

CORPORATE GOVERNANCE GUIDELINES

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CORPORATE GOVERNANCE GUIDELINES

Selection and Composition of the Board

1) Board Membership Criteria

Nominees for Director shall be selected on the basis of, among other things, experience, knowledge, skills, expertise, mature judgment, acumen, character, integrity, diversity, ability to make independent analytical inquiries, understanding of the Company's business environment, and willingness to devote adequate time and efforts to Board responsibilities. The Governance and Nominating Committee is responsible for reviewing with the Board of Directors the appropriate skills and characteristics required of Board members.

2) Selection of New Directors

The Board of Directors is responsible for nominating members for election to the Board and for filling vacancies on the Board that may occur between annual meetings of stockholders. The Governance and Nominating Committee is responsible for identifying, screening and recommending candidates to the Board for Board membership. When formulating its Board membership recommendations, the Governance and Nominating Committee shall also consider advice and recommendations from others as it deems appropriate.

3) Extending the Invitation to a Potential Director to Join the Board

The invitation to join the Board is extended by the Board itself through the Chairman of the Governance and Nominating Committee and the Chairman of the Board.

4) Director Responsibilities

A Director is expected to spend the time and effort necessary properly to discharge such Director's responsibilities. Accordingly, a Director is expected to regularly attend meetings of the Board and committees on which such Director sits, and to review prior to meetings material distributed in advance of such meetings. A Director who is unable to attend a meeting (which it is understood will occur on occasion) is expected to notify the Chairman of the Board or the Chairman of the appropriate committee in advance of such meeting.

5) Board Orientation and Continuing Education

The Company shall provide new Directors with a Director orientation program to familiarize such Directors with, among other things, the Company's business, strategic plans, significant financial, accounting and risk management issues, compliance programs, conflicts policies, code of business conduct and ethics, corporate governance guidelines, principal officers, internal auditors and independent auditors. The orientation process for new Directors is designed to make the Directors knowledgeable about the Company and includes briefings by the Chief Executive Officer and Management. Each

Director is expected to participate in continuing educational programs in order to maintain the necessary level of expertise to perform his or her responsibilities as a Director.

Board Leadership

6) Chairman of the Board

The Board determines the choice of a Chairman of the Board. In making this selection, the Board exercises its collective best judgment as to the candidate best suited to meet the Company's needs at a given point in time.

7) Lead Independent Director

A Lead Independent Director shall be elected by a majority of the Independent Directors (as defined below) for a term, and to perform such duties and responsibilities, as may be specified by the Board and outlined in the Charter of Lead Independent Director of Owens Corning as may be approved by the Board from time to time.

Board Composition and Performance

8) Size of the Board

Pursuant to the Company's By-laws, the number of Directors shall be fixed from time to time by the Board.

9) Director Independence

It is the policy of the Company that the Board consist of a majority of Directors who are independent under all applicable legal, regulatory and stock exchange requirements ("Independent Directors"). The Governance and Nominating Committee has established Director Qualification Standards to assist it in determining Director independence, which either meet or exceed the independence requirements of the New York Stock Exchange ("NYSE") corporate governance listing standards. The Board will consider all relevant facts and circumstances in making an independence determination, and not merely from the standpoint of the Director, but also from that of persons or organizations with which the Director has an affiliation.

10) Separate Sessions of Non-Management Directors

The non-management Directors of the Company shall meet in executive session without Management on a regularly scheduled basis, but no less than three times a year. At least one such meeting each year shall include only Independent Directors. The Lead Independent Director shall preside over these executive sessions.

Any interested parties desiring to communicate with the Lead Independent Director and the other non-management Directors regarding the Company may directly contact such Directors by sending an email to non-managementdirectors@owenscorning.com.

11) Former Officer's Continued Board Membership

When an Officer of the Company retires from or otherwise ceases full time employment with the Company, he/she shall immediately resign as a Director.

12) Directors Who Change Their Present Job Responsibility

Directors who change the professional responsibility they held when they were last elected to the Board shall notify the Chairman of the Board and the Chairman of the Governance and Nominating Committee. The Governance and Nominating Committee shall review the continued appropriateness of Board membership for that Director. The affected Director is expected to act in accordance with the Governance and Nominating Committee's recommendation following such review.

13) Retirement Age

Effective January 1, 2009, the retirement age for Directors is 73. Following such effective date, a Director who has attained age 73 may continue to serve as a Director until the next succeeding annual meeting of stockholders.

14) Board Compensation Review

The Compensation Committee of the Board will periodically review the level and form of the Company's Director compensation, including how such compensation relates to Director compensation of companies of comparable size, industry and complexity. The Compensation Committee receives an annual report from the Company concerning the status of Board compensation in relation to other comparable companies. The Compensation Committee's review will also include a review of both direct and indirect forms of compensation to the Company's Directors, including any charitable contributions by the Company to organizations in which a Director is affiliated, and consulting or other similar arrangements between the Company and a Director. Changes to Director compensation will be proposed to the full Board for consideration.

Director's fees, including any additional amounts paid to members and chairs of committees of the Board, are the only compensation a member of the Audit Committee may receive from the Company; provided, however, that, if permitted by applicable laws, regulations and rules, a member of the Audit Committee may also receive pension or other forms of deferred compensation from the Company for prior service so long as such compensation is not contingent in any way on continued service.

15) Assessing the Board's Performance

The Governance and Nominating Committee shall sponsor an annual self-assessment of the Board's performance, the results of which will be discussed with the full Board of Directors. The assessment shall include a review of any areas in which the Board or Management believes the Board or any committee can make a better contribution to the Company. The Governance and Nominating Committee will utilize the results of this self-evaluation process in assessing and determining the characteristics and critical skills required of prospective candidates for election to the Board and making recommendations to the Board with respect to assignments of Board members to various committees.

Board Relationship to Management

16) Board Access to Management

Directors have complete access to Management. Board members shall coordinate such access through the Chief Executive Officer.

The Board of Directors encourages the Chief Executive Officer to, from time to time, bring managers into Board meetings who: (a) can provide additional insight into the items being discussed because of personal involvement in these areas, and/or (b) have future potential that senior management believes should be given exposure to the Board.

Meeting Procedures

17) Frequency of Meetings

There shall be six regularly scheduled meetings of the Board each year. At least one regularly scheduled meeting of the Board shall be held quarterly.

18) Selection of Agenda Items for Board Meetings

The Chairman of the Board establishes the agenda for each Board meeting.

The Lead Independent Director and other Board members may suggest the inclusion of item(s) on the agenda.

Committee Matters

19) Number and Structure of Committees

The Company's By-laws provide that the Board of Directors may, from time to time, designate committees of the Board with such delegated powers and duties as the Board confers. The standing committees of the Board are Audit, Compensation, Governance and Nominating, Executive and Finance. Each committee operates within a charter approved by the Board.

20) Selection of Committees

The Governance and Nominating Committee shall be responsible, after consultation with the Chairman of the Board, for making recommendations to the Board with respect to the assignment of Board members to various committees. After reviewing the Governance and Nominating Committee's recommendations, the Board shall be responsible for appointing the Chair and members to the committees on an annual basis.

21) Independence of Board Committees

Each of the Audit Committee, the Compensation Committee and the Governance and Nominating Committee shall be composed entirely of Independent Directors satisfying applicable legal, regulatory and stock exchange requirements necessary for an assignment to any such committee.

22) Committee Agenda

The Chairman of the committee, in consultation with the appropriate members of Management, develops the committee's agenda.

Leadership Development

23) Selection of the Chief Executive Officer

The Board shall be responsible for identifying potential candidates for, and selecting, the Company's Chief Executive Officer. In identifying potential candidates for, and selecting, the Company's Chief Executive Officer, the Board shall consider, among other things, a candidate's experience, understanding of the Company's business environment, leadership qualities, knowledge, skills, expertise, integrity, and reputation in the business community.

24) Evaluation of the Chairman of the Board and the Chief Executive Officer

The Governance and Nominating Committee annually prepares and circulates questionnaires to obtain Board members' evaluations of the performance of the Chairman of the Board and the Chief Executive Officer in key performance areas applicable to such individuals. The Chairman of the Governance and Nominating Committee shares the results of such evaluations with the Board of Directors.

The results of such evaluations are also shared with the Compensation Committee, for use by the Compensation Committee in its evaluation of the performance of the Chairman of the Board and the Chief Executive Officer pursuant to the Compensation Committee Charter.

25) Succession Planning

The Chief Executive Officer presents an annual report on succession planning and evaluation of key executives.

The Chief Executive Officer presents a recommendation to the Board of Directors, updated as appropriate, as to his/her successor should he/she be unexpectedly disabled.

26) Management Development

The Chief Executive Officer presents an annual report on the Company's program for Management development, in conjunction with the succession planning report.