011	2/3/2021	
		42,933		\$ 8.84	2/2/2012	2/2/2022	
		25,813		\$ 20.49	2/7/2013	2/7/2023	

Edgar Filing: LOUISIANA-PACIFIC CORP - Form DEF 14A

Jeffrey N. Wagner	8,500		\$ 21.27	1/31/2004	1/31/2014	32,855	\$ 608,146
	8,100		\$ 27.49	2/4/2005	2/4/2015		
	12,130		\$ 28.68	2/2/2006	2/2/2016		
	61,330		\$ 22.99	2/1/2007	2/1/2017		
	119,110		\$ 15.27	1/31/2008	1/31/2018		
	71,040		\$ 2.17	2/13/2009	2/13/2019		
	84,588		\$ 7.00	2/4/2010	2/4/2020		
	31,465	15,732	\$ 10.30	2/3/2011	2/3/2021		
	17,889	35,777	\$ 8.84	2/2/2012	2/2/2022		
		21,511	\$ 20.49	2/7/2013	2/7/2023		
W. Bradley Southern	7,400		\$ 21.27	1/31/2004	2/1/2014	28,827	\$ 533,588
	6,360		\$ 27.49	2/4/2005	2/2/2015		
	8,630		\$ 28.68	2/2/2006	2/3/2016		
	27,700		\$ 22.99	2/1/2007	2/4/2017		
	54,560		\$ 15.27	1/31/2008	2/5/2018		
	19,823	9,911	\$ 10.30	2/3/2011	2/6/2021		
	12,022	24,042	\$ 8.84	2/2/2012	2/7/2022		
		14,341	\$ 20.49	2/7/2013	2/8/2023		

(1) Reflects grants of stock options (with expiration dates in 2015 and earlier) and SSARs (with expiration dates in 2016 and later). Options and SSARs vest in three equal annual installments beginning on the first anniversary of the grant date and have a 10-year term.

**Table of Contents**

- (2) Unvested awards of restricted stock and incentive shares held by LP's executive officers at December 31, 2013 vest on the dates shown below:

	2/3/2014	12/5/2014	2/2/2015	5/4/2015	2/7/2016	Total
Mr. Stevens	27,233		37,330	24,813	32,211	121,587
Ms. Bailey		10,000	22,958		10,469	43,427
Mr. Olszewski	15,218		16,799		7,247	39,264
Mr. Wagner	12,816		13,999		6,040	32,855
Mr. Southern	8,074		9,407		11,346	28,827

- (3) Based on the closing sale price of the Common Stock on the NYSE on December 31, 2013, of \$18.51 per share.

- (4) Represents the number of performance shares outstanding as of December 31, 2013. The number of shares, together with the market value as of December 31, 2013 the last trading day of our fiscal year, shown above, assumes the satisfaction of the goals at the maximum level over the entire performance period. Of the amount listed, Mr. Stevens was credited with 200,000 shares based upon the attainment of certain share price targets. The shares credited remain subject to service-based vesting conditions.

*Option Exercises and Stock Vested During 2013*

The following table provides information regarding exercise of stock options and vesting of incentive shares with respect to LP's executive officers during 2013.

Name	Option Awards		Stock Awards	
	Number of		Number of	
	Shares Acquired	Value Realized	Shares Acquired	Value Realized
	on Exercise	on Exercise	on Vesting	on Vesting
	(#)	(\$)	(#)	(\$)
Curtis M. Stevens	191,190	\$ 1,298,180	40,045	\$ 799,298
Sallie B. Bailey		\$		
Richard S. Olszewski	213,374	\$ 3,197,172	27,069	\$ 540,297
Jeffrey N. Wagner		\$	21,903	\$ 437,184
W. Bradley Southern	113,687	\$ 2,014,737	11,141	\$ 222,374

**Table of Contents***Pension Benefits for 2013*

The following table shows the present value of accumulated benefits for each of the named executive officers under LP's Supplemental Executive Retirement Plan (the SERP) and LP's Retirement Account Plan, in each case assuming retirement by the executive at age 62. Amounts shown in the table were calculated as of a December 31, 2013 measurement date consistent with LP's financial statements and using the same long-term rate of return, discount rate, rate of compensation increase, and mortality rate assumptions used in the financial statements. See Note 13 to LP's audited financial statements included in its 2013 Form 10-K.

Name	Plan Name	Number of Years		Present Value of Accumulated Benefit(1)	Payments During 2013
		Credited Service	(#)		
				(\$)	(\$)
Curtis M. Stevens	Retirement Account Plan		16	\$ 150,131	\$
	SERP		16	\$ 6,118,569	\$
Sallie B. Bailey	SERP		2	\$ 347,186	\$
Richard S. Olszewski	Retirement Account Plan		7	\$ 51,821	\$
	SERP		7	\$ 1,547,909	\$
Jeffrey N. Wagner	Retirement Account Plan		36	\$ 152,296	\$
	SERP		36	\$ 2,662,190	\$
W. Bradley Southern	Retirement Account Plan		14	\$ 154,043	\$

(1) At December 31, 2013, all named executive officers participating in the SERP and Retirement Account Plan (where applicable), with the exception of Ms. Bailey, were vested in their benefits thereunder (subject to early retirement reductions, if applicable). Note that Ms. Bailey is not a participant in the Retirement Account Plan and Mr. Southern is not a participant in the SERP.

*Supplemental Executive Retirement Plan*

The SERP is a defined benefit plan intended to provide supplemental retirement benefits to key executives designated by LP's Chief Executive Officer and the Committee. Key features of the SERP include:

*Vesting.* Participants are fully vested in their SERP benefits after participating in the SERP for five years. Vesting is accelerated in the event of the participant's death or disability or a change of control of LP.

*Retirement Age.* The normal retirement age under the SERP is 62.

*Annual Benefits.* The annual benefit payable under the SERP to a participant who retires at the normal retirement age is equal to:  
50% of the executive's final average compensation

multiplied by

a fraction equal to: years of credited service (up to a maximum of 15)/15

## Edgar Filing: LOUISIANA-PACIFIC CORP - Form DEF 14A

For example, if a participant had final average compensation of \$500,000 with ten years of credited service, his or her annual benefit (subject to reductions for other retirement benefits as described below) would be \$166,667 calculated as:  $\$500,000 \times .50 \times (10/15)$ .

*Years of Credited Service.* Years of credited service under the SERP are equal to the participant's years of service credited under the Retirement Account Plan discussed below. If a participant's employment is involuntarily terminated within 36 months after a change of control of LP, he or she is credited with two additional years of service.



**Table of Contents**

*Final Average Compensation.* Final average compensation on an annual basis is equal to a participant's compensation during the 60 consecutive months out of the last 120 months of employment in which the participant's compensation was highest, divided by five. Compensation for this purpose includes base salary plus annual bonus paid to a participant or deferred under the Executive Deferred Compensation Plan (described below), but excludes all other benefits. If LP terminates a participant's employment other than for cause or the participant terminates for good reason within 36 months after a change of control of LP, benefits under the SERP will be calculated based on the participant's base salary during the preceding 12 months plus the average annual cash incentive paid in the preceding three years, if higher than final average compensation.

*Early Retirement Provisions.* Retirement benefits under the SERP are subject to reduction in the event of retirement before age 62. When a participant retires prior to age 55, his or her annual benefit as described above is reduced by a fraction equal to his actual credited years of service over the number of years of credited service the participant would have had at age 62. If a participant retires between age 55 and age 61, the amount of the reduction to his annual benefit as described above depends on whether the committee administering the plan approves the retirement. If the participant's early retirement is approved by the committee, his or her annual benefit is reduced by 3% for each year prior to age 62. If the committee does not approve the participant's early retirement, his or her benefit is reduced by 5% for each year prior to age 62 and is further reduced by a fraction equal to the participant's actual years of credited service over the years of credited service the participant would have had at age 62. Termination of a participant's employment by LP other than for cause or termination by a participant for good reason within 36 months of a change of control is treated as an early retirement with committee approval, regardless of the participant's age.

*Reductions for Other Retirement Benefits.* The annual benefits payable under the SERP are reduced by an amount equal to the sum of (1) 50% of the participant's primary Social Security benefit determined at age 62 and (2) the value of employer contributions under LP's other retirement plans and the Executive Deferred Compensation Plan.

*Disability Benefit.* If a participant is unable to continue employment due to a disability, the benefit is calculated in the same manner as if the participant retired at age 62, and credit for years of service accrues during the disability.

*Form of Payment.* The normal form of payment under the SERP is a single lump sum payment that is actuarially equivalent to a life annuity payable monthly in the amount of the monthly SERP benefit. Other forms of payment available under the SERP must also be actuarially equivalent to a life annuity payable monthly. All of the named executive officers have elected a lump sum payment. If the participant retires at age 62 or later, payments commence six months after retirement. If the participant retires prior to age 62, payments commence as of a date specified in advance by the participant but not earlier than age 62.

Of the executive officers included in the pension benefits table above, all are vested in their benefits under the SERP, except Ms. Bailey, and Mr. Southern who does not participate in the SERP. As of December 31, 2013, Mr. Stevens was age 61, Ms. Bailey was age 54, Mr. Olszewski was age 57 and Mr. Wagner was age 59. Accordingly, if they had retired as of that date, their benefits would have been subject to reduction as described under *Early Retirement Provisions* above.

*Retirement Account Plan*

Executive officers and other salaried employees of LP are eligible to participate in LP's Retirement Account Plan if hired before January 1, 2010. The Retirement Account Plan was frozen to future contribution credits effective January 1, 2010. Plan balances, all of which have vested, will continue to accrue interest as described below. Key features of the Retirement Account Plan include:

*Interest.* Interest is credited daily on the cash balance in each participant's account based on the U.S. Treasury bond rate for November of the prior year.

**Table of Contents**

*Form of Payment.* Payment from the Retirement Account Plan may be made as an annuity payable over the lifetime of the participant, in a lump sum, or pursuant to other arrangements.

*Other.* The Retirement Account Plan does not provide for an offset for Social Security benefits.

*Nonqualified Deferred Compensation for 2013*

The following table summarizes information regarding participation by the named executive officers in LP's 2004 Executive Deferred Compensation Plan (the "Deferred Compensation Plan").

Name	Executive	Registrant	Aggregate	Aggregate
	Contributions in	Contributions in	Aggregate	Withdrawals/
	2013(1)	2013	Earnings in 2013	Distributions
	2013(1)	2013	Earnings in 2013	Distributions
	(\$)	(\$)	(\$)	(\$)
Curtis M. Stevens		\$ 24,693	\$ 34,123	\$ 252,931
Sallie B. Bailey		\$ 9,320	\$	\$ 9,320
Richard S. Olszewski		\$ 8,053	\$ 30,164	\$ 124,260
Jeffrey N. Wagner		\$ 6,532	\$ (3,159)	\$ 188,666
W. Bradley Southern		\$ 4,076	\$ 5,543	\$ 28,251

(1) Amounts shown in this column are also included in salary in the Summary Compensation Table above.

(2) Reflects employee contributions that were reported as salary in Summary Compensation Tables for years prior to 2013 as follows: for Mr. Stevens, \$0.00; for Ms. Bailey \$0.00; for Mr. Olszewski, \$51,365; for Mr. Wagner, \$25,047, and for Mr. Southern \$10,848.

All employees who are in LP's top two levels of management and participate in its Retirement Account Plan and the profit sharing component of the 401(k) Plan are automatically participants in the Deferred Compensation Plan. Key features of the Deferred Compensation Plan include:

*Deferrals.* The Deferred Compensation Plan permits deferrals of up to 90% of a participant's base salary and annual bonuses.

*Matching Contributions by LP.* Through January 31, 2009, LP made matching contributions equal to 3.5% of a participating employee's deferral amounts. In December 2008, LP's management determined to suspend matching contributions effective February 1, 2009. In 2010, a partial matching contribution was reinstated in the qualified 401(k) Plan. In 2013, matching contributions were reinstated in both the qualified 401(k) and the EDCP to levels prior to February 2009.

*Supplemental Credit.* LP credits each participating employee's plan account with an amount that would have been contributed under LP's profit sharing component of its 401(k) Plan if limits imposed under the Internal Revenue Code did not apply. The Retirement Account Plan supplemental credit ceased after 2009.

*Make-up Credit.* LP credits each participating employee's plan account with an amount that would have been contributed under LP's profit sharing component of its 401(k) Plan had the participant not deferred compensation. The Retirement Account Plan make-up credit was discontinued effective January 1, 2010 as a component of LP's discontinuation of its defined benefit plan.

## Edgar Filing: LOUISIANA-PACIFIC CORP - Form DEF 14A

*Vesting.* Participants are immediately vested in credits for their contributions and related earnings. Participants are vested in their rights to LP's matching contributions and related earnings after two years of service to LP and are vested in their rights to supplemental and make-up credits and related earnings in accordance with the vesting schedule of profit sharing component of the 401(k) Plan. Participants will

**Table of Contents**

also become vested in LP's matching contributions, supplemental credits, and make-up credits upon reaching age 65 or immediately upon death, disability, or termination within 24 months following a change of control of LP.

*Form of Payment.* If a participant's employment with LP is terminated for any reason, the participant is entitled to receive his vested plan account balances, either in a lump sum or in the form of an annuity over a period of up to 15 years as designated by the participant, in accordance with the terms and conditions set forth in the plan. Participants may also receive distributions prior to termination in the event of emergencies or as otherwise specified in the plan.

*Earnings on Account Balances.* Amounts credited to participants' accounts are adjusted to reflect amounts of income, gain or loss as if the amounts held in such accounts had been invested in investment funds designated under the Deferred Compensation Plan and selected by the participants. The following table shows investment choices made by participants for the purpose of valuing their contribution credits in the Deferred Compensation Plan as of December 31, 2013 and annualized returns for each investment choice for 2013:

<b>Fund</b>	<b>Performance</b>
Vanguard Total International Stock Index	15.14%
T. Rowe Price Equity Income Fund	29.75%
T. Rowe Price Growth Stock Fund	39.20%
T. Rowe Price Mid-Cap Growth Fund	36.89%
T. Rowe Price Mid-Cap Value Fund	31.54%
PIMCO Total Return Fund	(1.92)%
Vanguard Institutional Index	32.35%
T. Rowe Price Balanced Fund	19.25%
MFS International Growth	14.20%
T. Rowe Price Stable Value Fund	2.16%
Dfa US Small Cap Inst.	42.21%

**Potential Payments Upon Termination or Change of Control**

LP has not entered into employment agreements with its executive officers, except for the Change of Control employment agreements described below. Therefore, its executive officers are not generally entitled to severance benefits upon termination of employment in the absence of a change of control. A description of payments and benefits to be provided to LP's executive officers under various circumstances involving termination of employment and/or a change of control follows.

*Payments and Benefits upon Termination Prior to Change of Control*

Upon termination of an executive officer's employment for any reason prior to a change of control of LP, he or she is entitled to receive amounts earned while employed, as follows:

Payment of base salary through the date of termination.

Accrued vacation pay through the date of termination. Accrued vacation pay for LP's current executive officers at December 31, 2013, was as follows: Mr. Stevens, \$72,115; Mr. Olszewski, \$37,404; Mr. Wagner, \$33,077; Ms. Bailey, \$32,808 and Mr. Southern \$28,846.

Other benefits, to the extent vested, required to be paid under the terms of any other plan, program or arrangement maintained by LP, including, without limitation, retirement benefits payable under LP's

---

**Table of Contents**

Retirement Account Plan and SERP, as described under Pension Benefits for 2013, and benefits under the Deferred Compensation Plan, as described under Nonqualified Deferred Compensation for 2013 .

The amounts listed above are referred to as accrued obligations.

If an executive retires with the approval of the Chief Executive Officer at age 60 or older, prior to year end, a pro rata share of his or her target award under the Cash Incentive Plan will be paid based on the date of termination. If an executive dies or if his or her employment is terminated due to disability, he or she will be paid his target award under the Cash Incentive Plan. Upon termination of employment due to death or disability, all awards of restricted stock or restricted stock units (incentive shares) will become fully vested (see Market Value of Shares that have not Vested in the Nonqualified Deferred Compensation for 2013 table), but any stock options or SSARs that were not exercisable on the date of termination will be canceled. Vesting of equity-based awards is not accelerated upon termination for any other reason in the absence of a change of control. Vesting of certain benefits under the SERP and the Deferred Compensation Plan is accelerated upon death or disability, as described under Pension Benefits for 2013 and under Nonqualified Deferred Compensation for 2013 .

The aggregate payments and benefits, in addition to accrued obligations, that LP s named executive officers would have received, assuming termination upon death or disability on December 31, 2013, prior to the occurrence of a change of control, were as follows: Mr. Stevens \$19,547,689; Ms. Bailey \$4,464,393, Mr. Olszewski, \$5,484,182; Mr. Wagner, \$3,290,263, and Mr. Southern, \$2,481,278 representing the sum of the value on that date of restricted stock, incentive shares and SSARs subject to accelerated vesting and the executive s target award for 2012 under the Cash Incentive Plan.

*Change of Control Employment Agreements*

In November 2007, the Compensation Committee approved new Change of Control Employment Agreements with Messrs. Stevens, Olszewski and Wagner, that became effective January 1, 2008. The agreements provide for compensation and benefits following a change of control of LP, including severance payments and benefits in the event the executive officer s employment is terminated. In December 2011, the company entered into a Change of Control Employment Agreement with Ms. Bailey on terms consistent with the agreements entered into with Messrs. Stevens, Olszewski and Wagner, except that Ms. Bailey s agreement contains no excise tax gross-up provision (versus the modified gross-up provision contained in the earlier agreements.) On December 31, 2012, the Company and Mr. Southern entered into an agreement consistent with Ms. Bailey s agreement.

*Term.* The agreements will terminate two years after LP gives the executive written notice. If a change of control of LP occurs prior to that date, the term will be extended automatically for three additional calendar years beyond the date on which the change of control occurs. This three-year period is referred to as the change of control period.

*Definition of Certain Terms.* Brief summaries of the definitions of certain terms used in the agreements are set forth below.

Change of control means:

The acquisition by a person or group of beneficial ownership of 20% of LP s outstanding Common Stock or voting securities, with certain exceptions;

A change in the composition of the Board of Directors such that the incumbent directors cease to constitute at least a majority of the Board (including, for purposes of computing a majority, those persons nominated for election by a majority of the then incumbent directors who had been similarly nominated);

Completion of a reorganization, merger, consolidation or sale of substantially all the assets of LP, with certain exceptions; or

Approval by LP s stockholders of a complete liquidation or dissolution of LP.

**Table of Contents**

Cause means one of the following actions, as determined by the vote of at least 75% of the directors:

The willful and continued failure of the executive to substantially perform his or her duties after delivery of a written demand for substantial performance; or

The willful engaging by the executive in illegal conduct or gross misconduct that materially harms LP.

Good reason for purposes of an executive's termination of his employment with LP means:

The executive's position, authority, duties, or responsibilities are diminished;

Any failure by LP to comply with the compensation provisions of the agreement;

Transfer of the executive to a location more than 50 miles from the present location or a substantial increase in the amount the executive is required to travel; or

Any purported termination by LP of the executive's employment otherwise than as expressly permitted by the agreement.

*Payments and Benefits While Employed Following Change of Control*

During the change of control period and for so long as a covered executive remains employed by LP (or its successor), he is entitled to:

Receive an annual base salary in an amount at least equal to 12 times his highest monthly base salary paid during the 12 months immediately preceding the change of control;

Be paid an annual cash bonus in an amount at least equal to the executive's target bonus for the year in which the change of control occurs; and

Participate in all incentive savings and retirement plans, welfare benefit programs, personal benefits and paid vacation available to other peer executives on at least as favorable terms as those in place during the 120-day period immediately preceding the change of control. In addition, all outstanding equity-based awards held by LP's executive officers, including stock options, SSARs, restricted stock, and restricted stock units, will become vested or exercisable in full upon a change of control of LP. Also, under the SERP, the executive officer will be fully vested in all benefits whether or not he or she otherwise has five years of participation (see Pension Benefits for 2013). All agreements for equity awards granted prior to November 1, 2007, provide for reimbursement, on an after-tax basis, for any excise tax imposed under 280G on excess parachute payments that is directly attributable to acceleration of vesting or exercisability, plus any related federal, state and local income taxes.

The annual base salary levels and target bonuses for LP's current executive officers during 2013 are disclosed under Executive Compensation Compensation Discussion and Analysis. Information regarding benefits provided to LP's executive officers in addition to salary and cash incentive payments during 2013 appears in the Summary Compensation Table. If a change of control of LP had occurred on December 31, 2013, these salary and bonus levels and benefits would represent the minimum amounts that would have been payable to LP's executive officers in each of 2014, 2015 and 2016, unless their employment was terminated during that three-year period.

## Edgar Filing: LOUISIANA-PACIFIC CORP - Form DEF 14A

The aggregate benefits and payments, in addition to accrued obligations, that LP's named executive officers would have received assuming a change of control occurred on December 31, 2013, without termination of employment, were as follows: Mr. Stevens, \$19,547,689; Ms. Bailey \$4,464,393, Mr. Olszewski, \$5,484,182; Mr. Wagner, \$3,290,263, and Mr. Southern, \$2,481,278 representing the sum of the value on that date of restricted stock, incentive shares and SSARs subject to accelerated vesting and the executive's target award for 2013 under the Cash Incentive Plan.

**Table of Contents**

*Payments and Benefits Upon Termination Following Change of Control*

The severance compensation and benefits payable under the Change of Control Employment Agreements upon the termination of an executive officer's employment vary depending on the reason for termination, as described below.

*Termination Without Good Reason; or by LP for Cause.* If an executive officer voluntarily terminates his or her employment other than for good reason, or LP terminates his or her employment for cause, during a change of control period, he or she will be entitled to payment or satisfaction by LP of all accrued obligations, but will not be entitled to any other severance or benefits.

*Death or Disability.* If an executive officer dies or his or her employment is terminated due to disability during a change of control period, the officer or his or her legal representative will be entitled to payment of all accrued obligations and a pro rata amount of the officer's target bonus for the year in which the change of control occurs, based on the number of days in the year prior to death or termination. The aggregate payments and benefits, in addition to accrued obligations, that LP's named executive officers would have received, assuming death or termination due to disability on December 31, 2013, during a change of control period, were as follows: Mr. Stevens, \$19,547,689; Ms. Bailey \$4,464,393, Mr. Olszewski, \$5,484,182; Mr. Wagner, \$3,290,263, and Mr. Southern, \$2,481,278 representing the sum of the value on that date of restricted stock, incentive shares and SSARs subject to accelerated vesting and the executive's target award for 2013 under the Cash Incentive Plan. Assuming that the change of control and the termination due to death or disability occurred in the same year, these are the same amounts that an executive would receive upon a change of control without any termination, as described further under *Payments and Benefits While Employed Following Change of Control* above.

*Termination for Good Reason; or Other than for Cause, Death or Disability.* If, during a change of control period, an executive's employment with LP is terminated by LP (other than for cause, death or disability) or by the executive for good reason, he or she will be entitled to receive the following amounts in a lump-sum payment six months after termination:

Base salary through the date of termination (at a monthly rate at least equal to the highest rate in effect during the 12 months prior to the date the change of control occurred) plus a pro rata amount of target bonus for the fiscal year in which the change of control occurred;

An amount equal to three times the sum of (x) annual base salary at such rate plus (y) target bonus amount;

The difference, calculated on an actuarial present value basis, between the retirement benefits that would have accrued under the Retirement Account Plan and the SERP if employment continued for an additional three years and the actual vested benefit, if any, under those plans (including any enhancement under the terms of the SERP triggered by the change of control) at the date of termination; and

Interest on the amounts described above from the date of termination through the payment date.

The Change of Control Employment Agreements also provide for reimbursement of fees for outplacement services, financial counseling, estate planning and for the continuation of health, disability and life insurance benefits for three years. The named executive officers (other than Ms. Bailey and Mr. Southern) are also entitled to reimbursement for any excise tax imposed on benefits that constitute excess parachute payments, plus any related federal, state and local income taxes, subject to a cut back under which severance benefits can be reduced up to 10% to avoid any excise tax under Section 280G of the Internal Revenue Code ( 280G ). If a larger reduction would be required to come within the 280G safe harbor, the agreements provide for LP to reimburse the employee in full for all 280G excise taxes and related income taxes imposed on the severance payments.

Acceleration of or increases to certain benefits under the terms of the SERP and the Deferred Compensation Plan that are triggered if an executive is terminated following a change of control are described under *Pension Benefits for 2013* and *Nonqualified Deferred Compensation for 2013* .



**Table of Contents***Potential Pay-Outs to Current Executive Officers*

The following table shows potential pay-outs under the Change of Control Employment Agreements and other LP benefit plans assuming that the employment of a current executive officer was terminated following a change of control of LP, either by LP for reasons other than cause, death or disability, or by the executive for good reason, and that termination occurred on the last business day of 2013.

Name	Lump Sum Cash Severance Payment(1)	Increase in Present Value of			Value of Unvested Shares(5)	Value of Unvested Performance Shares (6)	Value of Unvested Stock Options(7)	Estimated Excise Tax and	
		Accumulated Retirement Benefits(2)	Welfare Benefits(3)	Other Benefits(4)				Gross-Up Payments(8)	Total
Curtis M. Stevens	\$ 5,250,000	\$ 2,162,460	\$ 50,188	\$ 79,680	\$ 2,250,575	\$ 3,702,000	\$ 1,752,358	\$ 4,300,428	\$ 19,547,689
Sallie B. Bailey	\$ 2,217,800	\$ 683,848	\$ 40,918	\$ 79,680	\$ 803,834		\$ 638,313	\$	\$ 4,464,393
Richard S. Olszewski	\$ 2,022,800	\$ 827,840	\$ 56,705	\$ 79,680	\$ 726,777		\$ 568,541	\$ 1,201,839	\$ 5,484,182
Jeffrey N. Wagner	\$ 1,788,800	\$ 299,961	\$ 38,553	\$ 79,680	\$ 608,146		\$ 475,123	\$	\$ 3,290,263
W. Bradley Southern	\$ 1,500,000	\$	\$ 54,155	\$ 79,680	\$ 533,588		\$ 313,855	\$	\$ 2,481,278

- (1) Represents the executive's target bonus under the Cash Incentive Plan for 2013 plus an additional payment equal to three times the annual base salary level and target bonus, for all employees except Mr. Southern. Mr. Southern entered into his change in control agreement on February 8, 2013.
- (2) Includes (a) enhanced benefits under the terms of the SERP based on the inclusion of two additional years of credited service and the use of final compensation (2013 base salary plus the average of annual cash incentive bonuses paid in 2011, 2012, and 2013) and (b) benefits under the Change of Control Employment Agreements equal to the difference, calculated on an actuarial present value basis, between the retirement benefits that would have accrued under the Retirement Account Plan and the SERP if the executive's employment continued for an additional three years and the actual vested benefit, if any, at the date of termination. Mr. Southern is not eligible for the SERP.
- (3) Represents the estimated cost of continuing health, disability and life insurance coverage and other welfare benefits to the executive and his or her family at the same level as in place at December 31, 2013, for a three-year period.
- (4) Includes executive perquisite allowance at the 2013 estimated annual cost for three years, outplacement services valued at \$13,000, and estate planning services to which the executives are entitled valued at \$3,500.
- (5) Represents the market value on December 31, 2013, of awards of restricted stock and incentive shares that were not vested on that date. See Outstanding Equity Awards at December 31, 2013 for additional information.
- (6) Represents the market value on December 31, 2013, of awards of performance shares that to the extent the Corporate Performance Measures have been attained.
- (7) Represents the value of in-the-money stock options or SSARs that had not vested on December 31, 2013, based on the difference between the closing sale price of the Common Stock on the NYSE on that date, \$18.51 per share, and the per share exercise price. See Outstanding Equity Awards at December 31, 2013 for additional information.
- (8) Represents the estimated amount required to be reimbursed under the Change of Control Employment Agreements for excise taxes imposed on benefits deemed to be excess parachute payments plus any related federal, state and local income taxes.

**Table of Contents****Equity Compensation Plan Information**

The following table sets forth additional information as of December 31, 2013, regarding shares of Common Stock that may be issued under LP's existing equity compensation plans and arrangements, all of which have been approved by LP's stockholders. The information includes the number of shares covered by, and the weighted average exercise price of, outstanding options, warrants, and other rights and the number of shares remaining available for future grants, excluding the shares to be issued upon exercise of outstanding options, warrants, and other rights.

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants, and Rights(a)	Weighted-Average Exercise Price of Outstanding Options, Warrants, and Rights(b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (excluding securities reflected in column(a))(c)
Equity compensation plans approved by stockholders(1)	7,997,098	\$ 14.26	5,601,315
Equity compensation plans or arrangements not approved by stockholders		N/A	
<b>Total</b>	<b>7,997,098</b>		<b>5,601,315</b>

- (1) Equity compensation plans under which awards are currently outstanding and that were approved by LP's stockholders include the 2013 Omnibus Stock Award Plan (the "Stock Award Plan"), the 1992 Non-Employee Director Stock Option Plan, and the 2000 Non-Employee Director Restricted Stock Plan (the "Restricted Stock Plan"). The number of shares shown in column (a) as shares subject to outstanding awards include 1,272,508 shares subject to awards of restricted shares or restricted stock units (including incentive shares) outstanding on December 31, 2013. See "Outstanding Equity Awards at December 31, 2013" and "Directors' Compensation for 2013" for additional information regarding the vesting of outstanding incentive and restricted share awards. The Stock Award Plan also authorizes the grant of restricted stock awards with such terms and conditions as the Compensation Committee deems appropriate, including provisions that such awards will be forfeited upon termination of a participant's employment for specified reasons within a specified period of time or upon other conditions set forth in the award agreement.

**Table of Contents****DIRECTORS COMPENSATION**

The following table summarizes compensation paid to LP's outside directors for services during 2013.

Name	Fees Earned		Non-Equity		Change in Pension Value and Nonqualified Deferred Compensation		Total
	Cash(1)	Awards(2)	Incentive Plan Compensation	Earnings	Compensation	All Other Compensation	
E. Gary Cook	\$265,500	\$80,000					\$345,500
Archie W. Dunham	\$90,250	\$80,000					\$170,250
Daniel K. Frierson	\$84,500	\$80,000					\$164,500
Lizanne C. Gottung	\$84,500	\$80,000					\$164,500
Kurt M. Landgraf	\$100,500	\$80,000					\$180,500
Dustan E. McCoy	\$91,000	\$80,000					\$171,000
Colin D. Watson	\$92,115	\$80,000					\$172,115
John W. Weaver	\$84,500	\$80,000					\$164,500

(1) For 2013, each director of LP who is not an employee of LP or any of its subsidiaries, other than the Chairman of the Board, received an annual retainer of \$60,000. The Chairman of the Audit Committee and the Chairman of the Compensation Committee each receives an additional annual retainer of \$10,000. The Chairman of each other Board committee receives an additional annual retainer of \$5,000 except the Chairman of the Board, who receives an annual retainer of \$175,000 for service on the Board and Board committees. All outside directors also receive \$1,750 for each Board meeting attended and \$1,500 for each committee meeting attended, including telephone conference meetings. All fees are paid on a quarterly basis.

(2) The amounts shown reflect the fair value as of the date of grant with respect to awards of restricted stock units under LP's 2013 Omnibus Plan. Assumptions used in calculating the fair value are described in Note 14 to LP's audited financial statements included in its 2013 Form 10-K, except that assumptions regarding forfeiture are ignored. The plan provides for annual grants of shares of Common Stock with a market value on the grant date of \$80,000 (which equals the grant date fair value of such awards), or such lower amount as the Nominating Committee determines, to each non-employee director of LP. The shares vest in full on the earliest to occur of one year following the grant date, upon the director's death, disability or retirement (as defined), or a change of control of LP. If the director ceases to be a director before the restrictions lapse, the shares are forfeited. At December 31, 2013, LP's outside directors held shares of restricted stock or restricted stock units as follows: Mr. Cook, 11,914 shares; Mr. Dunham, 11,914 shares; Mr. Frierson, 11,914 shares; Ms. Gottung, 11,914 shares; Mr. Landgraf, 11,914 shares; Mr. McCoy, 11,914 shares; Mr. Watson, 11,914 units; and Mr. Weaver, 9,781 shares.

**RELATED PERSON TRANSACTIONS**

LP has adopted a policy requiring review by the Board of potential conflicts of interest, including transactions between LP and certain related persons. A written copy of the policy is available on LP's website at [www.lpcorp.com](http://www.lpcorp.com) by clicking on About LP, then Investor Relations, then Corporate Governance.

Under the policy, a conflict of interest means any situation in which the personal interests of an employee, officer, or director are potentially in conflict with the interests of LP. The policy applies to all transactions between LP and business entities affiliated with LP's officers and directors.

The policy requires potential conflicts of interest involving a member of the Board or LP's Chief Executive Officer to be reviewed by the full Board. The policy requires potential conflicts of interest involving an executive officer (other than the Chief Executive Officer) to be reviewed by the Board and the Chief Executive Officer. Upon review of the conflict of interest, the Board or Chief Executive Officer, as applicable, is required to determine whether the transaction or relationship may proceed. Both disclosure of the potential conflict by the interested party and the results of any review by the Board or Chief Executive Officer are required to be communicated in writing. Approval of any transaction or relationship may be conditioned on implementation of safeguards, controls, or limitations on the individual's involvement in the transaction or relationship. Ongoing conflicts are reviewed under the policy annually.



## **Table of Contents**

In addition, the Audit Committee's charter provides that it will, on an annual basis and at such other times as may be requested by the Board, review completed and proposed transactions between LP and any current or former director or executive officer of LP (including transactions involving family members or affiliates of directors or executive officers). The purpose of the Audit Committee's review is to help the Board determine if directors are independent, identify potential conflicts of interest, and identify related person transactions required to be disclosed in LP's proxy materials under applicable SEC disclosure requirements. The Audit Committee in 2013 determined that there were no related person transactions that affect the independence of any of LP's outside directors or that require disclosure in this proxy statement.

## **STOCKHOLDER PROPOSALS**

Any stockholder who intends to present a proposal at the Annual Meeting of Stockholders of LP in 2015, and who wishes to have the proposal included in LP's proxy materials for that meeting, must deliver the proposal to the Corporate Secretary of LP no later than November 20, 2014. Any such proposal must meet the informational and other requirements set forth in the SEC's rules and regulations in order to be eligible for inclusion in the proxy materials for that meeting.

LP's bylaws also provide that no business may be brought before an annual meeting except as specified in the notice of the meeting or as otherwise brought before the meeting by or at the direction of the Board of Directors or by a stockholder of record who has delivered written notice thereof to the Chairman by the deadline specified in the bylaws. In the case of next year's annual meeting, this notice must be received by LP no later than February 3, 2014. Such notice must include the information required by the SEC's rules for stockholder proposals presented for inclusion in LP's proxy materials. The meeting chairman may, if the facts warrant, determine that any such business was not properly brought before the meeting and so declare to the meeting, in which case such business shall not be transacted.

## **GENERAL**

The cost of soliciting proxies will be borne by LP. In addition to the solicitation of proxies by the use of the mails, some of the officers and regular employees of LP, without extra compensation, may solicit proxies personally or by other means such as telephone, telecopier, or e-mail.

LP will request brokers, dealers, banks, voting trustees, and their nominees who hold Common Stock of record to forward soliciting material to the beneficial owners of such stock and will reimburse such record holders for their reasonable expenses in forwarding material.

**Table of Contents**

**APPENDIX A**

**LOUISIANA-PACIFIC CORPORATION**  
**ANNUAL CASH INCENTIVE AWARD PLAN**

Amended and Restated as of January 30, 2014

THIS ANNUAL CASH INCENTIVE AWARD PLAN (the Plan) was adopted by Louisiana-Pacific Corporation, a Delaware corporation (Corporation), effective March 1, 1997 and was amended as of July 31, 1999, January 1, 2001, May 3, 2004, February 12, 2009 and January 30, 2014. Capitalized terms that are not otherwise defined herein have the meanings set forth in Section 4.

**SECTION 1. INCENTIVE AWARDS**

1.1 Target Award. Each Award opportunity will specify a targeted incentive opportunity (the Target Award) expressed either as a dollar amount or as a percentage of a Participant's regular annualized base salary.

1.2 Incentive Awards. The amount paid for each Award will be equal to the product of:

(a) The Total Success Percentage for the Participant for the Plan Year; multiplied by

(b) The Participant's Target Award for the Plan Year.

However, in no event may a Participant's Award payment for a Plan Year exceed the lesser of (i) 200 percent of the Participant's Target Award, or (ii) \$3,000,000.

1.3 Performance Goals. The Goals that will be used to measure a Participant's Award will consist of one or more of the following:

(a) Corporate Goals measuring financial performance related to the Corporation as a whole. Corporate Goals may include one or more measures related to earnings, profitability, efficiency, or return to stockholders and may include earnings, earnings per share, operating profit, stock price, costs of production, cash flow, revenue growth, return on equity, return on assets, return on invested capital, or other measures, whether expressed as absolute amounts, as ratios, or percentages of other amounts. Success may be measured against various standards, including budget targets, improvement over prior years, and performance relative to other companies or industry groups.

(b) Business Unit Goals measuring financial or strategic performance of an identified business unit for which a Participant has responsibility. Strategic Business Unit Goals may include one or a combination of objective factors related to success in implementing strategic plans or initiatives, introducing products, constructing facilities, or other identifiable objectives. Financial Business Unit Goals may include the degree to which the business unit achieves one or more measures related to its revenue growth, earnings, profitability, efficiency, operating profit, costs of production, cash flow, return on equity, return on assets, return on invested capital, or other measures, whether expressed as absolute amounts or as ratios or percentages, which may be measured against various standards, including budget targets, improvement over prior years, and performance relative to other companies or business units.

(c) Individual Goals measuring success in developing and implementing particular tasks assigned to an individual Participant. Individual Goals will naturally vary depending upon the responsibilities of individual Participants and may include, without limitation, goals related to success in developing and implementing particular management plans or systems, reorganizing departments, establishing business relationships, or resolving identified problems.

1.4 Weighting of Goals. Each Goal will be weighted with a Weighting Percentage so that the total Weighting Percentages for all Goals used to determine a Participant's Award is 100 percent.

## **Table of Contents**

1.5 **Achievement Percentage**. Each Goal will also specify the Achievement Percentages (ranging from 0 to 200 percent) to be used in computing the payment of an Award based upon the extent to which the particular Goal is achieved. Achievement Percentages for a particular Goal may be based on:

An all or nothing measure that provides for a specified Achievement Percentage if the Goal is met, and a zero Achievement Percentage if the Goal is not met;

Several levels of performance or achievement (such as a Threshold Level, a Target Level, and a Maximum Level) that each correspond to a specified Achievement Percentage; or

Continuous or numerical measures that define a sliding scale of Achievement Percentages.

1.6 **Computation of Awards**. As soon as possible after the completion of each Plan Year, a computation will be made for each Participant of:

The extent to which Goals were achieved and the corresponding Achievement Percentages for each Goal:

A Weighted Achievement Percentage for each Goal equal to the product of the Achievement Percentage and the Weighting Percentage for that Goal;

The Total Success Percentage equal to the sum of all the Weighted Achievement Percentages for all the Participant's Goals; and

An Award amount equal to the product of the Total Success Percentage and the Participant's Target Award.

1.7 **Right to Receive Award**. A Participant must continue Employment with Corporation until the end of a Plan Year in order to be entitled to receive an Award for that Plan Year. Awards may be subject to such additional requirements regarding length of employment as may be specifically approved by the Committee. If a Participant terminates Employment with Corporation before the end of the Plan Year for a reason other than death, Disability, or Approved Retirement, the Participant will not be entitled to any Award for that Plan Year. If a Participant terminates Employment with Corporation before the end of the Plan Year due to death or Disability, the Participant or the Participant's beneficiary or estate will be entitled to an Award equal to 100 percent of the Participant's Target Award. If a Participant terminates Employment with Corporation by reason of Approved Retirement prior to the expiration of the Plan year, the Participant will be entitled to an Award computed as follows:

The Total Success Percentage will be determined after the end of the Plan Year as if the Participant had remained an Employee for the entire Plan Year; and

The Participant's Award computed pursuant to Section 1.6 will be prorated based on the number of days before and the number of days after the effective date of the Approved Retirement.

1.8 **Payment of Awards**. Each Participant's Award will be paid in cash in a lump sum within 30 days after the amount of the Award has been determined. Payment of any Award may be made subject to such additional restrictions or limitations, in addition to those related to the attainment of performance goals, as may be expressly provided for under the Louisiana-Pacific Corporation Management Incentive Plan and made applicable to such Award.

## **SECTION 2. ADMINISTRATION**

## Edgar Filing: LOUISIANA-PACIFIC CORP - Form DEF 14A

For each Plan Year, the Committee will approve the Target Awards for all Participants and will approve Corporate Goals and Achievement Percentages for the Corporate Goals. After the end of each Plan Year, the Committee will certify the extent to which the Corporate Goals have been achieved. In addition, the Committee will have exclusive authority to establish Goals, Weighting Percentages, and Achievement Percentages, to certify achievement, and to take all other actions with respect to Awards for Corporation's Chief Executive Officer and any other Participants that the Committee determines may be subject to Section 162(m) of the Internal Revenue Code of 1986.

A-2



## **Table of Contents**

### **SECTION 3. MISCELLANEOUS**

3.1 **Nonassignability of Benefits**. A Participant's benefits under the Plan cannot be sold, transferred, anticipated, assigned, pledged, hypothecated, seized by legal process, subjected to claims of creditors in any way, or otherwise disposed of.

3.2 **No Right of Continued Employment**. Nothing in the Plan will confer upon any Participant the right to continued Employment with Corporation or interfere in any way with the right of Corporation to terminate the person's Employment at any time.

3.3 **Amendments and Termination**. The Committee has the power to terminate this Plan at any time or to amend this Plan at any time and in any manner that it may deem advisable.

### **SECTION 4. DEFINITIONS**

For purposes of this Plan, the following terms have the meanings set forth in this Section 4:

**Achievement Percentage** means a percentage (from 0 to 200 percent) corresponding to a specified level of achievement or performance of a particular Goal.

**Approved Retirement** means termination of employment with an Employer after Participant attains age 60, but only if such retirement is approved by Corporation's Chief Executive Officer, in his sole discretion.

**Award** means an incentive award under the Plan.

**Corporation** means Louisiana-Pacific Corporation, a Delaware corporation; provided, however, that for purposes of Sections 1.7 and 3.2 and the definitions in this Section 4 of the Plan, the term Corporation shall include any corporation in which Corporation directly or indirectly controls 50 percent or more of the total combined voting power of all classes of stock having voting power.

**Committee** means the Compensation Committee of the Board.

**Disability** means the condition of being permanently unable to perform Participant's duties for Corporation by reason of a medically determinable physical or mental impairment that can be expected to result in death or that has lasted or can be expected to last for a continuous period of at least 12 months.

**Employee and Employment** both refer to service by Participant as a full-time or part-time employee of Corporation, and include periods of illness or other leaves of absence authorized by Corporation.

**Goal** means one of the elements of performance used to determine Awards under the Plan as described in Section 1.3.

**Participant** means an eligible employee selected to participate in the Plan for all or a portion of a Plan Year.

**Plan Year** means a calendar year.

**Target Award** means the targeted incentive award for a Participant for a Plan Year as provided in Section 1.1.

**Total Success Percentage** means the sum of the Weighted Achievement Percentages for each Goal for a Participant.

**Weighted Achievement Percentage** means the product of the Achievement Percentage and the Weighting Percentage for a Goal as provided in Section 1.6.

**Table of Contents**



**Table of Contents**

**Table of Contents**

**Table of Contents**

**Table of Contents**

**Table of Contents**