UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

Quarterly Report Under Section 13 or 15(d)
of the Securities Exchange Act of 1934
For Quarterly Period Ended September 30, 2019
Commission File Number 1-7107

LOUISIANA-PACIFIC CORPORATION
(Exact name of registrant as specified in its charter)

Delaware	**93-0609074**
(State or other jurisdiction of incorporation or organization)	**(IRS Employer Identification No.)**

414 Union Street, Suite 2000 , Nashville, TN 37219
(Address of principal executive offices) (Zip Code)
Registrant's telephone number, including area code:(615) 986 - 5600

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, $1 par value	LPX	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. **Yes** x No o

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes x No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	x	Accelerated filer	o
Non-accelerated filer	o	Smaller reporting company	o
Emerging growth company	o		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No x

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 117,453,425 shares of Common Stock, $1 par value, outstanding as of November 4, 2019. *Except as otherwise specified and unless the context otherwise requires, references to "LP", the "Company", "we", "us", and "our" refer to Louisiana-Pacific Corporation and its subsidiaries.*

ABOUT FORWARD-LOOKING STATEMENTS

Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 provide a "safe harbor" for forward-looking statements to encourage companies to provide prospective information about their businesses and other matters as long as those statements are identified as forward-looking and are accompanied by meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those discussed in the statements. This report contains, and other reports and documents filed by us with the Securities and Exchange Commission (SEC) may contain, forward-looking statements. These statements are or will be based upon the beliefs and assumptions of, and on information available to, our management.

The following statements are or may constitute forward-looking statements: (1) statements preceded by, followed by or that include words like "may," "will," "could," "should," "believe," "expect," "anticipate," "intend," "plan," "estimate," "potential," "continue" or "future" or the negative or other variations thereof and (2) other statements regarding matters that are not historical facts, including without limitation, plans for product development, forecasts of future costs and expenditures, possible outcomes of legal proceedings, capacity expansion and other growth initiatives and the adequacy of reserves for loss contingencies.

Factors that could cause actual results to differ materially from those expressed or implied by the forward-looking statements include, but are not limited to, the following:

- changes in governmental fiscal and monetary policies, including tariffs and levels of employment;
- changes in general economic conditions;
- changes in the cost and availability of capital;
- changes in the level of home construction and repair activity;
- changes in competitive conditions and prices for our products;
- changes in the relationship between supply of and demand for building products;
- changes in the relationship between supply of and demand for raw materials, including wood fiber and resins, used in manufacturing our products;
- changes in the cost of and availability of energy, primarily natural gas, electricity and diesel fuel;
- changes in the cost of and availability of transportation;
- changes in other significant operating expenses;
- changes in exchange rates between the U.S. dollar and other currencies, particularly the Canadian dollar, Brazilian *real* and Chilean *peso*;
- changes in general and industry-specific environmental laws and regulations;
- changes in tax laws, and interpretations thereof;
- changes in circumstances giving rise to environmental liabilities or expenditures;
- the resolution of existing and future product-related litigation and other legal proceedings; and
- acts of public authorities, war, civil unrest, natural disasters, fire, floods, earthquakes, inclement weather and other matters beyond our control.

In addition to the foregoing and any risks and uncertainties specifically identified in the text surrounding forward-looking statements, any statements in the reports and other documents filed by us with the SEC that warn of risks or uncertainties associated with future results, events or circumstances identify important factors that could cause actual results, events and circumstances to differ materially from those reflected in the forward-looking statements.

ABOUT THIRD-PARTY INFORMATION

In this report, we rely on and refer to information regarding industry data obtained from market research, publicly available information, industry publications, U.S. government sources and other third parties. Although we believe the information is reliable, we cannot guarantee the accuracy or completeness of the information and have not independently verified it.

Item 1. Financial Statements.

CONDENSED CONSOLIDATED BALANCE SHEETS

LOUISIANA-PACIFIC CORPORATION AND SUBSIDIARIES

(AMOUNTS IN MILLIONS) (UNAUDITED)

	September 30, 2019	December 31, 2018
ASSETS		
Current assets:		
Cash and cash equivalents	$ 304	$ 878
Receivables, net of allowance for doubtful accounts of $3 million at September 30, 2019 and $1 million at December 31, 2018	183	128
Inventories	260	273
Prepaid expenses and other current assets	14	8
Total current assets	**761**	**1,287**
Timber and timberlands	61	62
Property, plant and equipment, net	1,034	1,010
Goodwill and other intangible assets	54	26
Operating lease assets	41	—
Investments in and advances to affiliates	10	49
Other assets	82	79
Total assets	**$ 2,043**	**$ 2,514**
LIABILITIES AND EQUITY		
Current liabilities:		
Current portion of long-term debt	$ 3	$ 5
Accounts payable and accrued liabilities	213	236
Income taxes payable	1	21
Total current liabilities	**216**	**262**
Long-term debt, excluding current portion	348	347
Non-current operating lease liabilities	33	—
Other long-term liabilities	223	205
Redeemable noncontrolling interest	12	—
Stockholders' equity:		
Common stock, $1 par value, 200,000,000 shares authorized, 135,237,793 shares issued and outstanding at September 30, 2019 and 153,358,542 shares issued and outstanding at December 31, 2018	135	153
Additional paid-in capital	453	458
Retained earnings	1,185	1,613
Treasury stock, 17,793,832 shares and 16,525,351 shares, at cost	(408)	(378)
Accumulated comprehensive loss	(152)	(146)
Total stockholders' equity	1,213	1,700
Total liabilities and stockholders' equity	**$ 2,043**	**$ 2,514**

The accompanying notes are an integral part of these unaudited financial statements.

CONSOLIDATED STATEMENTS OF INCOME

LOUISIANA-PACIFIC CORPORATION AND SUBSIDIARIES

(AMOUNTS IN MILLIONS EXCEPT PER SHARE AMOUNTS) (UNAUDITED)

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
Net sales	$ 603	$ 737	$ 1,773	$ 2,239
Cost of sales	529	524	1,540	1,589
Gross profit	75	213	233	650
Selling, general and administrative expenses	58	51	172	152
(Gain) loss on sale or impairment of long lived assets, net	5	—	6	—
Other operating credits and charges, net	3	(6)	2	(11)
Income from operations	8	168	53	510
Interest expense, net	(4)	2	(5)	1
Other non-operating items	(1)	(2)	8	(4)
Income from continuing operations before taxes	3	167	56	506
Provision for income taxes	3	42	13	123
Equity in loss of unconsolidated affiliates	—	1	—	2
Income from continuing operations	1	124	43	382
Loss from discontinued operations	—	—	—	(4)
Net income	$ 1	$ 124	$ 42	$ 378
Less: Net loss attributed to non-controlling interest	(1)	—	(3)	—
Net income attributed to Louisiana-Pacific Corporation	$ 2	$ 124	$ 46	$ 378
Amounts attributed to Louisiana-Pacific Corporation common shareholders:				
Income from continuing operations, net of tax	$ 2	$ 124	$ 46	$ 382
Income from discontinued operations, net of tax	—	—	—	(4)
	$ 2	$ 124	$ 46	$ 378
Net income per share of common stock:				
Income per share continuing operations	$ 0.02	$ 0.87	$ 0.37	$ 2.65
Loss per share discontinued operations	—	—	—	(0.03)
Net income per share - basic	$ 0.02	$ 0.87	$ 0.37	$ 2.62
Diluted net income per share of common stock:				
Income per share continuing operations	$ 0.02	$ 0.86	$ 0.36	$ 2.62
Loss per share discontinued operations	—	—	—	(0.03)
Net income per share - diluted	$ 0.02	$ 0.86	$ 0.36	$ 2.59
Average shares of common stock used to compute net income per share:				
Basic	121.4	142.5	125.1	143.9
Diluted	122.2	143.9	125.9	145.6

The accompanying notes are an integral part of these unaudited financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
LOUISIANA-PACIFIC CORPORATION AND SUBSIDIARIES
(AMOUNTS IN MILLIONS) (UNAUDITED)

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
Net income	**$ 1**	**$ 124**	**$ 42**	**$ 378**
Other comprehensive income (loss):				
Foreign currency translation adjustments	(10)	(2)	(7)	(14)
Unrealized gain (loss) on investments, net of tax	—	—	(1)	—
Amortization of pension and post-retirement prior service costs and net loss	1	1	3	4
Other comprehensive loss	(9)	(1)	(5)	(9)
Comprehensive income (loss)	**(9)**	**123**	**37**	**368**
Less: comprehensive loss attributed to redeemable non-controlling interest	(1)	—	(3)	—
Comprehensive income (loss) attributed to Louisiana-Pacific Corporation	$ (7)	$ 123	$ 41	$ 368

The accompanying notes are an integral part of these unaudited financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
LOUISIANA-PACIFIC CORPORATION AND SUBSIDIARIES
(AMOUNTS IN MILLIONS) (UNAUDITED)

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net income	$ 1	$ 124	$ 42	$ 378
Non-cash charges to income:				
Depreciation and amortization	30	31	90	92
Gain on acquisition	—	—	(14)	—
Other adjustments, net	17	(1)	23	4
Changes in assets and liabilities:				
(Increase) decrease in receivables	(6)	19	(46)	(26)
(Increase) decrease in prepaids and other current assets	(3)	1	(6)	(4)
(Increase) decrease in inventories	31	2	14	(12)
Increase (decrease) in accounts payable and accrued liabilities	(11)	2	(29)	(18)
Increase (decrease) in income taxes payable and deferred income taxes	1	10	(15)	47
Pension contributions	—	(36)	(1)	(41)
Net cash provided by (used in) operating activities	***59***	***151***	***58***	***419***
CASH FLOWS FROM INVESTING ACTIVITIES:				
Property, plant and equipment additions	(37)	(63)	(118)	(150)
Investment in unconsolidated affiliate	(3)	—	(3)	(45)
Cash acquired (used in) acquisition	—	—	33	—
Other investing activities	(1)	—	(1)	23
Net cash used in investing activities	***(40)***	***(63)***	***(90)***	***(173)***
CASH FLOWS FROM FINANCING ACTIVITIES:				
Repayment of long-term debt	—	(22)	(3)	(22)
Payment of cash dividends	(16)	(19)	(50)	(56)
Purchase of stock	(42)	(60)	(480)	(99)
Other financing activities	(2)	(2)	(8)	(6)
Net cash used in financing activities	***(60)***	***(102)***	***(541)***	***(183)***
EFFECT OF EXCHANGE RATE ON CASH, CASH EQUIVALENTS AND RESTRICTED CASH	(2)	(1)	(1)	(5)
Net decrease in cash, cash equivalents and restricted cash	(44)	(14)	(574)	59
Cash, cash equivalents and restricted cash at beginning of period	362	1,014	892	941
Cash, cash equivalents and restricted cash at end of period	**$ 318**	**$ 1,000**	**$ 318**	**$ 1,000**
Supplemental cash flow information:				
Cash paid for income taxes	$ —	$ 32	$ 29	$ 73
Cash paid for interest, net of cash received	$ 5	$ 4	$ 10	$ 7

The accompanying notes are an integral part of these unaudited financial statements.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

LOUISIANA-PACIFIC CORPORATION AND SUBSIDIARIES

(AMOUNTS IN MILLIONS EXCEPT PER SHARE AMOUNTS) (UNAUDITED)

	Common Stock		Treasury Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Comprehensive Loss	Total Stockholders' Equity
	Shares	Amount	Shares	Amount				
Balance, December 31, 2018	**153**	**$ 153**	**17**	**$ (378)**	**$ 458**	**$ 1,613**	**$ (146)**	**$ 1,700**
Net income						27		27
Dividends paid ($0.135 per share)						(17)		(17)
Issuance of shares under stock plans			—	4	(8)			(4)
Purchase of stock	(12)	(12)	2	(38)	(80)	(308)		(438)
Compensation expense associated with stock-based compensation					2			2
Other comprehensive loss							2	2
Balance, March 31, 2019	**141**	**141**	**18**	**(412)**	**373**	**1,314**	**(144)**	**1,273**
Net income						17		17
Dividends paid ($0.135 per share)						(17)		(17)
Issuance of shares under stock plans			—	2	(1)			1
Compensation expense associated with stock-based compensation					2			2
Other comprehensive loss							2	2
Balance, June 30, 2019	**141**	**141**	**18**	**(410)**	**374**	**1,315**	**(143)**	**1,278**
Net income						2		2
Dividends paid ($0.135 per share)						(16)		(16)
Issuance of shares under stock plans			—	2	(3)			(1)
Purchase of stock	(6)	(6)			80	(116)		(42)
Compensation expense associated with stock-based compensation					2			2
Other comprehensive loss							(9)	(9)
Balance, September 30, 2019	**135**	**$ 135**	**18**	**$ (408)**	**$ 453**	**$ 1,185**	**$ (152)**	**$ 1,213**

	Common Stock		Treasury Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Comprehensive Loss	Total Stockholders' Equity
	Shares	Amount	Shares	Amount				
Balance, December 31, 2017	**153**	**$ 153**	**8**	**$ (178)**	**$ 471**	**$ 1,280**	**$ (122)**	**$ 1,605**
Effect of adoption of ASU 2014-09						(4)		(4)
Effect of adoption of ASU 2018-02						17	(17)	—
Net income						91		91
Dividends paid ($0.13 per share)						(19)		(19)
Issuance of shares under stock plans			—	4	(10)			(6)
Compensation expense associated with stock-based compensation					2			2
Other comprehensive income							4	4
Balance, March 31, 2018	**153**	**153**	**8**	**(173)**	**463**	**1,364**	**(135)**	**1,672**
Net income						163		163
Dividends paid ($0.13 per share)						(19)		(19)
Issuance of shares under stock plans			—	6	(8)			(2)
Purchase of treasury stock			1	(39)				(39)
Compensation expense associated with stock-based compensation					3			3
Other comprehensive income							(12)	(12)
Balance, June 30, 2018	**153**	**153**	**9**	**(206)**	**458**	**1,508**	**(147)**	**1,766**
Net income						124		124
Dividends paid ($0.13 per share)						(19)		(19)
Issuance of shares under stock plans			—	2	(3)			(2)
Purchase of treasury stock			2	(60)				
Compensation expense associated with stock-based compensation					2			2
Other comprehensive income							(1)	(1)
Balance, September 30, 2018	**153**	**$ 153**	**12**	**$ (264)**	**$ 457**	**$ 1,614**	**$ (148)**	**$ 1,811**

The accompanying notes are an integral part of these unaudited financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 – BASIS FOR PRESENTATION

The accompanying unaudited consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q and, in the opinion of management, include all adjustments (consisting of normal recurring adjustments) necessary to present fairly, in all material respects, the consolidated financial position, results of operations and cash flows of us and our subsidiaries for the interim periods presented. Results of operations for interim periods are not necessarily indicative of results to be expected for an entire year. These consolidated financial statements should be read in conjunction with the consolidated financial statements and the notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2018. All dollar amounts are shown in millions except per share.

NOTE 2 - LEASES

On January 1, 2019, we adopted ASU 2016-02, "Leases (Topic 842)" (ASC 842), which supersedes the lease accounting requirements in ASC Topic 840, "Leases". The new standard requires entities to recognize, separately from each other, an asset for its right to use (ROU) the underlying asset equal to the liability for its finance and operating lease obligations. Further, the company is required to present separately the current and non-current portion of the ROU asset and corresponding lease liability.

In July 2018, the FASB issued ASU 2018-11, "Leases (Topic 842) Targeted Improvements", which provides an additional (and optional) transition method whereby the new lease standard is applied at the adoption date and recognized as an adjustment to retained earnings. The amendments have the same effective date and transition requirements as the new lease standard. We have elected to adopt using this optional transition method.

We determine if an arrangement is a lease at contract inception. A lease exists when a contract conveys to the customer the right to control the use of identified property, plant, or equipment for a period of time in exchange for consideration.

Our lease portfolio consists primarily of real estate, mobile equipment at our manufacturing facilities, railcars to transport our products, and a fleet of vehicles.

As part of our adoption of ASC 842, we have also elected to apply the following practical expedients as permitted under the new standard:

- Package of practical expedients - we will not reassess whether expiring or existing contracts contain a lease, will not reassess the classification of expired or existing leases, and will not reassess whether lease initial direct costs would qualify for capitalization under the new lease accounting standard.
- Lease and non-lease components as lessee - for leases across all asset classes in which we are a lessee, we will not separate non-lease components from lease components and instead will account for each separate lease component and the non-lease components associated with that lease component as a single lease component.
- Short-term leases - we have elected not to recognize ROU assets and lease liabilities for short-term leases across all asset classes that have a lease term of 12 months or less. We recognize the lease payments associated with our short-term leases as an expense on a straight-line basis over the lease term.

Key estimates and judgments include how we determined the discount rate used to record the unpaid lease payments at present value and lease term.

- ASC 842 requires a lessee to discount its unpaid lease payments using the interest rate implicit in the lease or, if that rate cannot be readily determined, its incremental borrowing rate. As most of our leases do not provide an implicit rate, we used our incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments.

- The lease term for all of our leases includes the non-cancelable period of the lease plus any additional periods covered by either an option to extend (or not to terminate) the lease that we are reasonably certain to exercise, or an option to extend (or not to terminate) the lease controlled by the lessor.

Supplemental Balance Sheet information Related to Leases:

	Classification	September 30, 2019
Assets:		
Operating lease assets	Operating lease assets	$ 41
Finance lease assets	Property, plant, and equipment, net	1
Total lease assets		$ 42
Liabilities:		
Current		
Operating	Accounts payable and accrued liabilities	$ 9
Finance	Current portion of long-term debt	1
Non-current		
Operating	Non-current operating lease liabilities	33
Finance	Long-term debt	1
Total lease liabilities		$ 42

Components of Lease Expense:	Quarter Ended September 30, 2019	Nine Months Ended September 30, 2019
Lease Cost:		
Operating lease cost	$ 3	$ 7
Finance lease cost:		
Amortization of leased assets	—	—
Interest on lease liabilities	—	—
Total lease cost	$ 3	$ 8

Lease Term and Discount Rate:	September 30, 2019
Weighted average remaining lease term (years)	
Operating leases	12.0
Finance leases	3.0
Weighted average discount rate	
Operating leases	4.6%
Finance leases	4.2%

Maturity of Lease Liabilities	Operating Leases	Finance Leases	Total
2019	$ 3	$ —	$ 3
2020	9	1	10
2021	7	—	7
2022	5	—	5
2023	3	—	3
2024 and thereafter	29	—	29
Total lease payments	55	1	56
Less: Interest	(14)	—	(14)
Present value of lease liabilities	$ 41	$ 1	$ 42

Other Information	Quarter Ended September 30, 2019	Nine Months Ended September 30, 2019
Short-term lease cost	$ 1	$ 3
Variable lease cost	7	20
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from finance leases	—	—
Operating cash flows from operating leases	2	6
Financing cash flows from finance leases	—	—
ROU assets obtained in exchange for new operating lease liabilities	20	25
ROU assets obtained in exchange for new financing lease liabilities	—	1

As of December 31, 2018, total future minimum commitments under non-cancelable operating leases were as follows:

	2019	2020	2021	2022	2023	Thereafter
Lease Obligations	$ 8	$ 7	$ 5	$ 2	$ —	$ —

NOTE 3 - REVENUE

Revenue is recognized when obligations under the terms of a contract (purchase orders) with our customers are satisfied; generally, this occurs with the transfer of control of our products. Revenue is measured as the amount of consideration we expect to receive in exchange for transferring goods. Shipping cost incurred by us to deliver products to our customers are recorded in cost of sales. We recognize revenue as of a point in time.

The following tables disaggregate our revenue by product line and product type by segment for the quarter and nine months ended September 30, 2019 and 2018:

Quarter Ended September 30, 2019

By Product family:	Siding	OSB	EWP	South America	Other	Inter-segment	Total
SmartSide® Strand siding	$ 213	$ —	$ —	$ 4	$ —	$ —	$ 217
SmartSide® Fiber siding	28	—	—	—	—	—	28
CanExel® siding	15	—	—	—	—	—	15
OSB - commodity	1	100	—	—	—	(1)	100
OSB - value-add	—	96	2	32	—	—	130
LVL	—	—	37	—	—	—	37
LSL	—	—	12	—	—	—	12
I-joist	—	—	39	—	—	—	39
Plywood	—	—	7	—	—	—	7
Other	2	2	8	1	6	—	19
	$ 259	$ 197	$ 105	$ 36	$ 6	$ (1)	$ 603
By Product type:							
Commodity	$ 1	$ 100	$ 7	$ —	$ —	$ (1)	$ 107
Value-add	256	96	90	36	—	—	478
Other	2	2	8	1	6	—	19
	$ 259	$ 197	$ 105	$ 36	$ 6	$ (1)	$ 603

Nine Months Ended September 30, 2019

By Product family:	Siding	OSB	EWP	South America	Other	Inter-segment	Total
SmartSide® Strand siding	$ 600	$ —	$ —	$ 14	$ —	$ —	$ 614
SmartSide® Fiber siding	79	—	—	—	—	—	79
CanExel® siding	38	—	—	—	—	—	38
OSB - commodity	9	304	3	—	—	(4)	312
OSB - value-add	—	295	7	105	—	—	406
LVL	—	—	108	—	—	—	108
LSL	—	—	40	—	—	—	39
I-joist	—	—	103	—	—	—	103
Plywood	—	—	19	—	—	—	19
Other	7	6	23	2	16	—	55
	$ 733	$ 605	$ 303	$ 121	$ 16	$ (4)	$ 1,773
By Product type:							
Commodity	$ 9	$ 304	$ 22	$ —	$ —	$ (4)	$ 331
Value-add	717	295	257	119	—	(1)	1,387
Other	7	6	23	2	16	—	55
	$ 733	$ 605	$ 303	$ 121	$ 16	$ (4)	$ 1,773

Quarter Ended September 30, 2018

By Product family:	Siding	OSB	EWP	South America	Other	Inter-segment	Total
SmartSide® Strand siding	$ 188	$ —	$ —	$ 3	$ —	$ —	$ 191
SmartSide® Fiber siding	30	—	—	—	—	—	30
CanExel® siding	7	—	—	—	—	—	7
OSB - commodity	13	197	1	—	—	—	211
OSB - value-add	—	151	4	30	—	—	185
LVL	—	—	36	—	—	—	36
LSL	—	—	18	—	—	—	18
I-joist	—	—	34	—	—	—	34
Plywood	—	—	8	—	—	—	8
Other	2	2	10	1	3	—	17
	$ 241	$ 349	$ 110	$ 35	$ 3	$ —	$ 737
By Product type:							
Commodity	$ 13	$ 197	$ 9	$ —	$ —	$ —	$ 219
Value-add	226	151	91	34	—	—	502
Other	2	2	10	1	3	—	17
	$ 241	$ 349	$ 110	$ 35	$ 3	$ —	$ 737

Nine Months Ended September 30, 2018

By Product family:	Siding	OSB	EWP	South America	Other	Inter-segment	Total
SmartSide® Strand siding	$ 546	$ —	$ —	$ 17	$ —	$ —	$ 563
SmartSide® Fiber siding	84	—	—	—	—	—	84
CanExel® siding	33	—	—	—	—	—	33
OSB - commodity	34	609	9	—	—	—	652
OSB - value-add	22	435	11	103	—	—	571
LVL	—	—	113	—	—	—	113
LSL	—	—	49	—	—	—	49
I-joist	—	—	98	—	—	—	98
Plywood	—	—	23	—	—	—	23
Other	9	6	26	3	9	—	52
	$ 729	$ 1,050	$ 329	$ 122	$ 9	$ —	$ 2,239
By Product type:							
Commodity	$ 34	$ 609	$ 32	$ —	$ —	$ —	$ 675
Value-add	686	435	271	120	—	—	1,512
Other	9	6	26	3	9	—	52
	$ 729	$ 1,050	$ 329	$ 122	$ 9	$ —	$ 2,239

NOTE 4 - STOCK-BASED COMPENSATION

We have a Management Incentive Plan (MIP) that is administered by the Compensation Committee of the Board of Directors. The Compensation Committee authorizes the grants of restricted stock awards (shares or units), performance share awards payable in stock based upon the attainment of specified performance goals and stock-settled stock appreciation rights (SSARs).We also maintain an employee stock purchase plan which allows eligible employees to purchase shares of LP common stock at a discount. As of September 30, 2019, 2.9 million shares were available for grant under the 2013 Omnibus Plan and 1.9 million shares were available under the 2019 Employee Stock Purchase Plan.

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
Total stock-based compensation expense (cost of sales, selling, general and administrative and other operating credits and charges, net)	$ 2	$ 2	$ 6	$ 7
Income tax provision related to stock-based compensation	—	—	(1)	(3)
Impact on cash flow due to taxes paid related to net share settlement of equity awards	2	2	5	9

At September 30, 2019, $15 million of compensation cost related to unvested performance awards, restricted stock awards and SSARs attributable to future service had not yet been recognized.

During the first nine months of 2019, we granted 195,452 performance awards at an average grant date fair value of $25.19 per share and 393,054 restricted stock awards at an average grant date fair value of $24.21 per share.

NOTE 5 – FAIR VALUE MEASUREMENTS

We estimated our Senior Notes due in 2024 to have a fair value of $357 million at September 30, 2019 and $338 million at December 31, 2018 based upon market quotations.

Carrying amounts reported on the balance sheet for cash and cash equivalents, accounts receivables, accounts payable and current portion of long-term debt approximate fair value due to the short-term maturity of these items.

NOTE 6 – EARNINGS PER SHARE

Basic earnings per share are based upon the weighted-average number of shares of common stock outstanding. Diluted earnings per share are based upon the weighted-average number of shares of common stock outstanding, plus all potentially dilutive securities that were assumed to be converted into common shares at the beginning of the period under the treasury stock method. Our potentially dilutive securities consist of stock options, SSARs, restricted stock or units and performance share awards.

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
Denominator for basic earnings per share:				
Weighted average common shares outstanding - basic	121.4	142.5	125.1	143.9
Effect of dilutive securities:				
Dilutive effect of employee stock plans	0.8	1.4	0.9	1.7
Denominator for diluted earnings per share:				
Weighted average shares outstanding - diluted	122.2	143.9	125.9	145.6

For the quarter and nine months ended September 30, 2019 and 2018, there were no SSARs that were considered not in-the-money for purposes of our earnings per share calculation.

NOTE 7 - SHARE REPURCHASE PROGRAM

During the quarter ended March 31, 2019, we announced that our Board of Directors authorized an additional $600 million share repurchase program, including an accelerated share repurchase (ASR) program. In connection with the ASR program, we entered into an agreement with Goldman, Sachs & Co. (GS) to repurchase $400 million of our common stock. Under the ASR, we received approximately 11.9 million shares of our common stock during the first quarter of 2019. During the third quarter of 2019, GS delivered the final settlement of the ASR resulting in an additional 4.4 million shares.

NOTE 8 – RECEIVABLES

Receivables consist of the following:

	September 30, 2019	December 31, 2018
Trade receivables	$ 140	$ 87
Income tax receivable	27	16
Other receivables	19	25
Allowance for doubtful accounts	(3)	(1)
Total	$ 183	$ 128

Other receivables at September 30, 2019 and December 31, 2018 primarily consist of sales tax receivables, vendor rebates, a receivable associated with an affiliate and other miscellaneous receivables.

NOTE 9 – INVENTORIES

Inventories are valued at the lower of cost or net realizable value. Inventory cost includes materials, labor and operating overhead. The major types of inventories are as follows (work in process is not material):

	September 30, 2019	December 31, 2018
Logs	$ 41	$ 57
Other raw materials	31	25
Semi-finished inventory	22	23
Finished products	166	168
Total	$ 260	$ 273

NOTE 10 - ACQUISITIONS AND REDEEMABLE NONCONTROLLING INTEREST

Redeemable noncontrolling interest are interests in subsidiaries that are redeemable outside of our control either for cash or other assets. These interests are classified as mezzanine equity and measured at the greater of estimated redemption value at the end of each reporting period or the historical cost basis of the noncontrolling interest adjusted for cumulative earnings allocations. The resulting increases or decreases in the estimated redemption amount of redeemable preferred noncontrolling interest are affected by corresponding charges through income. Any adjustments recognized on redeemable common noncontrolling interest are affected by corresponding charges to accumulated paid in capital.

Entekra

During the second quarter of 2018, we invested $45 million in Entekra Holdings, LLC (Entekra), a start-up design, engineering and manufacturing company that provides off-site framing for both residential and commercial construction. This investment was recorded as an equity investment based upon the joint control of Entekra’s operations. We own 81.8% of the A units and 55% of the B units of Entekra. Our portion of the earnings and losses of Entekra was included in our Consolidated Statement of Income as income (loss) from unconsolidated affiliate.

During the first quarter of 2019, we obtained a controlling interest in Entekra. Entekra's results of operations have been fully consolidated for periods after December 31, 2018 and we established a redeemable noncontrolling interest related to the minority holders. Due to the pre-existing ownership interest in Entekra, this acquisition was accounted for as a step acquisition in accordance with ASC 805, "Business Combinations". We recognized a gain of $14 million recorded within other non-operating items on our Consolidated Statements of Income in connection with this transaction to record our ownership interest in Entekra at fair value on the acquisition date based upon an appraisal.

Including our previously owned interest, we acquired net assets of $56 million, consisting of $41 million in current assets, $6 million in fixed assets, $25 million of goodwill and other intangible assets less $1 million in current liabilities and $15 million in non-controlling interest. Certain information about Entekra (e.g., pro forma financial information and allocation of purchase price) is not presented because such information is not material to our results of operations and financial position.

	Quarter Ended September 30,		Nine Months Ended June 30,	
	2019	2018	2019	2018
Beginning balance	$ 13	$ —	$ —	$ —
Purchase of redeemable common and preferred stock	—	—	15	—
Net loss attributable to redeemable non-controlling interest	(1)	—	(3)	—
Adjustment to redemption value	—	—	—	—
Ending balance	$ 12	$ —	$ 12	$ —

Prefinished Staining Product Incorporated (PSPI)

During the second quarter of 2019, we acquired certain assets and liabilities of Prefinished Staining Product Incorporated (PSPI), a prefinished siding company located in Green Bay, Wisconsin. The purchase resulted in us recording intangible assets of $4 million. Our assessment of fair value and the purchase price allocation related to this acquisition is final. Certain information about PSPI (e.g., pro forma financial information and allocation of purchase price) is not presented because such information is not material to our results of operations and financial position.

NOTE 11 - GOODWILL AND OTHER INTANGIBLES

Changes in goodwill and other intangible assets for the nine months ended September 30, 2019 is provided in the following table:

	2019			
	Timber and timberlands	Goodwill	Developed Technology	Other Assets
Beginning balance December 31, 2018	$ 41	$ 16	$ 10	$ —
Acquisitions (Note 10)	—	14	12	3
Amortization	(2)	—	(1)	—
Total goodwill and other intangibles	$ 39	$ 30	$ 21	$ 3

NOTE 12 – INCOME TAXES

For interim periods, accounting standards require that income tax expense be determined by applying the estimated annual effective income tax rate to year-to-date results, unless this method does not result in a reliable estimate of year-to-date income tax expense. Each period, the income tax accrual is adjusted to the latest estimate and the difference from the previously accrued year-to-date balance is adjusted to the current quarter. Changes in profitability estimates in various jurisdictions will impact our quarterly effective income tax rates.

For the first nine months of 2019, our income tax expense on continuing operations reflects a rate of 24% as compared to 24% in the comparable period of 2018. For the first nine months of 2019, the primary differences between the U.S. statutory rate of 21% and the effective rate of 24% relates to state income tax, foreign tax rates and benefit from U.S. tax credits. For the first nine months of 2018, the primary differences between the U.S. statutory rate of 21% and the effective rate of 24% relates to state income tax, discretionary pension payments, foreign tax rates and tax deductions related to stock-based compensation.

NOTE 13 - OTHER OPERATING CREDITS AND CHARGES AND IMPAIRMENTS

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
Reorganization charges	$ (2)	$ (1)	$ (5)	$ (5)
Severance and other charges associated with curtailment	(2)	—	(3)	—
Adjustment to product-related warranty reserves	—	8	4	8
Refund of environmental costs	—	—	—	8
Insurance recoveries	—	—	1	—
Expenses related to hurricane	—	(1)	—	(1)
	$ (3)	$ 6	$ (2)	$ 11

During the third quarter of 2019, we recorded a charge of $2 million related to severance associated with certain reorganizations within the corporate office and $2 million related to severance and other charges associated with our curtailment of an OSB mill in British Columbia, Canada.

During the third quarter of 2019, we recorded a $5 million impairment related to a facility in Canada that LP expects to sell within the next 12 months.

During the second quarter of 2019, we reduced our product related warranty reserves by $4 million and recorded a gain of $1 million in insurance recoveries associated with property damage from prior years. Additionally, we recorded a charge of $1 million related to severance associated with certain reorganizations within the corporate office and $1 million related to severance and other charges associated with our recently announced planned curtailment of an OSB mill in British Columbia, Canada.

During the first quarter of 2019, we recorded a charge of $2 million on severance and other charges related to certain reorganizations within the corporate offices and property damage sustained by our Wilmington facility during a hurricane occurring in the fall of 2018.

During the third quarter of 2018, we recorded a gain of $8 million related to the reduction in product-related warranty reserves associated with CanExel products sold in specific geographic locations and for a specific time period based upon reductions in claims activities. Additionally, we recorded $1 million in severance and other charges related to certain reorganizations and a loss of $1 million related to property damage sustained by our Wilmington facility during a hurricane occurring in the fall of 2018.

During the second quarter of 2018, we recorded a gain of $8 million related to the settlement of previously-paid environmental costs or the liability for future environmental costs to be paid by a third party associated with a non-operating site. Additionally, we recorded a charge of $4 million in severance and other charges related to certain reorganizations within the corporate offices, including the costs associated with the retirement of our previous chief financial officer.

NOTE 14 – LEGAL AND ENVIRONMENTAL MATTERS

Certain environmental matters and legal proceedings are discussed below.

Environmental Matters

We maintain a reserve for undiscounted estimated environmental loss contingencies. This reserve is primarily for estimated future costs of remediation of hazardous or toxic substances at numerous sites currently or previously owned by the Company. Our estimates of our environmental loss contingencies are based on various assumptions and judgments, the specific nature of which varies in light of the particular facts and circumstances surrounding each environmental loss contingency. These estimates typically reflect assumptions and judgments as to the probable nature, magnitude and timing of required investigation, remediation and/or monitoring activities and the probable cost of these activities, and in some cases reflect assumptions and judgments as to the obligation or willingness and ability of third parties to bear a proportionate or allocated share of the cost of these activities. Due to the numerous uncertainties and variables associated with these assumptions and judgments, and the effects of changes in governmental regulation and environmental technologies, both the precision and reliability of the resulting estimates of the related contingencies are subject to substantial uncertainties. We regularly monitor our estimated exposure to environmental loss contingencies and, as additional information becomes known, may change our estimates significantly. However, no estimate of the range of any such change can be made at this time.

Recorded in Other assets is $1 million related to a receivable for reimbursements of environmental costs associated with a non-operating site as of September 30, 2019.

Other Proceedings

We and our subsidiaries are parties to other legal proceedings. Based on the information currently available, management believes the resolution of such proceedings will not have a material adverse effect on our financial position, results of operations, cash flows or liquidity.

NOTE 15 – SELECTED SEGMENT DATA

We operate in four segments: Siding, North America Oriented Strand Board (OSB), Engineered Wood Products (EWP) and South America. Our business units have been aggregated into these four segments based upon the similarity of economic characteristics, customers and distribution methods. Our results of operations attributed to LP are summarized below for each of these segments separately as well as for the “other” category which comprises other products that are not individually significant. Segment information was prepared in accordance with the same accounting principles as those described in Note 1 of the Notes to the financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2018. During the first quarter of 2019, certain timber operations where reclassified from other to EWP and we have reclassified a significant portion of our unallocated expenses to the business segments effective during the first quarter of 2019. All prior periods presented have been adjusted for comparability.

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
Net sales				
Siding	$ 259	$ 241	$ 733	$ 729
OSB	197	349	605	1,050
EWP	105	110	303	329
South America	36	35	121	122
Other	6	3	16	9
Intersegment sales	(1)	—	(4)	—
	$ 603	$ 737	$ 1,773	$ 2,239
Operating profit (loss):				
Siding	$ 38	$ 51	$ 108	$ 140
OSB	(16)	106	(41)	345
EWP	2	6	11	12
South America	6	7	20	25
Other	(4)	(2)	(10)	(7)
Other operating credits and charges, net	(3)	6	(2)	11
Gain (loss) on sale or impairment of long-lived assets, net	(5)	—	(6)	—
General corporate and other expenses, net	(6)	(6)	(23)	(18)
Interest expense, net	(4)	2	(5)	1
Other non-operating items	(1)	(2)	8	(4)
Income from continuing operations before taxes	5	166	59	505
Provision for income taxes	3	42	13	123
Income from continuing operations attributed to LP	$ 2	$ 124	$ 46	$ 382

NOTE 16 – POTENTIAL IMPAIRMENTS

We continue to review asset groupings and investments for potential impairments. Management currently believes we have adequate support for the carrying value of each of these assets based upon the anticipated cash flows that result from our estimates of future demand, pricing and production costs assuming certain levels of planned capital expenditures. As of September 30, 2019, there were no indications of impairment for the asset grouping that included our indefinitely curtailed facilities and supports the conclusion that no impairment is necessary for those facilities.

We also review from time to time possible dispositions of various assets in light of current and anticipated economic and industry conditions, our strategic plan and other relevant factors. Because a determination to dispose of particular assets can require management to make assumptions regarding the transaction structure of the disposition and to estimate the net sales proceeds, which may be less than previous estimates of undiscounted future net cash flows, we may be required to record impairment charges in connection with decisions to dispose of assets.

NOTE 17 – PRODUCT WARRANTY

We provide warranties on the sale of most of our products and record an accrual for estimated future claims. Such accruals are based upon historical experience and management's estimate of the level of future claims. The activity in warranty reserves for the quarter and nine months ended September 30, 2019 and 2018 are summarized in the following table:

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
Beginning balance	$ 9	$ 23	$ 14	$ 25
Accrued to expense	—	—	1	1
Reduced to other operating credits and charges	—	(8)	(4)	(8)
Accrued to discontinued operations	—	—	—	5
Foreign currency translation	—	—	—	(1)
Payments made	(1)	(1)	(2)	(8)
Total warranty reserves	9	14	9	14
Current portion of warranty reserves	(2)	(4)	(2)	(4)
Long-term portion of warranty reserves	$ 7	$ 10	$ 7	$ 10

We continue to monitor warranty and other claims associated with these products and believe as of September 30, 2019 that the reserves associated with these matters are adequate. However, it is possible that additional changes may be required in the future.

The current portion of the warranty reserve is included in the caption "Accounts payable and accrued liabilities" and the long-term portion is included in Other long-term liabilities on our Consolidated Balance Sheets.

NOTE 18 - DISCONTINUED OPERATIONS

LP has adopted and implemented plans to sell selected businesses and assets in order to improve its operating results. For all periods presented, these operations include residual losses of mills divested in past years and associated warranty and other liabilities associated with these operations.

Included in the operating losses of discontinued operations for the nine months ended September 30, 2018 was an increase in warranty reserves associated with our discontinued composite decking products of $5 million.

NOTE 19 – DEFINED BENEFIT PENSION PLANS

The following table sets forth the net periodic pension cost for our defined benefit pension and postretirement plans during the nine months ended September 30, 2019 and 2018:

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
Service cost	$ 1	$ 1	$ 3	$ 3
Other components of net periodic pension cost[1]:				
Interest cost	3	3	9	9
Expected return on plan assets	(4)	(3)	(11)	(10)
Amortization of prior service cost	—	—	—	—
Amortization of net loss	1	2	4	5
Net periodic pension cost	$ 2	$ 2	$ 5	$ 7

[1]Other components of net periodic pension cost are included in Other non-operating items on our Consolidated Statements of Income.

For the nine months ended September 30, 2019, $2 million of net periodic pension cost was included in Cost of sales and $1 million included in Selling, general and administrative expenses. For the nine months ended September 30, 2018, $2 million of net periodic pension cost was included in Cost of sales and $1 million included in Selling, general and administrative expenses.

During the nine months ended September 30, 2019, we made $4 million in contributions to our defined benefit pension and postretirement plans. We expect to contribute about $1 million to our defined benefit pension plans in the remaining months of 2019.

NOTE 20 - ACCUMULATED COMPREHENSIVE INCOME (LOSS)

Other comprehensive income activity, net of tax, is provided in the following table for the quarter and nine months ended September 30, 2019 and 2018:

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
Pension[1]				
Balance at beginning of period	$ (91)	$ (99)	$ (93)	$ (84)
Other comprehensive income (loss) before reclassifications	—	—	—	—
Amounts reclassified from accumulated other comprehensive loss to income [2]	1	1	3	4
Total other comprehensive income	1	1	3	4
Reclassification of of certain effects due to tax law changes [3]	—	—	—	(17)
Balance at end of period	(90)	(98)	(90)	(98)
Translation Adjustments				
Balance at beginning of period	(54)	(51)	(57)	(40)
Translation adjustments	(10)	(2)	(7)	(14)
Balance at end of period	(64)	(53)	(64)	(53)
Other				
Balance at beginning of period	3	3	3	2
Other comprehensive income (loss) before reclassifications	—	—	(1)	—
Amounts reclassified from accumulated other comprehensive loss to income	—	—	—	—
Total other comprehensive income	—	—	(1)	—
Reclassification of certain effects due to tax law changes [3]	—	—	—	1
Balance at end of period	3	3	3	3
Accumulated other comprehensive loss, end of period	$ (152)	$ (148)	$ (152)	$ (148)

[1] Amounts are presented net of tax

[2] Amounts of actuarial loss and prior service cost are components of net periodic benefit cost. See note 19 above fore additional details.

[3] We reclassified certain tax effects from tax law changes of $16 million from "Accumulated other comprehensive loss" to "Retained earnings" on our Consolidated Balance Sheet in accordance with ASU 2018-02 which we adopted in 2018.

NOTE 21 - NON-OPERATING INCOME (EXPENSE)

Components of non-operating income and expense are as follows:

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
Interest income	$ 2	$ 5	$ 8	$ 14
SERP market adjustments	—	—	1	—
Interest expense	(5)	(5)	(14)	(15)
Amortization of debt charges	—	—	(1)	(1)
Capitalized interest, net of reversals	(1)	1	1	3
Interest expense, net	**(4)**	**2**	**(5)**	**1**
Net periodic pension cost, excluding service cost	(1)	(1)	(2)	(4)
Gain on acquisition of controlling interest	—	—	14	—
Foreign currency gain (loss)	—	(1)	(4)	(1)
Other non-operating items	**(1)**	**(2)**	**8**	**(4)**
Total non-operating income (expense)	**$ (5)**	**$ —**	**$ 3**	**$ (4)**

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

GENERAL

We are a leading provider of high-performing building solutions. We design, manufacture and market a broad range of products for the new home construction, repair and remodeling and outdoor structures markets. We also market and sell our products in light industrial and commercial construction and we have a modest export business. Our manufacturing facilities are primarily located in the U.S. and Canada, and we also operate two facilities in Chile and one facility in Brazil.

To serve these markets, we operate in four segments: Siding; North America Oriented Strand Board (OSB); Engineered Wood Products (EWP); and South America.

Demand for our products correlates to a significant degree to the level of new home construction activity in North America, which historically has been characterized by significant cyclicality. The U.S. Department of Census reported that U.S. single housing starts were 5% higher for the third quarter of 2019 and 2% lower for the first nine months of 2019 as compared to the same periods of 2018.

OSB is sold as a commodity for which sales prices fluctuate daily based on market factors over which we have little or no control. We cannot predict whether the prices of our OSB products will remain at current levels or increase or decrease in the future. OSB prices (NC 7/16"), as reported by Random Lengths, were 41% lower for the third quarter and 47% lower for the first nine months of 2019 as compared to the same periods in 2018.

For additional factors affecting our results, refer to the Management Discussion and Analysis of Financial Condition and Results of Operations overview contained in our Annual Report on Form 10-K for the year ended December 31, 2018 and to “About Forward-Looking Statements” and “Risk Factors” in this report.

EXECUTIVE SUMMARY

We recorded a 18% decrease in sales to $603 million for the quarter ended September 30, 2019 from $737 million reported for the quarter ended September 30, 2018. We recorded income from operations of $8 million for the quarter ended September 30, 2019 compared to $168 million for the quarter ended September 30, 2018. We recorded net income attributed to LP of $2 million ($0.02 per diluted share) for the quarter ended September 30, 2019 compared to $124 million ($0.86 per diluted share) for the quarter ended September 30, 2018. We reported a decrease of $144 million in Adjusted EBITDA from continuing operations for the third quarter of 2019 as compared to the third quarter of 2018. Declines in OSB pricing in all North American operations had a negative impact on our operating results of $119 million for the quarter ended September 30, 2019 as compared to the quarter ended September 30, 2018.

We recorded a 21% decrease in sales to $1.8 billion for the nine months ended September 30, 2019 from $2.2 billion reported for the nine months ended September 30, 2018. We recorded income from operations of $53 million for the nine months ended September 30, 2019 compared to $510 million for the nine months ended September 30, 2018. We recorded net income attributed to LP of $46 million ($0.36 per diluted share) for the nine months ended September 30, 2019 compared to $378 million ($2.59 per diluted share) for the nine months ended September 30, 2018. We reported a decrease of $435 million in Adjusted EBITDA from continuing operations for the nine months ended September 30, 2019 as compared to the first nine months of 2018. Declines in OSB pricing in all North American operations had a negative impact on our operating results of $278 million for the nine months ended September 30, 2019 as compared to the nine months ended September 30, 2018.

These changes are discussed further in "Our Operating Results" below.

CRITICAL ACCOUNTING POLICIES AND SIGNIFICANT ESTIMATES

Presented in Note 1 of the Notes to the financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2018 is a discussion of our significant accounting policies and significant accounting estimates and judgments. Throughout the preparation of the financial statements, we employ significant judgments in the application of accounting principles and methods. These judgments are primarily related to the assumptions used to arrive at various estimates. For 2019, these significant accounting estimates and judgments include:

Long-lived Assets

Long-lived assets (including amortizable identifiable intangible assets) or asset group held for use is tested for recoverability whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. When such events occur, we compare the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset or asset group to the carrying amount of a long-lived asset or asset group. The cash flows are based on our best estimate of future cash flows derived from the most recent business projections. If this comparison indicates that there is an impairment, the amount of the impairment is calculated based on fair value. Fair value is estimated primarily using discounted expected future cash flows on a market-participant basis.

Defined Benefit Plans

We have a number of pension plans in the U.S. and Canada, covering many of the our employees. Benefit accruals under our defined benefit pension plan in the U.S. were frozen as of January 1, 2010.

We account for the consequences of our sponsorship of these plans based upon assumptions that are used to calculate the related assets, liabilities and expenses recorded in our financial statements. Net actuarial gains and losses occur when actual experience differs from any of the assumptions used to value defined benefit plans or when assumptions change as they may each year. The primary factors contributing to actuarial gains and losses are changes in the discount rate used to value obligations as of the measurement date and the differences between expected and actual returns on pension plan assets. This accounting method results in the potential for volatile and difficult to forecast gains and losses.

We record amounts relating to these defined benefit plans based on various actuarial assumptions, including discount rates, assumed rates of return, compensation increases and life expectancy. We review our actuarial assumptions on an annual basis and make modifications to the assumptions based on current economic conditions and trends. We believe that the assumptions utilized in recording our obligations under our plans are reasonable based on our experience and on advice from our independent actuaries; however, differences in actual experience or changes in the assumptions may materially affect our financial condition or results of operations.

A 50 basis point change in our discount rate assumption would lead to an increase or decrease in our pension liability of approximately $15 million. A 50 basis point change in the long-term rate of return on plan assets used in accounting for our pension plans would have a $1 million impact on pension expense. It is not possible to forecast or predict whether there will be actuarial gains and losses in future periods, and if required, the magnitude of any such adjustment. These gains and losses are driven by differences in actual experience or changes in the assumptions that are beyond our control, such as changes in interest rates and the actual return on pension plan assets.

Income Taxes

We establish deferred tax liabilities or assets for temporary differences between financial and tax reporting bases and subsequently adjust them to reflect changes in tax rates expected to be in effect when the temporary differences reverse. We record a valuation allowance reducing deferred tax assets when it is more likely than not that such assets will not be realized.

We record liabilities for uncertain income tax positions based on a two-step process. The first step is recognition, where we evaluate whether an individual tax position has a likelihood of greater than 50% of being sustained upon examination based on the technical merits of the position, including resolution of any related appeals or litigation processes. For tax positions that are currently estimated to have a less than 50% likelihood of being sustained, no tax benefit (expense) is recorded. For tax positions that have met the recognition threshold in the first step, we perform the second step of measuring the benefit (expense) to be recorded. The actual benefit (expense) ultimately realized may differ from our estimates. In future periods, changes in facts, circumstances, and new information may require us to change the recognition and measurement estimates with regard to individual tax positions. Changes in recognition and measurement estimates are recorded in the consolidated statement of income and consolidated balance sheet in the period in which such changes occur. As of September 30, 2019 and December 31, 2018, we had liabilities for unrecognized tax benefits (including interest) pertaining to uncertain tax positions totaling $38 million and $41 million.

Customer Program Costs

Customer programs and incentives are a common practice in our businesses. Our businesses incur customer program costs to obtain favorable product placement, to promote sales of products and to maintain competitive pricing. Customer program costs and incentives, including rebates and promotion and volume allowances, are accounted for in either sales or the category selling, general and administrative expenses at the time the program is initiated and/or the revenue is recognized. The costs are predominantly recognized in sales and include, but are not limited to, volume allowances and rebates, promotional allowances, and cooperative advertising programs. These costs are recorded at the later of the time of sale or the implementation of the program based on management’s best estimates. Estimates are based on historical and projected experience for each type of program or customer. Volume allowances are accrued based on management’s estimates of customer volume achievement and other factors incorporated into customer agreements, such as new products, store sell-through, merchandising support and customer training. Management periodically reviews accruals for these rebates and allowances, and adjusts accruals when circumstances indicate (typically as a result of a change in volume expectations). As of September 30, 2019 and December 31, 2018, we had $32 million and $30 million accrued as customer rebates.

Inventory valuation

We record inventories at the lower of cost or estimated net realizable value. Inventory cost includes an overhead component that can be affected by levels of production and actual costs incurred. We evaluate the need to record adjustments for impairment of inventory at least quarterly. If in our judgment persuasive evidence exists that the net realizable value of inventory is lower than its cost, the inventory value is written-down to its estimated net realizable value. Significant judgments regarding future events and market conditions must be made when estimating net realizable value.

NON-GAAP FINANCIAL MEASURES

In evaluating our business, we utilize several non-GAAP financial measures. A non-GAAP financial measure is generally defined by the SEC as one that purports to measure historical or future financial performance, financial position or cash flows, but excludes or includes amounts that would not be so excluded or included under applicable GAAP guidance. In this report on Form 10-Q, we disclose segment earnings (loss) from continuing operations before interest expense, taxes, depreciation and amortization and exclude stock-based compensation expense, (gain) loss on sales or impairment of long-lived assets, other operating credits and charges, net, investment income and other non-operating items as Adjusted EBITDA from continuing operations (Adjusted EBITDA) which is a non-GAAP financial measure. We also disclose Adjusted income from continuing operations which excludes (gain) loss on sale or impairment of long-lived assets, gain on acquisition, interest outside of normal operations, other operating credits and charges, net, and adjusts for a normalized tax rate. Neither Adjusted EBITDA nor Adjusted income from continuing operations is a substitute for the GAAP measure of net income or for any other GAAP measures of operating performance.

We have included Adjusted EBITDA in this report because we use it as important supplemental measures of our performance and believe that it is frequently used by securities analysts, investors and other interested persons in the evaluation of companies in our industry, some of which present Adjusted EBITDA when reporting their results. We use Adjusted EBITDA to evaluate our performance as compared to other companies in our industry that have different financing and capital structures. It should be noted that companies calculate Adjusted EBITDA differently and, therefore, our Adjusted EBITDA measures may not be comparable to Adjusted EBITDA reported by other companies. Our Adjusted EBITDA measures have material limitations as performance measures because they exclude interest expense, income tax (benefit) expense and depreciation and amortization which are necessary to operate our business or which we otherwise incur or experience in connection with the operation of our business.

We believe that Adjusted income from continuing operations, which excludes (gain) loss on sale or impairment of long-lived assets, interest outside of normal operations, and other operating credits and charges, net, adjusted for a normalized tax rate is a useful measure for evaluating our ability to generate earnings and that providing this measure will allow investors to more readily compare the earnings for past and future periods. It should be noted that other companies may present similarly-titled measures differently and, therefore, as presented by us may not be comparable to similarly-titled measures reported by other companies. In addition, Adjusted income from continuing operations has material limitations as a performance measure because it excludes items that are actually incurred or experienced in connection with the operations of our business.

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
Net income	**$ 1**	**$ 124**	**$ 42**	**$ 378**
Add (deduct):				
Loss from noncontrolling interest	1	—	3	—
Loss from discontinued operations	—	—	—	4
Income from continuing operations attributable to LP	2	124	46	382
Provision for income taxes	3	42	13	123
Depreciation and amortization	29	31	89	92
Stock-based compensation	2	2	6	6
Loss on sale or impairment of long-lived assets, net	5	—	6	—
Other operating credits and charges, net	3	(6)	2	(11)
Interest expense, net	4	(2)	5	(1)
Other non-operating items	1	2	(8)	4
Adjusted EBITDA	**$ 49**	**$ 193**	**$ 160**	**$ 595**
Siding	$ 47	$ 60	$ 135	$ 167
OSB	(1)	123	4	391
EWP	6	10	22	27
South America	7	9	27	32
Other	(4)	(2)	(8)	(6)
Corporate	(6)	(6)	(20)	(15)
Adjusted EBITDA	**$ 49**	**$ 193**	**$ 160**	**$ 595**

The following table provides the reconciliation of net income to Adjusted income from continuing operations:

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
Net income	**$ 1**	**$ 124**	**$ 42**	**$ 378**
Add (deduct):				
Loss from noncontrolling interest	1	—	3	—
Loss from discontinued operations	—	—	—	4
(Gain) loss on sale or impairment of long-lived assets, net	5	—	6	—
Other operating credits and charges, net	3	(6)	2	(11)
Gain on acquisition of controlling interest	—	—	(14)	—
Reported tax provision	3	42	13	123
Adjusted income from continuing operations before tax	13	160	53	493
Normalized tax provision at 25%	3	40	13	123
Adjusted income from continuing operations	**$ 10**	**$ 120**	**$ 40**	**$ 370**
Diluted shares outstanding	122.2	143.9	125.9	145.6
Adjusted income from continuing operations per diluted share	**$ 0.08**	**$ 0.83**	**$ 0.32**	**$ 2.54**

OUR OPERATING RESULTS

Our results of operations for each of our segments are discussed below, as are results of operations for the “other” category which comprises other products that are not individually significant. See Note 15 of the Notes to the consolidated financial statements included in item 1 of this report for further information regarding our segments.

SIDING

Our siding segment manufactures and markets wood-based siding and related accessories and OSB products.

Segment sales, operating income and Adjusted EBITDA for this segment were as follows:

	Quarter Ended September 30,			Nine Months Ended September 30,		
	2019	2018	Change	2019	2018	Change
Net sales	$ 259	$ 241	8 %	$ 733	$ 729	— %
Operating income	38	51	(26)%	108	140	(23)%
Adjusted EBITDA	47	60	(22)%	135	167	(19)%
Adjusted EBITDA margin	18%	25%		18%	23%	

Sales in this segment by product line were as follows:

	Quarter Ended September 30,			Nine Months Ended September 30,		
	2019	2018	Change	2019	2018	Change
SmartSide® strand siding	$ 213	$ 188	13 %	$ 600	$ 546	10 %
SmartSide® fiber siding	28	30	(8)%	79	84	(7)%
CanExel siding	15	7	111 %	38	33	15 %
OSB - commodity	1	13	(91)%	9	34	(74)%
OSB - value-add	—	—	(100)%	—	22	(100)%
Other	2	2	(5)%	7	9	(20)%
Total	$ 259	$ 241	8 %	$ 733	$ 729	— %

Percent changes in average gross sales prices and unit shipments for the quarter and nine months ended September 30, 2019 compared to the quarter and nine months ended September 30, 2018 are as follows:

	Quarter Ended September 30, 2019 versus 2018		Nine Months Ended September 30, 2019 versus 2018	
	Average Selling Price	Unit Shipments	Average Net Selling Price	Unit Shipments
SmartSide® strand siding	1 %	14 %	3 %	7 %
SmartSide® fiber siding	3 %	(10)%	4 %	(9)%
CanExel siding	7 %	93 %	2 %	11 %
OSB	(22)%	(88)%	(47)%	(70)%

For the quarter and nine months ended September 30, 2019 compared to the corresponding periods in 2018, sales volumes were higher in our SmartSide strand product line due to increased market penetration in key markets and introduction of new products. Sales prices in our SmartSide strand product line for the quarter and nine months ended September 30, 2019 as compared to the corresponding periods in 2018 were higher due to price increases which were implemented in the first quarter of 2019 and 2018.

For the quarter and nine months ended September 30, 2019 compared to the corresponding periods in 2018, sales volumes declined in our SmartSide fiber product line due to our decision to raise prices which slowed demand. Sales prices in our SmartSide fiber product line for the quarter and nine month period ended September 30, 2019 as compared to the corresponding periods in 2018 were higher due to a price increase implemented in 2018.

For CanExel, sales volumes increased in the third quarter and first nine months of 2019 as compared to the corresponding periods in 2018 due to increased demand in Canada as customers re-balance their inventories. Sales prices changed for the third quarter and first nine months of 2019 as compared to the corresponding periods in 2018 due to changes in our product mix and the fluctuations in the U.S. to Canadian dollar as a majority of these sales are denominated in Canadian dollars.

For our OSB produced in the siding segment for the quarter ended September 30, 2019 compared to the corresponding period in 2018, sales prices changed as discussed in the OSB segment below. Sales volumes were lower for the quarter and nine months ended September 30, 2019 compared to the corresponding periods in 2018 due to the conversion of our Dawson Creek OSB mill to siding which occurred during the later portion of 2018 and our decision to reduce all OSB production in our siding mills due to the continued lower OSB demand and pricing.

Overall, the decline in the siding segment for the third quarter of 2019 compared to the same period of 2018 was due to expenses associated with the Dawson Creek conversion project ($3 million for the quarter ended September 30, 2019 and $18 million for the nine months ended September 30, 2019), lower OSB sales prices and volume and increases in sales and marketing expenses which were partially offset by higher pricing on our SmartSide strand products.

OSB

Our OSB segment manufactures and distributes OSB structural panel products in North America and certain export markets.

Segment sales, operating income and Adjusted EBITDA for this segment were as follows:

	Quarter Ended September 30,			Nine Months Ended September 30,		
	2019	2018	Change	2019	2018	Change
Net sales	$ 197	$ 349	(43)%	$ 605	$ 1,050	(42)%
Operating income	(16)	106	(115)%	(41)	345	(112)%
Adjusted EBITDA	(1)	123	(101)%	4	391	(99)%
Adjusted EBITDA Margin	(1)%	35%		1%	37%	

Sales in this segment by product line were as follows:

	Quarter Ended September 30,			Nine Months Ended September 30,		
	2019	2018	Change	2019	2018	Change
OSB - commodity	$ 100	$ 197	(49)%	$ 304	$ 609	(50)%
OSB - value-add	96	151	(36)%	295	435	(32)%
Other	2	2	12 %	6	6	8 %
Total	$ 197	$ 349	(43)%	$ 605	$ 1,050	(42)%

Percent changes in average gross sales prices and unit shipments for the nine months ended September 30, 2019 compared to the nine months ended September 30, 2018 are as follows:

	Quarter Ended September 30, 2019 versus 2018		Nine Months Ended September 30, 2019 versus 2018	
	Average Selling Price	Unit Shipments	Average Net Selling Price	Unit Shipments
OSB - commodity	(41)%	(14)%	(42)%	(13)%
OSB - value-add	(33)%	(4)%	(33)%	1 %

For the quarter and nine months ended September 30, 2019, OSB prices and volumes decreased compared to the corresponding periods in 2018 likely due to the overall demand compared to the supply available in the market. Our percentage of value-add OSB versus commodity OSB increased in both the quarter and the nine months ended September 30, 2019 as we continued to transform our OSB business model. The decrease in selling price negatively impacted operating results and Adjusted EBITDA by $119 million for the quarter and by $275 million for the nine months ended September 30, 2019 as compared to the same periods in 2018.

Overall the decline in our OSB segment results for the quarter ended September 30, 2019 as compared to the same period in 2018 was due to decreased sales prices and volume, offset by improved operating efficiencies.

EWP

Our EWP segment manufactures and distributes laminated veneer lumber (LVL), I-Joists, laminated strand lumber (LSL) and other related products. This segment also includes the sale of I-Joist and LVL products produced by our joint venture with Resolute Forest Products and LVL sold under a contract manufacturing relationship. Included in this segment is a plywood mill, which primarily produces plywood as a by-product from the LVL production process. OSB is also produced by our LSL facility.

Segment sales, operating results and Adjusted EBITDA for this segment were as follows:

	Quarter Ended September 30,			Nine Months Ended September 30,		
	2019	2018	Change	2019	2018	Change
Net sales	$ 105	$ 110	(4)%	$ 303	$ 329	(8)%
Operating income	2	6	(69)%	11	12	(13)%
Adjusted EBITDA	6	10	(44)%	22	27	(15)%
Adjusted EBITDA margin	5%	9%		7%	8%	

Sales in this segment by product line were as follows:

	Quarter Ended September 30,			Nine Months Ended September 30,		
	2019	2018	Change	2019	2018	Change
LVL	$ 37	$ 36	3 %	$ 108	$ 113	(4)%
LSL	12	18	(33)%	40	49	(18)%
I-Joist	39	34	15 %	103	98	6 %
OSB - commodity	—	1	(90)%	3	9	(67)%
OSB - value-add	2	4	(37)%	7	11	(42)%
Plywood	7	8	(14)%	19	23	(19)%
Other	8	10	(13)%	23	26	(10)%
Total	$ 105	$ 110	(4)%	$ 303	$ 329	(8)%

Percent changes in average gross sales prices and unit shipments for the quarter ended September 30, 2019 compared to the quarter ended September 30, 2018 are as follows:

	Quarter Ended September 30, 2019 versus 2018		Nine Months Ended September 30, 2019 versus 2018	
	Average Selling Price	Unit Shipments	Average Net Selling Price	Unit Shipments
LVL	(3)%	9 %	1 %	(4)%
LSL	— %	(31)%	4 %	(21)%
I-Joist	(3)%	20 %	1 %	6 %
OSB	8 %	(54)%	(17)%	(44)%
Plywood	(20)%	7 %	(20)%	1 %

For the quarter and nine months ended September 30, 2019 compared to the same periods in 2018, sales volumes decreased in LSL due to market weakness with increases in LVL and I-joists. For the quarter end September 30, 2019 compared to the same period in 2018, average selling prices declined due to increased pricing pressure. For the nine months ended September 30, 2019 compared to the same period in 2018, average sales prices increased due to price increases implemented across all product lines, except plywood and OSB. The decrease in selling prices for OSB and plywood negatively impacted operating results and Adjusted EBITDA from continuing operations by $0 million for OSB and $2 million for plywood for the quarter and by $2 million and $5 million for the nine months ended September 30, 2019 as compared to the same periods in 2018. For the quarter ended September 30, 2019, compared to the same period in 2018, results of operations declined due to reduced sales and higher manufacturing costs due to lower volumes and lower OSB and plywood pricing. For the nine months ended September 30, 2019, compared to the same period in 2018, results of operations are about flat between periods with the higher sales prices offset the higher manufacturing costs associated with the lower volumes.

SOUTH AMERICA

Our South America segment manufactures and distributes OSB structural panel and siding products in South America and selected export markets. This segment has manufacturing operations in two countries, Chile and Brazil and operates sales offices in Chile, Brazil, Peru, Colombia and Argentina.

Segment sales, operating income and Adjusted EBITDA for this segment were as follows:

	Quarter Ended September 30,			Nine Months Ended September 30,		
	2019	2018	Change	2019	2018	Change
Net sales	$ 36	$ 35	6 %	$ 121	$ 122	(1)%
Operating income	6	7	(15)%	20	25	(20)%
Adjusted EBITDA	7	9	(14)%	27	32	(15)%
Adjusted EBITDA margin	20%	25%		22%	26%	

Sales in this segment by product line were as follows:

	Quarter Ended September 30,			Nine Months Ended September 30,		
	2019	2018	Change	2019	2018	Change
OSB - value-add	$ 32	$ 30	6%	$ 105	$ 103	3 %
Siding	4	3	3%	14	17	(19)%
Other	1	1	—%	2	3	(12)%
Total	$ 36	$ 35	6%	$ 121	$ 122	(1)%

Percent changes in average gross sales prices and unit shipments for the quarter ended September 30, 2019 compared to the quarter ended September 30, 2018 are as follows:

	Quarter Ended September 30, 2019 versus 2018		Nine Months Ended September 30, 2019 versus 2018	
	Average Selling Price	Unit Shipments	Average Net Selling Price	Unit Shipments
OSB	(15)%	25 %	(13)%	18 %
Siding	1 %	(1)%	(1)%	(18)%

OSB sales volumes increased for the quarter and nine months ended September 30, 2019 as compared to the corresponding periods in 2018 due to increased demand across South America due to improved economic conditions. Sales prices for OSB decreased for the quarter ended September 30, 2019 as compared to the corresponding period in 2018 due to increased imports at a lower price, which created downward pricing pressure and the impact of the change of foreign currency rates on local sales prices.

For the quarter and nine months ended September 30, 2019, compared to the same periods in 2018, results of operations are lower due to reduced sales prices and increased operating costs associated with start up of the third mill in Chile.

OTHER PRODUCTS

Our other products segment includes our off-site framing operation, remaining timber and timberlands and other minor products, services and closed operations which are not classified as discontinued operations.

Segment sales, operating losses and Adjusted EBITDA for this category were as follows:

	Quarter Ended September 30,			Nine Months Ended September 30,		
	2019	2018	Change	2019	2018	Change
Net sales	$ 6	$ 3	111 %	$ 16	$ 9	78 %
Operating losses	(4)	(2)	(79)%	(10)	(7)	(43)%
Adjusted EBITDA	(4)	(2)	(52)%	(8)	(6)	(32)%

INCOME TAXES

For the first nine months of 2019, our income tax expense on continuing operations reflects a rate of 24% as compared to 24% in the comparable period of 2018. For the first nine months of 2019, the primary differences between the U.S. statutory rate of 21% and the effective rate of 24% relates to state income tax, foreign tax rates and benefit from U.S. tax credits. For the first nine months of 2018, the primary differences between the U.S.

statutory rate of 21% and the effective rate of 24% relates to state income tax, discretionary pension payments, foreign tax rates and tax deductions related to stock-based compensation.

Each quarter the income tax accrual is adjusted to the latest estimate and the difference from the previously accrued year-to-date balance is recorded in the current quarter.

LEGAL AND ENVIRONMENTAL MATTERS

For a discussion of legal and environmental matters involving us and the potential impact thereof on our financial position, results of operations and cash flows, see Items 3, 7 and 8 in our Annual Report on Form 10-K for the year ended December 31, 2018 and Note 14 to the Notes to the financial statements contained herein.

LIQUIDITY AND CAPITAL RESOURCES

OVERVIEW

Our principal sources of liquidity are existing cash and investment balances, cash generated by our operations and our ability to borrow under such credit facilities as we may have in effect from time to time. We may also from time to time issue and sell equity, debt or hybrid securities or engage in other capital market transactions.

Our principal uses of liquidity are paying the costs and expenses associated with our operations, servicing outstanding indebtedness, dividends and making capital expenditures. We may also from time to time prepay or repurchase outstanding indebtedness or shares or acquire assets or businesses that are complementary to our operations. Any such repurchases may be commenced, suspended, discontinued or resumed, and the method or methods of effecting any such repurchases may be changed at any time or from time to time without prior notice.

OPERATING ACTIVITIES

During the first nine months of 2019, cash provided by operating activities was $58 million compared to $419 million during the first nine months of 2018. This change was primarily related to declines in operating results (lower OSB pricing) offset by increases in working capital changes.

INVESTING ACTIVITIES

During the first nine months of 2019, cash used in investing activities was approximately $90 million. Capital expenditures in the first nine months of 2019 were $118 million and cash acquired in connection with the consolidation of Entekra was $33 million, net of other acquisitions. Included in “Accounts payable” is $10 million related to capital expenditures that had not yet been paid as of September 30, 2019.

During the first nine months of 2018, cash used in investing activities was approximately $173 million. Capital expenditures in the first nine months of 2018 were $150 million. Included in “Accounts payable” was $17 million related to capital expenditures that had not yet been paid as of September 30, 2018.

Capital expenditures in 2019 are expected to be less than $160 million related to expansions in our siding business, growth and maintenance projects and our South American expansion.

FINANCING ACTIVITIES

During the first nine months of 2019, cash used in financing activities was $541 million. We used $3 million to pay long-term debt, $50 million to pay cash dividends, $480 million to repurchase stock though our share repurchase program and $5 million to repurchase stock from employees in connection with income tax withholding requirements associated with our employee stock-based compensation plans.

During the first nine months of 2018, cash used in financing activities was $183 million. We used $56 million to pay cash dividends, $99 million to repurchase stock through our share repurchase program and $9 million to repurchase stock from employees in connection with income tax withholding requirements associated with our employee stock-based compensation plans. Additionally, during the first nine months of 2018, we received a grant from the Investments in Forest Industry Transformation program in Canada for $3 million in connection with our conversion of the Dawson Creek OSB mill.

POTENTIAL IMPAIRMENTS

We continue to review asset groupings and investments for potential impairments. Management currently believes we have adequate support for the carrying value of each of these assets based upon the anticipated cash flows that result from our estimates of future demand, pricing and production costs assuming certain levels of planned capital expenditures. As of September 30, 2019, there were no indications of impairment for the asset grouping that included our indefinitely curtailed facilities and supports the conclusion that no impairment is necessary for those facilities.

We also review from time to time possible dispositions of various assets in light of current and anticipated economic and industry conditions, our strategic plan and other relevant factors. Because a determination to dispose of particular assets can require management to make assumptions regarding the transaction structure of the disposition and to estimate the net sales proceeds, which may be less than previous estimates of undiscounted future net cash flows, we may be required to record impairment charges in connection with decisions to dispose of assets.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Our international operations have exposure to foreign currency rate risks, primarily due to fluctuations in the Canadian dollar, Brazilian real and the Chilean peso. Although we have in the past entered into foreign exchange contracts associated with certain of our indebtedness and may continue to enter into foreign exchange contracts associated with major equipment purchases to manage a portion of the foreign currency rate risk, we historically have not entered into material currency rate hedges with respect to our exposure from operations, although we may do so in the future.

Some of our products are sold as commodities and therefore sales prices fluctuate daily based on market factors over which we have little or no control. The most significant commodity product we sell is OSB. Based upon an assumed annual production capacity of 4.9 billion square feet (3/8" basis) or 4.2 billion square feet (7/16" basis), a $1 change in the annual average price per thousand square feet on 7/16" basis would change annual pre-tax profits by approximately $4 million.

We historically have not entered into material commodity futures and swaps, although we may do so in the future.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

As of September 30, 2019, our Chief Executive Officer and Chief Financial Officer have carried out, with the participation of the Company's Disclosure Practices Committee and the Company's management, an evaluation of the effectiveness of our disclosure controls and procedures, as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934 (the Act). Based upon this evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that LP’s disclosure controls and procedures are effective to provide reasonable assurance that material information required to be disclosed by us in reports we file under the Act is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms and that information required to be disclosed by us in the reports we file or submit under the Act is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

We had no changes in our internal control over financial reporting during the quarter ended September 30, 2019 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

LOUISIANA-PACIFIC CORPORATION AND SUBSIDIARIES
KEY STATISTICS

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
Housing starts[1]:				
Single Family	246	236	677	688
Multi-Family	103	95	287	285
	349	331	964	972

[1] Actual U.S. Housing starts data reported by U.S. Census Bureau

The following tables set forth North American sales volume for the quarter ended September 30, 2019 and 2018:

	Quarter Ended September 30, 2019				Quarter Ended September 30, 2018			
Sales Volume	Siding	OSB	EWP	Total	Siding	OSB	EWP	Total
SmartSide® Strand siding (MMSF)	332	—	—	332	291	—	—	291
SmartSide® fiber siding (MMSF)	56	—	—	56	62	—	—	62
CanExel® siding (MMSF)	13	—	—	13	7	—	—	7
OSB - commodity (MMSF)	4	565	—	569	47	660	4	710
OSB - value added (MMSF)	1	419	5	425	1	435	9	445
LVL (MCF)	—	—	1,866	1,866	—	—	1,715	1,715
LSL (MCF)	—	—	751	751	—	—	1,086	1,086
I-joist (MMLF)	—	—	28	28	—	—	24	24

	Nine Months Ended September 30, 2019				Nine Months Ended September 30, 2018			
Sales Volume	Siding	OSB	EWP	Total	Siding	OSB	EWP	Total
SmartSide® Strand siding (MMSF)	926	—	—	926	862	—	—	862
SmartSide® fiber siding (MMSF)	160	—	—	160	175	—	—	175
CanExel® siding (MMSF)	35	—	—	35	32	—	—	32
OSB - commodity (MMSF)	47	1,685	17	1,749	112	1,939	29	2,079
OSB - value added (MMSF)	4	1,229	16	1,249	59	1,218	30	1,307
LVL (MCF)	—		5,323	5,323	—	—	5,564	5,564
LSL (MCF)	—		2,418	2,418	—	—	3,051	3,051
I-joist (MMLF)	—		73	73	—	—	69	69

INDUSTRY PRODUCT TRENDS

The following table sets forth the average wholesale price of OSB in the United States for the periods specified in dollars per 1,000 square feet.

Average	OSB Western Canada 7/16" Basis	OSB Southwest 7/16" Basis	OSB N. Central 7/16" Basis
2018 1st Qtr. Avg.	$356	$346	$367
2018 2nd Qtr. Avg.	$408	$435	$423
2018 3rd Qtr. Avg.	$285	$306	$369
2019 1st Qtr. Avg.	$161	$194	$213
2019 2nd Qtr. Avg.	$149	$174	$187
2019 3rd Qtr. Avg.	$168	$161	$216

Source: *Random Lengths*

PART II OTHER INFORMATION

Item 1. Legal Proceedings.

The description of certain legal and environmental matters involving LP set forth in Part I of this report under "Note 14 – Legal and Environmental Matters" to the Notes to the financial statements contained herein is incorporated herein by reference.

Item 1A. Risk Factors.

There have been no material changes with respect to the risk factors disclosed in our Annual Report on Form 10-K for the year ended December 31, 2018.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

The following amount of our common stock was repurchased during the quarter ended September 30, 2019:

Period	Total Number of Shares Repurchased	Average Price Paid Per Share	Total Number of Shares Purchased as part of Publicly Announced Purchase Plan or Program	Maximum Dollar Value of Shares That May Yet be Purchased under the Plans or Programs
July 1, 2019 - July 31, 2019	—	—	—	$ 280
August 1, 2019 - August 31, 2019	4,804,813	24.28	4,804,813	$ 192
September 1, 2019 - September 30, 2019	1,374,307	24.39	1,374,307	$ 158
	6,179,120		6,179,120	

On February 13, 2019, we announced that our Board of Directors authorized an additional $600 million share repurchase program. On February 19, 2019, we entered an accelerated share repurchase (ASR) agreement with Goldman Sachs & Co. LLC to repurchase $400 million of our common stock. Under the ASR agreement, LP received an initial delivery of 11,944,756 million shares on February 21, 2019, representing approximately 80 percent of the number of shares of common stock initially underlying the ASR agreement, based on the closing price of LP's common stock of $26.79 on February 15, 2019. The final delivery of the ASR occurred during August of 2019, which included the settlement of 4,429,043 shares.

Additional repurchases of common stock may be made through open market, block and privately-negotiated transactions, including Rule 10b5-1 plans, at times and in such amounts as management deems appropriate, subject to market and business conditions, regulatory requirements and other factors.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

None.

Item 6. Exhibits.

10.1	Separation Agreement with Mr. Michael E. Kinney.
10.2	Form of Restricted Stock Award Agreement under the 2013 Omnibus Stock Award Plan with retirement provisions.
10.3	Form of Restricted Stock Award Agreement under the 2013 Omnibus Stock Award Plan.
31.1	Certification of Chief Executive Officer Pursuant to Rule 13a-14(a).
31.2	Certification of Chief Financial Officer Pursuant to Rule 13a-14(a).
32.1	Certifications pursuant to § 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document - The instance document does not appear in the interactive data file because its XBRL tags are embedded within the Inline XBRL document.*
101.SCH	XBRL Taxonomy Extension Schema Document.*
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.*
101.LAB	XBRL Taxonomy Extension Label Linkbase Document.*
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.*
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.*

*Filed herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

LOUISIANA-PACIFIC CORPORATION

Date:	November 5, 2019	BY:	/S/ W. BRADLEY SOUTHERN
			W. Bradley Southern
			Chief Executive Officer
Date:	November 5, 2019	BY:	/S/ ALAN J.M. HAUGHIE
			Alan J.M. Haughie
			Executive Vice President and
			Chief Financial Officer

Separation Agreement

In accordance with the mutual promises and other consideration set forth below, the receipt and sufficiency of which are hereby acknowledged, this Separation Agreement (this "Agreement") is made and entered into by and between Michael Emory Kinney and Louisiana-Pacific Corporation (together, the "Parties") on this 5th day of August, 2019.

1. **Definitions.**

As used herein, "Kinney" shall mean Michael Emory Kinney, his spouse, heirs, agents, assigns or other persons or entities acting on his behalf or claiming through him.

As used herein, "LP" shall mean Louisiana-Pacific Corporation, its present and former officers, directors, employees, agents, trustees, parent corporations, divisions, affiliates, subsidiaries, insurers, successors, assigns, and anyone acting on its behalf.

2. **Status of Employment.**

Kinney will step down from his position as Treasurer, and from all directorships, officerships, and other positions he holds with LP or any of its subsidiaries or affiliates, effective at the close of business on September 30, 2019 (the "Separation Date").

Kinney acknowledges that his employment with LP will terminate, and he will cease to be an employee of LP, in any capacity, as of the Separation Date. Kinney will promptly execute any documents and take any actions as may be necessary or reasonably requested by LP to effectuate or memorialize his ceasing to hold all positions with LP and its subsidiaries and affiliates.

Through the Separation Date, Kinney shall remain an employee of LP, with compensation and benefits consistent with those in effect as of the date hereof (including participation in the Louisiana-Pacific Corporation 401(k) and Profit Sharing Plan, the Louisiana-Pacific Corporation Retirement Account Plan, and the Louisiana-Pacific Corporation 2004 Executive Deferred Compensation Plan (the "LP Retirement Plans")), and shall undertake all tasks and duties as necessary or reasonably requested by the Chief Financial Officer of LP, consistent with Kinney's responsibilities.

3. **Payment of Amounts Earned and Owing.**

Kinney will receive all amounts earned and owing, which shall be paid pursuant to LP's standard payroll processing cycle unless otherwise indicated herein, but in no event later than the date required by state law:

a. Regular salary and benefits through the Separation Date.
b. Payment for unused Paid Time Off (PTO) hours up to the maximum allowed of 200 hours, as defined in LP's Salaried Paid Time Off (PTO) Policy.
c. LP acknowledges that Kinney has accrued benefits and rights under the LP Retirement Plans. Kinney's benefits under the LP Retirement Plans shall be payable in accordance with the terms of the LP Retirement Plans.
d. LP and Kinney acknowledge that Kinney's rights under all other LP employee benefit plans shall be determined in accordance with the terms thereof, except as expressly provided in this Agreement.

Kinney agrees and acknowledges that these amounts represent all wages and benefits due upon his separation from LP.

4. **Additional Compensation.**

Subject to and contingent upon Kinney signing this Agreement no later than August 26, 2019, and this Agreement becoming effective as set forth in Section 11, LP agrees to provide Kinney with the following payments and benefits provided Kinney continues to comply with the terms and conditions of this Agreement:

a. Additional cash compensation in the amount of $602,914, representing 1.5 times the sum of Kinney’s annual base salary plus Kinney’s target annual cash incentive under LP’s annual incentive programs for 2019, of which $301,457 shall be paid within 15 calendar days after the Separation Date and the remainder shall be paid on the first payroll date after January 1, 2020.

b. Eligibility for Kinney and Kinney’s currently covered dependents to continue coverage under LP’s group health plans as in effect from time to time (“Health Plan Participation”) until the earliest of (1) Kinney’s attainment of age 65, (2) Kinney’s eligibility for group health benefits through new employment or otherwise, or (3) Kinney’s eligibility for Medicare. LP will pay the full cost of the Health Plan Participation for the first year of coverage following the Separation Date, 75% of the cost of the Health Plan Participation for each of the second and third years of coverage following the Separation Date, and 50% of the cost of the Health Plan Participation each year thereafter.

c. LP shall, for a period of 18 months after the Separation Date and at its sole expense as incurred (not to exceed, in total, an amount equal to $10,000), provide Kinney with reasonable and customary outplacement services, the provider of which shall be selected by Kinney in his sole discretion.

d. Payment of a pro-rata portion of Kinney’s annual cash incentive award for 2019, calculated by multiplying the amount that Kinney would have earned under LP’s annual incentive programs for 2019 had he remained continuously employed by LP (and otherwise eligible for an annual cash incentive payout) by a fraction, the numerator of which is the number of days in 2019 through the Separation Date, or 273 days, and the denominator of which is 365, to be paid in a lump sum no later than March 15, 2020.

e. With respect to any equity compensation awards that Kinney may have received under any equity compensation plans or arrangements sponsored by LP:

   (1) upon the Separation Date, such awards that are unvested and are not subject to vesting upon the attainment of performance goals shall immediately vest, and for stock options and stock appreciation rights become exercisable, in an amount equal to (A) the product of (i) the total number of shares subject to such award multiplied by (ii) a fraction, the numerator of which is equal to the number of calendar days that elapsed from the grant date of the applicable award to the Separation Date and the denominator of which is equal to the full number of calendar days in the vesting period of such award, less (B) the number of shares with respect to such award that had already become vested as of the Separation Date;

   (2) such awards that are unvested and subject to vesting upon the attainment of performance goals shall become vested in an amount equal to (A) the product of (i) the total portion of the award that would have vested following the end of the full performance period based on actual performance in accordance with the terms of the governing arrangements under which such performance-based award was granted multiplied by (ii) a fraction, the numerator of which is equal to the number of calendar days that elapsed from the commencement date of the performance period of such award to the Separation Date and the denominator of which is equal to the full number of calendar days in the performance period of such award, less (B) the portion of such award that had already become vested as of the Separation Date, but in no event may discretion be exercised to reduce any such performance award below the formulaic payout amount unless such discretion is applied across-the-board for all of LP**’s** officers; and

   (3) if any such awards are stock appreciation rights or stock options that are not intended to qualify as “incentive stock options” under Section 422 of the Internal Revenue Code of 1986, those stock appreciation rights or stock options will remain exercisable for a period of three months

following the Separation Date, but in no event later than the date on which the stock appreciation rights or stock options would have expired if Kinney had remained in continuous employment with the Company.

The treatment of equity compensation awards as described in this subsection (e) is illustrated on Exhibit A attached hereto. Equity compensation awards that vest as a result of this subsection (e) shall otherwise be subject to terms consistent with the equity compensation plans or arrangements under which they were granted, including the time for payment of such awards.

f. LP shall pay or reimburse Kinney for reasonable attorneys' fees that are incurred by Kinney in the negotiation of this Agreement and his separation from LP up to a maximum of $5,000 in the aggregate.

g. Kinney acknowledges that but for this Agreement he is not entitled to any of the additional payments or benefits described in this Section 4, other than any portion of outstanding SARs that are otherwise vested.

h. The foregoing payments and benefits shall be in lieu of and shall discharge any obligations of LP to Kinney for any rights or claims of any type, including, but not limited to, any and all rights that Kinney may have arising out of LP's equity compensation plans, and any other plan, agreement, offer letter, or contract of any type, or any other expectation of remuneration or benefit on the part of Kinney.

5. **Release.**

In exchange for the consideration set forth herein, Kinney, for himself, his agents, attorneys, heirs, administrators, executors, assigns and other representatives, and anyone acting or claiming on his or their joint or several behalf, hereby irrevocably and unconditionally releases, acquits and forever discharges LP from any and all charges, complaints, claims, promises, agreements, controversies, liabilities, obligations, damages, actions, causes of action, suits, rights, demands, costs, losses, debts and expenses (including attorneys' fees and costs actually incurred), of any nature whatsoever, known, whether based on contract, statute or common law, or unknown which he now has, owns, or holds, or claims to have, own, or hold, or to have had, owned, or held against any of the parties so released. Specifically included herein are any claims against LP under any federal law, including, but not limited to, Title VII of the Civil Rights Act of 1964, the Americans With Disabilities Act, the Family and Medical Leave Act, the Fair Labor Standards Act, the Occupational Safety and Health Act, the Employee Retirement Income Security Act, the Age Discrimination in Employment Act, the Older Workers Benefit Protection Act, the Worker Adjustment and Retraining Notification (WARN) Act, as well as any state law related to employment, including, but not limited to, the Tennessee Human Rights Act and the Tennessee Handicap Act (collectively the "Released Claims").

This Agreement does not: (i) release any rights or claims which first arise after the date Kinney signs this Agreement or which arise out of or in connection with the interpretation or enforcement of the Agreement itself; (ii) preclude Kinney from challenging the validity of this Release; or (iii) release any rights or claims, whether specified above or not, that cannot be waived as a matter of law pursuant to federal, state or local statute. If it is determined that any claim covered by this Agreement cannot be waived as a matter of law, Kinney expressly agrees that the Agreement will nevertheless remain valid and fully enforceable as to the remaining Released Claims.

Nothing in this Agreement is intended to prohibit or interfere with Kinney's right to participate in a governmental agency investigation (including but not limited to any activities protected under the whistleblower provisions of any applicable laws or regulations), during which communications can be made without authorization by or notification to LP. Kinney is waiving, however, his right to any monetary recovery or relief from LP (including but not limited to reinstatement to employment) should the EEOC or any other agency or commission pursue any claims on his behalf; provided, however, and for the avoidance of doubt, nothing herein prevents Kinney from receiving any whistleblower award.

6. **Competitive Activity; Non-Solicitation; Confidentiality.**

a. Acknowledgements and Agreements. Kinney hereby acknowledges and agrees that in the performance of his duties to LP, Kinney has been brought into frequent contact with existing and potential customers of LP. Kinney also agrees that trade secrets and confidential information of LP, more fully described in Section 6(e), gained by Kinney during Kinney's association with LP, have been developed by LP through substantial expenditures of time, effort and money and constitute valuable and unique property of LP. Kinney further understands and agrees that the foregoing makes it necessary for the protection of LP's business that Kinney not compete with LP for a reasonable period after his employment with LP, as further provided in the following subsections.

b. Covenants.

(1) Covenants Following Termination. For a period of 18 months following the Separation Date, Kinney shall not:

(A) enter into or engage in any business which competes with the Company's Business (as defined below) within the Restricted Territory (as defined below);

(B) solicit customers, business, patronage or orders for, or sell, any products and services in competition with, or for any business that competes with, the Company's Business within the Restricted Territory;

(C) divert, entice or otherwise take away any customers, business, patronage or orders of LP within the Restricted Territory, or attempt to do so; or

(D) promote or assist, financially or otherwise, any person, firm, association, partnership, corporation or other entity engaged in any business which competes with the Company's Business within the Restricted Territory.

(1) Indirect Competition. For the purposes of this Section, but without limitation thereof, Kinney shall be in violation thereof if Kinney engages in any or all of the activities set forth therein directly as an individual on Kinney's own account, or indirectly as a partner, joint venturer, employee, agent, salesperson, consultant, officer and/or director of any firm, association, partnership, corporation or other entity, or as a stockholder of any corporation in which Kinney or Kinney's spouse, child or parent owns, directly or indirectly, individually or in the aggregate, more than five percent (5%) of the outstanding stock.

(2) If it shall be judicially determined that Kinney has violated this Section 6, then the period applicable to each obligation that Kinney shall have been determined to have violated shall automatically be extended by a period of time equal in length to the period during which such violation(s) occurred.

c. The Company. For purposes of this Section 6, LP shall include any and all direct and indirect subsidiary, parent, affiliated or related companies of LP for which Kinney worked or had responsibility at the time of the Separation Date and at any time during the two-year period prior to the Separation Date.

d. Non-Solicitation. For the period of Kinney's employment with LP and for a period of 18 months following the Separation Date, Kinney shall not, directly or indirectly, attempt to disrupt, damage, impair or interfere with LP's business by soliciting, attempting to solicit, or otherwise attempting to cause any LP employees to resign from their employment with LP, or by disrupting the relationship between LP and any of its consultants, agents or representatives. Kinney acknowledges that this covenant is necessary to enable LP to maintain a stable workforce and remain in business.

e. Further Covenants.

(1) Kinney shall keep in strict confidence, and shall not, directly or indirectly, at any time, during or after Kinney's employment with LP, disclose, furnish, disseminate, make available or, except in the course of performing Kinney's duties of employment, use any trade secrets or confidential business and technical information of LP or its customers or vendors, without limitation as to when or how Kinney may have acquired such information. Such confidential

information shall include, without limitation, LP's unique selling, manufacturing and servicing methods and business techniques, training, service and business manuals, promotional materials, training courses and other training and instructional materials, vendor and product information, customer and prospective customer lists, other customer and prospective customer information and other business information. Kinney specifically acknowledges that all such confidential information, whether reduced to writing, maintained on any form of electronic media or maintained in the mind or memory of Kinney, and whether compiled by LP and/or Kinney, derives independent economic value from not being readily known to or ascertainable by proper means by others who can obtain economic value from its disclosure or use, that reasonable efforts have been made by LP to maintain the secrecy of such information, that such information is the sole property of LP and that any retention and use of such information by Kinney during Kinney's employment with LP (except in the course of performing Kinney's duties and obligations to LP) or after the Separation Date shall constitute a misappropriation of LP's trade secrets.

(2) The U.S. Defend Trade Secrets Act of 2016 ("DTSA") provides that an individual shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (i) is made in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. In addition, the DTSA provides that an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual files any document containing the trade secret under seal and does not disclose the trade secret, except pursuant to court order.

(3) Kinney agrees that upon Kinney's termination of employment with LP, Kinney shall return to LP, in good condition, all property of LP, including, without limitation, the originals and all copies of any materials which contain, reflect, summarize, describe, analyze or refer or relate to any items of information listed in subsection (a)(1). In the event that such items are not so returned, LP shall have the right to charge Kinney for all reasonable damages, costs, attorneys' fees and other expenses incurred in searching for, taking, removing and/or recovering such property.

(4) Kinney agrees that upon Kinney's termination of employment with LP, Kinney shall, upon reasonable notice (not unreasonably interfering with Kinney's other business endeavors), advise and assist LP and its counsel in preparing such operational, financial, and other reports, or other filings and documents, as LP may reasonably request, and otherwise cooperate with LP and its affiliates with any request for information or with any investigation involving LP or any of its affiliates. Kinney also agrees, upon such reasonable notice, to assist LP and its counsel in prosecuting or defending against any litigation, complaints, or claims against or involving LP or its affiliates. LP shall pay Kinney's reasonably incurred travel costs and expenses in the event it requires Kinney to provide such assistance. In addition, for such assistance, Kinney will be compensated for Kinney's time at a reasonable rate.

f. <u>Communication of Contents of Agreement</u>. While employed by LP and for 18 months thereafter, Kinney shall communicate the contents of <u>Section 6</u> of this Agreement to any person, firm, association, partnership, corporation or other entity that Kinney intends to be employed by, associated with or represent.

g. <u>Non-Disparagement</u>.

(1) Kinney agrees that Kinney shall not, unless compelled by a court or governmental agency, make, or cause to be made, any statement or communication regarding LP, its subsidiaries or

affiliates to any third parties that disparages the reputation or business of LP or any of its subsidiaries or affiliates; provided, however, that such restriction shall not apply to statements or communications made in good faith in the fulfillment of Kinney's duties with LP, or pursuant to the third paragraph of Section 5, Section 6(e)(2) or Section 6(g)(3).

(2) LP shall reasonably direct the officers and directors of LP not to make or issue, or procure any person, firm, or entity to make or issue, any statement in any form, including written, oral and electronic communications of any kind, which conveys negative or adverse information about Kinney. This paragraph does not apply to truthful testimony or disclosure compelled or required by applicable law or legal process.

(3) Nothing in this section is intended to or shall prohibit any person or entity (including, without limitation, Kinney) from: (i) providing truthful testimony compelled by applicable law or legal process; or (ii) cooperating fully and truthfully with any government authority conducting an investigation into any potential violation of any law or regulation.

h. Relief. Kinney acknowledges and agrees that the remedy at law available to LP for breach of any of Kinney's obligations under this Agreement would be inadequate. Kinney therefore agrees that, in addition to any other rights or remedies that LP may have at law or in equity, temporary and permanent injunctive relief may be granted in any proceeding which may be brought to enforce any provision contained in Sections 6(b), 6(d), 6(e), 6(f) and 6(g) inclusive, of this Agreement, without the necessity of proof of actual damage.

i. Reasonableness. Kinney acknowledges that Kinney's obligations under this Section 6 are reasonable in the context of the nature of the Company's Business and the competitive injuries likely to be sustained by LP if Kinney were to violate such obligations. Kinney further acknowledges that this Agreement is made in consideration of, and is adequately supported by, the agreement of LP to perform its obligations under this Agreement and by other consideration, which Kinney acknowledges constitutes good, valuable and sufficient consideration.

j. Definitions. For the purposes of this Section 6:

(1) "Company's Business" means the design, manufacture and marketing of any siding or panel building products for the new home or multi-family construction, repair and remodeling, and outdoor structures markets and any additional building products or services that compete with products or services that LP is designing, manufacturing, and/or marketing as of the Separation Date, as evidenced by the books and records of LP; provided, however, that activity shall only be deemed to compete with the Company's Business if it relates to one or more of the companies listed on the separate document provided to Kinney with this Agreement titled "Competing Companies" and their affiliates (and any successors thereto).

(2) "Restricted Territory" means all of North America.

7. **Attorneys' Fees.**

In the event that Kinney or LP brings any proceeding or any legal action to enforce the terms of this Agreement, the prevailing party shall be entitled to his or it's reasonable attorneys' fees from the other Party as determined by the trial court.

8. **Choice of Law.**

This Agreement is made and entered into in the State of Tennessee and shall in all respects be interpreted, enforced and governed under the laws of Tennessee. Kinney and LP agree that the exclusive jurisdiction for the adjudication of any claims for breach of this Agreement shall be in the Chancery Court for Davidson County, Tennessee.

9. **Severability.**

Should any portion of this Agreement be found void by a court, the remaining provisions of this Agreement shall continue in full force and effect.

10. **No Admission.**

This Agreement shall not be construed in any manner as an admission by either party that it, or he has violated any law, policy or procedure or acted wrongfully with respect to the other party or any other person. Each party specifically disclaims any liability to the other arising from Kinney's employment relationship with LP except as specifically addressed herein.

11. **Provisions of Older Worker Benefit Protection Act/Waiver of Age Discrimination in Employment Act Claims.**

This Agreement was presented to Kinney for review and consideration on August 5, 2019 (the "Review Date"). Kinney hereby acknowledges and agrees that this Agreement and the termination of Kinney's employment and all actions taken in connection therewith are in compliance with the Age Discrimination in Employment Act ("ADEA"). By executing this Agreement, Kinney acknowledges and agrees that: (a) he understands the terms of this Agreement; (b) he is waiving his right to assert claims against LP under the ADEA; (c) he is waiving claims that he now has or may have against LP through the Effective Date but is not waiving rights or claims that may arise thereafter; (d) he is receiving money and/or other valuable consideration to which Kinney is not otherwise entitled to receive; (e) he has been advised to consult with an attorney prior to executing this Agreement; (f) he was offered no less than twenty-one (21) days from the Review Date to consider this Agreement before executing it; and (g) he has seven (7) days after executing this Agreement to revoke his acceptance and execution of the Agreement.

If Kinney does not timely revoke this Agreement, then this Agreement shall become effective on the eighth day after Kinney's signing (the "Effective Date"). If Kinney chooses to revoke this Agreement, LP is excused from all of its obligations under the Agreement.

If Kinney chooses to revoke this Agreement within seven (7) days of his signing, Kinney must do so in writing delivered within seven (7) days of him signing, expressly stating that he is revoking his signature on this Agreement to:

General Counsel
Louisiana-Pacific Corporation
414 Union Street
Suite 2000
Nashville, TN 37219

12. **Counterparts.**

This Agreement may be executed in counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument.

13. **No Representation**

Kinney represents and acknowledges that in executing this Agreement, he does not rely and has not relied upon any representation or statement made by LP or any of its agents, representatives, or attorneys not otherwise set forth herein.

14. **Taxes.**

All payments to Kinney described in this Agreement are subject to applicable federal, state and local tax and other required withholdings. Kinney is responsible and liable for paying any taxes on the amounts paid or benefits received under this Agreement. Kinney agrees that LP will report such payments to the tax authorities and will withhold taxes from the payments under this Agreement in any manner that LP determines that it is legally required to do. LP makes no representations as to the employment and income tax consequences to Kinney of these payments or benefits, and Kinney agrees to indemnify and hold harmless LP from any and all employment or income tax liabilities that may become due in connection with these payments. Kinney further acknowledges that any future employment or income tax consequences (including related penalties and interest) that may arise will not provide a basis to set aside or in any way alter this Agreement.

The Parties intend that this Agreement and the payments and benefits provided hereunder be exempt from, or comply with, the requirements of Section 409A of the Internal Revenue Code of 1986 ("Section 409A") and this Agreement shall be interpreted consistent with such intent. To the extent that reimbursements or other in-kind benefits under this Agreement constitute deferred compensation under Section 409A, (i) all expenses or other reimbursements hereunder shall be made on or prior to the last day of the taxable year following the taxable year in which such expenses were incurred by Kinney, (ii) any right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit, and any right to reimbursement or in-kind benefits shall be limited to Kinney's lifetime, and (iii) no such reimbursement, expenses eligible for reimbursement, or in-kind benefits provided in any taxable year shall in any way affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year. Each payment or installment under this Agreement is intended to be a separate payment and not one of a series of payments for purposes of Section 409A.

15. SEC Filings.

LP agrees that, from and after the Retirement Date, if and to the extent Kinney purchases, sells or otherwise disposes of LP securities in a manner requiring the filing of a Form 4 with the Securities and Exchange Commission, if Kinney notifies LP's Vice President of Human Resources of any such purchase, sale or other disposition and provides LP's Vice President of Human Resources all information regarding any such purchase, sale or other disposition reasonably requested by LP, including, without limitation, information regarding any matchable transaction, LP shall effect such filings on behalf of Kinney until such time as they are no longer required by Section 16 of the Securities Exchange Act of 1934, as amended, and the rules promulgated thereunder.

Signature Page to Follow

Executed at Nashville, Tennessee, this 5th day of August, 2019.

/s/ Michael Kinney
Michael Emory Kinney

LOUISIANA-PACIFIC CORPORATION

By: /s/ Alan Haughie

Title: CFO

RESTRICTED STOCK UNIT AWARD AGREEMENT

Corporation:	Louisiana-Pacific Corporation, a Delaware corporation ("***Corporation***")
Awardee:	**[Employee name]** ("***Participant***")
Plan:	Louisiana-Pacific Corporation 2013 Omnibus Stock Award Plan, as amended (the "***Plan***")
Award:	**[XXX]** Share units having a value equal to such number of Shares ("***Restricted Stock Units***")
Grant Date:	__________ ___, 20___ ("***Grant Date***")

Corporation and Participant agree as follows:

1. Defined Terms. Capitalized terms used but not otherwise defined in this Restricted Stock Unit Award Agreement (the "***Agreement***") have the meanings given them in the Plan.

2. Grant of Restricted Stock Units. As of the Grant Date, Corporation has granted to Participant the Restricted Stock Units (which Award is a form of restricted stock grant under the Plan). Each Restricted Stock Unit represents the right of Participant to receive one Share subject to and upon the terms and conditions of this Agreement and the Plan.

3. Acknowledgment. Participant acknowledges that the Restricted Stock Units are subject to the terms and conditions set forth in this Agreement and in the Plan.

4. Vesting of Restricted Stock Units.

(a) Except as otherwise provided herein, the Restricted Stock Units will become nonforfeitable and payable to Participant pursuant to **Section 5** hereof having a ratable vesting schedule of 1/3 of the award per year on the anniversary of the Grant Date (the "***Vesting Date***"), conditioned upon Participant's continuous employment with the Company or a Subsidiary through the Vesting Date. Any Restricted Stock Units that do not so become nonforfeitable will be forfeited, including, except as provided in this **Section 4** below, if Participant ceases to be continuously employed by Corporation or a Subsidiary prior to the Vesting Date. For purposes of this Agreement, "continuously employed" means the absence of any interruption or termination of Participant's employment with Corporation or with a Subsidiary. Continuous employment shall not be considered interrupted or terminated in the case of sick leave, military leave or any other leave of absence approved by Corporation or in the case of transfers between locations or Corporation and its Subsidiaries.

(b) Notwithstanding **Section 4(a)** above, all of the Restricted Stock Units will become nonforfeitable and payable to Participant pursuant to **Section 5** hereof upon the occurrence of a Change of Control if the Restricted Stock Units have not previously been forfeited or become nonforfeitable.

(c) Notwithstanding **Section 4(a)** above, if Participant experiences a termination of employment because of Participant's Retirement (as defined below), on or after the first anniversary of the Grant Date but prior to the Vesting Date, then, if the Restricted Stock Units have not previously become nonforfeitable or been forfeited, a number of Restricted Stock Units shall become nonforfeitable upon such Retirement and result in payment, at the time described in **Section 5**, in an amount equal to the product of (i) the Restricted Stock Units that would have resulted in payment in accordance with the terms of **Section 4(a)** if Participant had remained in the continuous employ of Corporation or a Subsidiary from the Grant Date until the Vesting Date, multiplied by (ii) a fraction (in no case greater than 1), the numerator of which is the number of whole months from the Grant Date through the date of Retirement, and the denominator of which is 36. For purposes of this Agreement, "Retirement" shall mean the voluntary termination of Participant's employment with Corporation and its Subsidiaries if (i) Participant is then at least age 59 ½ and has completed at least ten (10) years of continuous service with Corporation or a Subsidiary or (ii) Participant is then at least age 65 and has completed at least five (5) years of continuous service with Corporation or a Subsidiary.

(d) Notwithstanding **Section 4(a)** above, if Participant experiences a termination of employment because of Participant's death or Disability during the period commencing on the Grant Date and ending on the Vesting Date, then, if the Restricted Stock Units have not previously become nonforfeitable or been forfeited, then a number of Restricted Stock Units shall become nonforfeitable upon such death or termination of employment due to Disability and result in payment, at the time described in **Section 5**, in an amount equal to the product of (i) the Restricted Stock Units that would have resulted in payment in accordance with the terms of **Section 4** if Participant had remained in the continuous employ of Corporation or a Subsidiary from the Grant Date until the Vesting Date, multiplied by (ii) a fraction (in no case greater than 1), the numerator of which is the number of whole months from the Grant Date through the date of such death or termination of employment due to Disability, and the denominator of which is 36.

5. Form and Time of Payment of Restricted Stock Units.

(a) Payment for the Restricted Stock Units, after and to the extent they have become nonforfeitable, shall be made in the form of Shares. Except as provided in **Section 5(b)** or **Section 5(c)**, such payment shall be made within 10 days following the date that the Restricted Stock Units become nonforfeitable pursuant to **Section 4** hereof.

(b) Notwithstanding **Section 5(a)**, if the Restricted Stock Units become nonforfeitable (i) by reason of the occurrence of a Change of Control as described in **Section 4(b)**, and if the Change of Control does not constitute a “change in control” for purposes of Section 409A(a)(2)(A)(v) of the Code, or (ii) by reason of a termination of Participant’s employment due to Participant’s Retirement or Disability, and if such termination does not constitute a “separation from service” with Corporation and its Subsidiaries for purposes of Section 409A(a)(2)(A)(i) of the Code, then payment for the Restricted Stock Units will be made upon the earliest of (w) Participant’s “separation from service” with the Corporation and its Subsidiaries (determined in accordance with Section 409A(a)(2)(A)(i) of the Code and subject to **Section 5(c)** below), (x) the Vesting Date, (y) Participant’s death, or (z) the occurrence of a Change of Control that constitutes a “change in control” for purposes of Section 409A(a)(2)(A)(v) of the Code.

(c) Notwithstanding anything herein to the contrary, if the Restricted Stock Units become payable on Participant’s “separation from service” with Corporation or any Subsidiary within the meaning of Section 409A(a)(2)(A)(i) of the Code and Participant is a “specified employee” as determined pursuant to procedures adopted by Corporation in compliance with Section 409A of the Code, then, to the extent necessary to comply with Section 409A of the Code, the payment for the Restricted Stock Units shall be made on the earlier of the first day of the seventh month after the date of Participant’s “separation from service" with Corporation and its Subsidiaries within the meaning of Section 409A(a)(2)(A)(i) of the Code or Participant's death.

(d) Except to the extent provided by Section 409A of the Code and permitted by the Administrator, no Shares may be issued to Participant at a time earlier than otherwise expressly provided in this Agreement.

(e) Corporation's obligations to Participant with respect to the Restricted Stock Units will be satisfied in full upon the issuance of Shares corresponding to such Restricted Stock Units.

6. Restrictions during Vesting Period. Subject to Section 6.6(a) of the Plan, until payment is made to Participant as provided herein, Participant may not sell, assign, pledge, transfer, encumber or otherwise dispose of the Restricted Stock Units (or the Shares subject to the Restricted Stock Units).

7. Dividend, Voting and Other Rights. Participant will not have any rights as a stockholder with respect to the Restricted Stock Units until the time Shares have been issued in settlement of the Restricted Stock Units as described in **Section 5**. From and after the Grant Date and until the earlier of (a) the time when the Restricted Stock Units become nonforfeitable and are paid in accordance with **Section 5** or (b) the time when Participant's right to receive Shares is forfeited, on the ex-dividend date with respect to any cash dividend (if any) to holders of Shares generally, Participant shall be credited with additional Restricted Stock Units approximately equal in value, as determined by the Administrator, to such distribution. Any Restricted Stock Units credited pursuant to the immediately preceding sentence shall be subject to the same applicable terms and conditions (including vesting, payment and forfeitability) as apply to the Restricted Stock Units based on which they were credited, and such amounts shall be paid in Shares at the same time as the Restricted Stock Units to which they relate.

8. Tax Withholding. Corporation will have the right to deduct from any settlement of the Restricted Stock Units any federal, state, or local taxes of any kind required by law to be withheld with respect to such payments or to take such other action as may be necessary in the opinion of Corporation to satisfy all obligations for the payment of such taxes. Participant must make arrangements satisfactory to

Corporation for the satisfaction of any such withholding tax obligations. Corporation will not be required to make any such payment until such obligations are satisfied. Unless otherwise determined by the Board or the Administrator, such withholding requirement shall be satisfied by retention by Corporation of a portion of the Shares to be delivered to Participant, and the Shares so retained shall be credited against such withholding requirement at the Fair Market Value per Share of such Shares on the date of such delivery. In no event will the Fair Market Value of the Shares to be withheld pursuant to this **Section 8** to satisfy applicable withholding obligations exceed the maximum statutory tax rates applicable to Participant in the applicable jurisdiction(s).

9. Miscellaneous.

(a) Compliance With Law. Corporation shall make reasonable efforts to comply with all applicable federal and state securities laws; provided, however, that notwithstanding any other provision of the Plan and this Agreement, Corporation shall not be obligated to issue any Shares pursuant to this Agreement if the issuance thereof would result in a violation of any such law.

(b) Compliance With Section 409A of the Code. To the extent applicable, it is intended that this Agreement and the Plan comply with the provisions of Section 409A of the Code. This Agreement and the Plan shall be administered in a manner consistent with this intent, and any provision that would cause this Agreement or the Plan to fail to satisfy Section 409A of the Code shall have no force or effect until amended to comply with Section 409A of the Code (which amendment may be retroactive to the extent permitted by Section 409A of the Code and may be made by Corporation without the consent of Participant).

(c) Interpretation. Any reference in this Agreement to Section 409A of the Code will also include any proposed, temporary or final regulations, or any other guidance, promulgated with respect to such Section by the U.S. Department of the Treasury or the Internal Revenue Service.

(d) No Employment Rights. The grant of the Restricted Stock Units under this Agreement to Participant is a voluntary, discretionary award being made on a one-time basis and it does not constitute a commitment to make any future awards. The grant of the Restricted Stock Units and any payments made hereunder will not be considered salary or other compensation for purposes of any severance pay or similar allowance, except as otherwise required by law. Nothing contained in this Agreement shall confer upon Participant any right to be employed or remain employed by Corporation or any of its Subsidiaries, nor limit or affect in any manner the right of Corporation or any of its Subsidiaries to terminate the employment or adjust the compensation of Participant.

(e) Relation to Other Benefits. Any economic or other benefit to Participant under this Agreement or the Plan shall not be taken into account in determining any benefits to which Participant may be entitled under any profit-sharing, retirement or other benefit or compensation plan maintained by Corporation or any of its Subsidiaries and shall not affect the amount of any life insurance coverage available to any beneficiary under any life insurance plan covering employees of Corporation or any of its Subsidiaries.

(f) Amendments. Any amendment to the Plan shall be deemed to be an amendment to this Agreement to the extent that the amendment is applicable hereto; provided, however, that (i) no amendment shall adversely affect the rights of Participant under this Agreement without Participant's written consent, and (ii) Participant's consent shall not be required to an amendment that is deemed necessary by Corporation to ensure compliance with Section 409A of the Code or Section 10D of the Exchange Act.

(g) Adjustments. The Restricted Stock Units and the number of Shares issuable for the Restricted Stock Units and the other terms and conditions of the Award evidenced by this Agreement are subject to adjustment as provided in Article 12 of the Plan.

(h) Severability. In the event that one or more of the provisions of this Agreement shall be invalidated for any reason by a court of competent jurisdiction, any provision so invalidated shall be deemed to be separable from the other provisions hereof, and the remaining provisions hereof shall continue to be valid and fully enforceable.

(i) Relation to Plan. This Agreement is subject to the terms and conditions of the Plan. In the event of any inconsistency between the provisions of this Agreement and the Plan, the Plan shall govern. The Administrator acting pursuant to the Plan, as constituted from time to time, shall, except as expressly provided otherwise herein or in the Plan, have the right to determine any questions which arise in connection with this Agreement. Notwithstanding anything in this Agreement to the contrary, Participant acknowledges and agrees that this Agreement and the Award described herein (and any settlement thereof) are subject to the terms and conditions of Corporation's clawback policy (if any) as may be in effect from time to time specifically to implement Section 10D of the Exchange Act and any applicable rules or regulations promulgated thereunder (including applicable rules and regulations of any national securities exchange on which the Shares may be traded) (the "Compensation Recovery Policy"), and that relevant sections of this Agreement shall be deemed superseded by and subject to the terms and conditions of the Compensation Recovery Policy from and after the effective date thereof.

(j) Successors and Assigns. Without limiting the provisions of this Agreement, the provisions of this Agreement shall inure to the benefit of, and be binding upon, the successors, administrators, heirs, legal representatives and assigns of Participant, and the successors and assigns of Corporation.

(k) Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same agreement.

(l) Acknowledgement. Participant acknowledges that (i) a copy of the Plan has been made available to Participant, (ii) Participant has had an opportunity to review the terms of this Agreement and the Plan, (iii) Participant understands the terms and conditions of this Agreement and the Plan and (iv) Participant agrees to such terms and conditions.

(m) Electronic Delivery. Corporation may, in its sole discretion, deliver any documents related to the Restricted Stock Units and Participant's participation in the Plan, or future awards that may be granted under the Plan, by electronic means or request Participant's consent to participate in the Plan by electronic means. Participant hereby consents to receive such documents by electronic delivery and, if requested, agrees to participate in the Plan through an on-line or electronic system established and maintained by Corporation or another third party designated by Corporation.

[signature page follows]

IN WITNESS WHEREOF, Corporation has caused this Agreement to be executed on its behalf by its duly authorized officer and Participant has executed this Agreement, effective as of _________, ___, 20__.

LOUISIANA-PACIFIC CORPORATION

By: **[officer name]**
Its: **[officer title]**

Corporation:

Participant:

[Participant name]

RESTRICTED STOCK UNIT AWARD AGREEMENT

Corporation:	Louisiana-Pacific Corporation, a Delaware corporation ("***Corporation***")
Awardee:	**[Employee name]** ("***Participant***")
Plan:	Louisiana-Pacific Corporation 2013 Omnibus Stock Award Plan, as amended (the "***Plan***")
Award:	**[XXX]** Share units having a value equal to such number of Shares ("***Restricted Stock Units***")
Grant Date:	___________ ___, 20___ ("***Grant Date***")

Corporation and Participant agree as follows:

1. Defined Terms. Capitalized terms used but not otherwise defined in this Restricted Stock Unit Award Agreement (the "***Agreement***") have the meanings given them in the Plan.

2. Grant of Restricted Stock Units. As of the Grant Date, Corporation has granted to Participant the Restricted Stock Units (which Award is a form of restricted stock grant under the Plan). Each Restricted Stock Unit represents the right of Participant to receive one Share subject to and upon the terms and conditions of this Agreement and the Plan.

3. Acknowledgment. Participant acknowledges that the Restricted Stock Units are subject to the terms and conditions set forth in this Agreement and in the Plan.

4. Vesting of Restricted Stock Units.

(a) Except as otherwise provided herein, the Restricted Stock Units will become nonforfeitable and payable to Participant pursuant to **Section 5** hereof having a ratable vesting schedule of 1/3 of the award per year on the anniversary of the Grant Date (the "***Vesting Date***"), conditioned upon Participant's continuous employment with the Company or a Subsidiary through the Vesting Date. Any Restricted Stock Units that do not so become nonforfeitable will be forfeited, including, except as provided in **Section 4(b)** below, if Participant ceases to be continuously employed by Corporation or a Subsidiary prior to the Vesting Date. For purposes of this Agreement, "continuously employed" means the absence of any interruption or termination of Participant's employment with Corporation or with a Subsidiary. Continuous employment shall not be considered interrupted or terminated in the case of sick leave, military leave or any other leave of absence approved by Corporation or in the case of transfers between locations of Corporation and its Subsidiaries.

(b) Notwithstanding **Section 4(a)** above, all of the Restricted Stock Units will become nonforfeitable and payable to Participant pursuant to **Section 5** hereof upon the occurrence of a Change of Control if the Restricted Stock Units have not previously been forfeited or become nonforfeitable.

(c) Notwithstanding **Section 4(a)** above, if Participant dies or becomes Disabled during the period commencing on the Grant Date and ending on the Vesting Date, then, if the Restricted Stock Units have not previously become nonforfeitable or been forfeited, then a number of Restricted Stock Units shall become nonforfeitable upon such death or Disability and result in payment, at the time described in **Section 5**, in an amount equal to the product of (i) the Restricted Stock Units that would have resulted in payment in accordance with the terms of **Section 4** if Participant had remained in the continuous employ of Corporation or a Subsidiary from the Grant Date until the Vesting Date, multiplied by (ii) a fraction (in no case greater than 1), the numerator of which is the number of whole months from the Grant Date through the date of such death or Disability, and the denominator of which is 36.

5. Form and Time of Payment of Restricted Stock Units.

(a) Payment for the Restricted Stock Units, after and to the extent they have become nonforfeitable, shall be made in the form of Shares. Such payment shall be made within 10 days following the date that the Restricted Stock Units become nonforfeitable pursuant to **Section 4** hereof.

(b) Except to the extent provided by Section 409A of the Code and permitted by the Administrator, no Shares may be issued to Participant at a time earlier than otherwise expressly provided in this Agreement.

(c) Corporation's obligations to Participant with respect to the Restricted Stock Units will be satisfied in full upon the issuance of Shares corresponding to such Restricted Stock Units.

6. Restrictions during Vesting Period. Subject to Section 6.6(a) of the Plan, until payment is made to Participant as provided herein, Participant may not sell, assign, pledge, transfer, encumber or otherwise dispose of the Restricted Stock Units (or the Shares subject to the Restricted Stock Units).

7. Dividend, Voting and Other Rights. Participant will have no rights as a stockholder with respect to the Restricted Stock Units until the time Shares have been issued in settlement of the Restricted Stock Units as described in **Section 5**. From and after the Grant Date and until the earlier of (a) the time when the Restricted Stock Units become nonforfeitable and are paid in accordance with **Section 5** or (b) the time when Participant's right to receive Shares is forfeited, on the ex-dividend date with respect to any cash dividend (if any) to holders of Shares generally, Participant shall be credited with additional Restricted Stock Units approximately equal in value, as determined by the Administrator, to such distribution. Any Restricted Stock Units credited pursuant to the immediately preceding sentence shall be subject to the same applicable terms and conditions (including vesting, payment and forfeitability) as apply to the Restricted Stock Units based on which they were credited, and such amounts shall be paid in Shares at the same time as the Restricted Stock Units to which they relate.

8. Tax Withholding. Corporation will have the right to deduct from any settlement of the Restricted Stock Units any federal, state, or local taxes of any kind required by law to be withheld with respect to such payments or to take such other action as may be necessary in the opinion of Corporation to satisfy all obligations for the payment of such taxes. Participant must make arrangements satisfactory to Corporation for the satisfaction of any such withholding tax obligations. Corporation will not be required to make any such payment until such obligations are satisfied. Participant may elect that all or any part of such withholding requirement be satisfied by retention by Corporation of a portion of the Shares to be delivered to Participant or by delivering to Corporation other Shares held by Participant. If such election is made, the Shares so retained or delivered shall be credited against such withholding requirement at the Fair Market Value per Share of such Shares on the date of such delivery. In no event will the fair market value of the Shares to be withheld and/or delivered pursuant to this **Section 8** to satisfy applicable withholding

taxes exceed the minimum amount of taxes required to be withheld if such withholding would result in adverse accounting implications for the Corporation.

9. Miscellaneous.

(a) Compliance With Law. Corporation shall make reasonable efforts to comply with all applicable federal and state securities laws; provided, however, that notwithstanding any other provision of the Plan and this Agreement, Corporation shall not be obligated to issue any Shares pursuant to this Agreement if the issuance thereof would result in a violation of any such law.

(b) Compliance With Section 409A of the Code. To the extent applicable, it is intended that this Agreement and the Plan comply with the provisions of Section 409A of the Code. This Agreement and the Plan shall be administered in a manner consistent with this intent, and any provision that would cause this Agreement or the Plan to fail to satisfy Section 409A of the Code shall have no force or effect until amended to comply with Section 409A of the Code (which amendment may be retroactive to the extent permitted by Section 409A of the Code and may be made by Corporation without the consent of Participant).

(c) Interpretation. Any reference in this Agreement to Section 409A of the Code will also include any proposed, temporary or final regulations, or any other guidance, promulgated with respect to such Section by the U.S. Department of the Treasury or the Internal Revenue Service.

(d) No Employment Rights. The grant of the Restricted Stock Units under this Agreement to Participant is a voluntary, discretionary award being made on a one-time basis and it does not constitute a commitment to make any future awards. The grant of the Restricted Stock Units and any payments made hereunder will not be considered salary or other compensation for purposes of any severance pay or similar allowance, except as otherwise required by law. Nothing contained in this Agreement shall confer upon Participant any right to be employed or remain employed by Corporation or any of its Subsidiaries, nor limit or affect in any manner the right of Corporation or any of its Subsidiaries to terminate the employment or adjust the compensation of Participant.

(e) Relation to Other Benefits. Any economic or other benefit to Participant under this Agreement or the Plan shall not be taken into account in determining any benefits to which Participant may be entitled under any profit-sharing, retirement or other benefit or compensation plan maintained by Corporation or any of its Subsidiaries and shall not affect the amount of any life insurance coverage available to any beneficiary under any life insurance plan covering employees of Corporation or any of its Subsidiaries.

(f) Amendments. Any amendment to the Plan shall be deemed to be an amendment to this Agreement to the extent that the amendment is applicable hereto; provided, however, that (i) no amendment shall adversely affect the rights of Participant under this Agreement without Participant's written consent, and (ii) Participant's consent shall not be required to an amendment that is deemed necessary by Corporation to ensure compliance with Section 409A of the Code or Section 10D of the Exchange Act.

(g) Adjustments. The Restricted Stock Units and the number of Shares issuable for the Restricted Stock Units and the other terms and conditions of the Award evidenced by this Agreement are subject to adjustment as provided in Article 12 of the Plan.

(h) Severability. In the event that one or more of the provisions of this Agreement shall be invalidated for any reason by a court of competent jurisdiction, any provision so invalidated shall be deemed to be separable from the other provisions hereof, and the remaining provisions hereof shall continue to be valid and fully enforceable.

(i) Relation to Plan. This Agreement is subject to the terms and conditions of the Plan. In the event of any inconsistency between the provisions of this Agreement and the Plan, the Plan shall govern. The Administrator acting pursuant to the Plan, as constituted from time to time, shall, except as expressly provided otherwise herein or in the Plan, have the right to determine any questions which arise in connection with this Agreement. Notwithstanding anything in this Agreement to the contrary, Participant acknowledges and agrees that this Agreement and the Award described herein (and any settlement thereof) are subject to the terms and conditions of Corporation's clawback policy (if any) as may be in effect from time to time specifically to implement Section 10D of the Exchange Act and any applicable rules or regulations promulgated thereunder (including applicable rules and regulations of any national securities exchange on which the Shares may be traded) (the "Compensation Recovery Policy"), and that relevant sections of this Agreement shall be deemed superseded by and subject to the terms and conditions of the Compensation Recovery Policy from and after the effective date thereof.

(j) Successors and Assigns. Without limiting the provisions of this Agreement, the provisions of this Agreement shall inure to the benefit of, and be binding upon, the successors, administrators, heirs, legal representatives and assigns of Participant, and the successors and assigns of Corporation.

(k) Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same agreement.

(l) Acknowledgement. Participant acknowledges that (i) a copy of the Plan has been made available to Participant, (ii) Participant has had an opportunity to review the terms of this Agreement and the Plan, (iii) Participant understands the terms and conditions of this Agreement and the Plan and (iv) Participant agrees to such terms and conditions.

(m) Electronic Delivery. Corporation may, in its sole discretion, deliver any documents related to the Restricted Stock Units and Participant's participation in the Plan, or future awards that may be granted under the Plan, by electronic means or request Participant's consent to participate in the Plan by electronic means. Participant hereby consents to receive such documents by electronic delivery and, if requested, agrees to participate in the Plan through an on-line or electronic system established and maintained by Corporation or another third party designated by Corporation.

[signature page follows]

IN WITNESS WHEREOF, Corporation has caused this Agreement to be executed on its behalf by its duly authorized officer and Participant has executed this Agreement, effective as of _________, ___, 20__.

LOUISIANA-PACIFIC CORPORATION

____

By: **[officer name]**
Its: **[officer title]**

Corporation:

Participant:

[Participant name]

Exhibit 31.1

CERTIFICATION

I, W. Bradley Southern, certify that:

1. I have reviewed this report on Form 10-Q of Louisiana-Pacific Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of registrant’s board of directors (or persons performing the equivalent function):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: November 5, 2019

/S/ W. BRADLEY SOUTHERN

W. BRADLEY SOUTHERN
Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, Alan Haughie, certify that:

1. I have reviewed this report on Form 10-Q of Louisiana-Pacific Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of registrant’s board of directors (or persons performing the equivalent function):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: November 5, 2019

/s/ Alan J.M. Haughie

Alan J.M. Haughie

Chief Financial Officer

Exhibit 32.1

LOUISIANA-PACIFIC CORPORATION
411 Union Street, Suite 2000
Nashville, TN 37219-1700
(615)986-5600

November 5, 2019

Securities and Exchange Commission
100 F Street NE.
Washington, D.C. 20549

Re: Certification Pursuant to § 906 of the Sarbanes-Oxley Act of 2002

Ladies and Gentlemen:

Pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, in connection with the filing of the Form 10-Q of Louisiana-Pacific Corporation (the "Company") for the quarter and nine months ended September 30, 2019, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned officers of the Company certifies, that, to such officer's knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods expressed in the Report.

/S/ W. BRADLEY SOUTHERN

Name: W. BRADLEY SOUTHERN
Title: Chief Executive Officer

/S/ ALAN J.M. HAUGHIE

Name: Alan J.M. Haughie
Title: Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to Louisiana-Pacific Corporation and will be retained by Louisiana-Pacific Corporation and furnished to the Securities and Exchange Commission or its staff upon request.